



NOTICE OF MEETING

**Notice is hereby given of the Meeting of the
Invercargill City Council
to be held in the Council Chamber,
First Floor, Te Hīnaki Civic Building,
101 Esk Street, Invercargill on
Tuesday 28 November 2023 at 3.00 pm**

Mayor W S Clark
Cr A J Arnold
Cr R I D Bond
Cr P M Boyle
Cr S J Broad
Cr T Campbell
Cr A H Crackett
Cr G M Dermody
Cr P W Kett
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr B R Stewart

MICHAEL DAY
CHIEF EXECUTIVE

AGENDA

1. Apologies

2. Declarations of Interest

1. Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.
2. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.

3. Public Forum

3.1 Margaret Cook - Convenor of the Southland Community Housing Group

3.2 [Review of Southland Community Housing Group \(SCHG\) August 2023](#)

A5055034

4. [Minutes of the Connected Murihiki Joint Committee Meeting Held on 9 October 2023](#)

A4918073

To be moved:

That the minutes of the Connected Murihiki Joint Committee meeting held on 9 October 2023 be received.

5. [Minutes of the Bluff Community Board Meeting Held on 16 October 2023](#)

A4939110

To be moved:

That the minutes of the Bluff Community Board meeting held on 16 October 2023 be received.

6. [Minutes of the Extraordinary Great South Joint Shareholders Committee Meeting Held on 20 October 2023](#)

A5039940

To be moved:

That the minutes of the Extraordinary Great South Joint Shareholders Committee meeting held on 20 October 2023 be received.

7. [Minutes of Hearings for City Block West Held on 24 October 2023](#)

A4963605

To be moved:

That the minutes of Hearings for City Block West held on 24 October 2023 be received.

8. [Minutes of the Meeting of Council Held on 31 October 2023](#)

A4979438

To be moved:

That the minutes of Council held on 31 October 2023 be confirmed.

9. [Minutes of the Extraordinary Meeting of Council Held on 7 November 2023](#)

A4988956

To be moved:

That the minutes of the Extraordinary meeting of Council held on 7 November 2023 be confirmed.

10. [Minutes of the Infrastructure Committee Meeting Held on 7 November 2023](#)

A4988956

To be moved:

That the minutes of the Infrastructure Committee meeting held on 7 November 2023 be received

11. [Minutes of the Community Wellbeing Committee Meeting Held on 14 November 2023](#)

A5008939

To be moved:

That the minutes of the Community Wellbeing Committee meeting held on 14 November 2023 be received and the recommendation to Council be confirmed.

Recommendations to Council

7. **Minutes of the Hearings – Gambling Policy Held on Thursday 9 November 2023**

A4988547

5. Adopt:

- a. CAP Board Venue Policy
- b. CAP Class 4 Venues Policy

11.1 [Appendix 1 - Board \(TAB\) Venues Policy](#)

A5006415

11.2 [Appendix 2 - Class 4 Gambling Venues Policy](#)

A5006294

12. [Minutes of the Extraordinary Finance and Projects Committee Meeting Held on 14 November 2023](#)

A5009412

To be moved:

That the minutes of the Extraordinary Finance and Projects Committee meeting held on 14 November 2023 be received

13. [Minutes of the Bluff Community Board Meeting Held on 20 November 2023](#)

A5039053

To be moved:

That the minutes of the Bluff Community Board meeting held on 20 November 2023 be received and the recommendation to Council be confirmed.

Recommendations to Council

7. Bluff Community Board Bursary Subcommittee Terms of Reference and Framework

A5036734

3. Approve and Adopt the Terms of Reference for Bluff Community Board Bursary Subcommittee (Appendix 1) and update the Governance Statement and the Delegation Register – Council and Finance accordingly.

13.1 [Appendix 1 - Terms of Reference for Bluff Community Board Bursary Subcommittee](#)

A5036736

14. [City Block West Deliberations and Decision – Refinancing of City Block Supplementary Report](#)

A5058169

15. [ICHL Resolutions to be Approved by Council](#)

A5054391

15.1 [Appendix 1 - Resolution in Lieu of an Annual General Meeting](#)

A5054895

15.2 [Appendix 2 - Resolution to Amalgamate Invercargill City Property Limited](#)

A5057159

15.3 [Appendix 3 - ICHL 2023 Annual Report](#)

A5060641

16. [Recognition for Sir Tim Shadbolt](#)

A5059507

17. [Parks and Reserves Land Parcel Review Update](#)

A5057564

18. [Response to Ombudsman Report Open for Business](#)
A5051885

19. [Major Late Item - LGNZ Special General Meeting - Future for Local Government Response](#)
A5053494

- 19.1 [Appendix 1 - The Future by Local Government- a Consensus paper based on Choosing Localism](#)
A5064746

- 19.2 [Appendix 2 – SGM Agenda](#)
A5064747

- 19.3 [Appendix 3 – SGM Meeting Paper](#)
A5064747

20. **Public Excluded Session**

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

- (a) Minutes of the Public Excluded Session of the Connected Murihiku Joint Committee Meeting held on 9 October 2023
- (b) Minutes of the Public Excluded Session Extraordinary Great South Joint Shareholders Committee held on 20 October 2023
- (c) Minutes of the Public Excluded Session of Council held on 31 October 2023
- (d) Minutes of the Public Excluded Session of Infrastructure Committee held on 7 November 2023
- (e) Minutes of the Public Excluded Session of Community Wellbeing Committee held on 14 November 2023
- (f) Minutes of the Public Excluded Session of Extraordinary Finance and Projects Committee held on 14 November 2023
- (g) Name for Tisbury Regional Storage Facility

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
(a) Minutes of the Public Excluded Session of the Connected Murihiku Joint Committee Meeting held on 9 October 2023	Section 7(2)(a) Protect the privacy of natural persons, including that of deceased natural persons	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

Section 7(2)(b)(ii)

Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information

- (b) Minutes of the Public Excluded Session Extraordinary Great South Joint Shareholders Committee held on 20 October 2023

Section 7(2)(e)

Avoid prejudice to measures that prevent or mitigate material loss to members of the public

Section 48(1)(a)

That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

Section 7(2)(h)

Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities

- (c) Minutes of the Public Excluded Session of Council held on 31 October 2023

Section 7(2)(a)

Protect the privacy of natural persons, including that of deceased natural persons

Section 48(1)(a)

That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

Section 7(2)(b)(i)

Protect information where the making available of the information would disclose a trade secret.

Section 7(2)(b) (ii)

Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the

subject of the
information

Section 7(2)(g)

Maintain legal
professional privilege

Section 7(2)(h)

Enable any local
authority holding the
information to carry
out, without prejudice
or disadvantage,
commercial activities

Section 7(2)(i)

Enable any local
authority holding the
information to carry on,
without prejudice or
disadvantage,
negotiations (including
commercial and
industrial negotiations)

- (d) Minutes of the
Public Excluded
Session of
Infrastructure
Committee held
on 7 November
2023

Section 7(2)(b) (ii)

Protect information
where the making
available of the
information would be
likely unreasonably to
prejudice the
commercial position of
the person who
supplied or who is the
subject of the
information

Section 48(1)(a)

That the public conduct of
this item would be likely to
result in the disclosure of
information for which good
reason for withholding
would exist under Section 7

Section 7(2)(g)

Maintain legal
professional privilege

Section 7(2)(h)

Enable any local
authority holding the
information to carry
out, without prejudice
or disadvantage,
commercial activities

	<p>Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	
(e) Minutes of the Public Excluded Session of Community Wellbeing Committee held on 14 November 2023	<p>Section 7(2)(b) (ii) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>Section 7(2)(g) Maintain legal professional privilege</p> <p>Section 7(2)(h) Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>
(f) Minutes of the Public Excluded Session of Extraordinary Finance and Projects Committee held	<p>Section 7(2)(h) Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>

on 14 November
2023

Section 7(2)(i)

Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

(g) Name for Tisbury
Regional Storage
Facility

Section 7(2)(c)(i)

To protect information provided under an obligation of confidence where it is in the public interest that information should continue to be supplied.

Section 48(1)(a)

That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

Review of Southland Community Housing Group (SCHG) August 2023

I What is it

SCHG is a group of people actively involved in community housing in Invercargill through NGOs, social support agencies, related businesses, action groups, Invercargill City Councillors and local MP representation. (See Appendix One)

ii Why is it

A decision of the then government to sell off many state houses led to a community forum about housing. This was held in Invercargill in July 2016, resulting in an agreement that a multifaceted collaborative approach to housing was needed. The Invercargill City Council's offer to lead the development of a strategy and action plan resulted in the contracting and delivery of **The Southland Community Housing Strategy Report** in May 2017.

After considering this report the ICC charged the SCHG with actioning its 29 recommendations.

SCHG is not a legal entity so has no ability to raise substantial funds. To address the challenges therefore it was determined that the group's role was that of monitoring and advocacy. The plan also included collaborating more widely with similar organisations. This has happened. (See Appendix Two)

Advocacy has been by reporting to the ICC, writing letters to the Southland Times, raising housing shortages as an issue wherever opportunities arose including at a Southland Interagency Forum where UN and MFAT representatives were present. (The latter resulted in an invitation to present at a Human Rights forum in Wellington)

'The strategy was intended to provide directions and options for those involved in housing for vulnerable Southlanders. It was not intended to be confined to the specific role of Council or of any other single organisation or agency.

'The scope of this report and strategy encompasses emergency, transitional, short-term and long-term housing, Council-owned rental housing, State-owned rental housing, private sector rental housing, and housing quality.

'The report and strategy have been based on a community-led development approach, proposing a collaborative locally-led strategy to work towards the vision that "all people living in Southland have access to appropriate, adequate and affordable housing that meets their needs". '¹

Around the same time changes in the Southland context were happening, with the Southland Regional Development Strategy (SoRDS) goal of an additional 10,000 people by 2025. However their scope did not include concerns about housing that extra population. SCHG submitted to that plan.

¹ **The Southland Community Housing Strategy Report**

iii What has it achieved to date – generally

1. SCHG has contributed to raising the awareness of the wider public of community housing issues.
2. After including **Housing Quality** in our advocacy for the past seven years, it has been agreed that recent Government Legislation has overtaken the need for this group to continue to work on the 4 recommendations in this section.
3. The number of participating agencies has more than doubled thereby increasing the opportunities for participants to collaborate.
4. Thanks to MSD we now have more accurate data about waiting lists.
5. The new project , Just Transitions, that has arisen out of the SoRDS initiative will work with developers and employers with the intention of making housing issues a priority as they are seen as key to the success of all other issues; businesses need staff, staff need accommodation.
6. It has been agreed that this new entity, the Regional Housing Forum will have four foci: Regional Co-ordination, Focus on quality, Supporting Councils, Encouraging Supply, noting that future growth should not exacerbate existing problems

iv What has been achieved to date– specifically – in relation to the recommendations within the Strategy

A Emergency/ Transitional Housing

- Units are currently available through Salvation Army, Emerge (MSD) Nga [Kete Matauranga Pounamu](#), Methodist Mission and soon to be at Murihiku Marae and with Southland Breathing Space Trust

B. Housing Vulnerable Youth

- No real progress in this section
- Dealing with this issue continues to be fraught as data eludes us

Council Owned Social Housing

- It has been reported that all councillors are committed to continuing to offer social housing in the city.
- Four new units are just about ready for clients. More will be built over time
- All existing units are receiving regular maintenance and up-grades. Two blocks of units are particularly aged and will receive a greater makeover.
- Kainga Ora (KO) believes the ICC 's involvement in social housing complements KO's work.

D State owned Rental Housing (KO)

- KO's reports show increases in work delivering housing in Invercargill :
 Delivered since Jan 2022: 20 Homes in Invercargill
 Under Construction: 21 Homes in Invercargill
 In Development Pipeline: 33 Homes - 9 in Invercargill and 27 in Gore
 Prospects in Design: 30 Homes in Invercargill (incl. Kew Bowl site)
Total 104

KO advised that all houses in the Southern Region's portfolio meet the required healthy home standard.

E. Rental Housing Private Sector

- **Ready to rent programme.** Salvation Army (SA) continues to run their two day courses for applicants who are committed to improving their rental opportunities. A certificate of course completion is presented and clients are encouraged to move on to the SA's Positive Lifestyle course.
(Note: In Oct it was reported that the Salvation Army no longer holds that contract. It would be useful to know who does as this is seen as an important tool leading to successful renting experiences by both landlord and client)
- **Habitat for Humanity (HfH)** has two boarding houses: one with three beds, the other with five.
- It is understood that the **Alliance** has bought or leased two properties for its seasonal workers. This action will relieve the local rental market seasonally.
(Note: We have since been advised that Blue Sky Meats has also bought a property for its seasonal workers)

v. Future challenges -

A Emergency/ Transitional Housing

- Quantifying the size of the problem, including homeless people who are sleeping outside around our city environs
- considering the establishment of a city mission type facility
- consider papakainga type facility for those who seek single accommodation – caravan or tiny houses with cooking, laundry and ablution facilities in common.

B. Housing Vulnerable Youth

- Quantifying the size of the problem
- Education One stop shop – Number 10 is aware that some of their clients couch surf but the actual number is elusive
- Vodafone will be doing some surveying of youth in South Invercargill
- Developing one or two facilities of a collaborative model of housing, maybe, as per the Methodist Mission house.

C. Council Owned Social Housing –

- Because tenants are able to stay as long as they feel fit to do so, the turnover of units is not fast.
- There are approximately 80 applicants on the waiting list, of mainly older persons or younger disabled
- Would research into those 80 persons provide useful information: eg why do they want to move from their current accommodation – is it insecure, inappropriate, too expensive,
- check ICC long term plan re building more units

v. Future challenges -continued

D. State owned Rental Housing (KO)

- MSD quarterly figures to 31 March 2023 show (to Dec 2022)

Applicants on Housing register	Gore District 34 (29)	Invercargill City 199 (195)	Southland District 30 (28)
Applicants on transfer register	S (-)	10 (7)	- (-)

- KO's figures show 84 more homes in Invercargill and 27 in Gore to be build by the end of 2024 . These will not cover those numbers registered on the current MSD waiting lists
- Does KO have further plans for this region past 2024?

E Rental Housing Private Sector

- Ready to rent programme.** Encourage Salvation Army to continue running these two day courses for applicants who are committed to improving their opportunities. (Note: Encourage new contract holder in this role)
- Pacific Island workers** current situation. No up-date available on concerns around the boarding situations of those workers living with Pacific Island families; the impact on those families, including the children with possible overcrowding. It was suggested that a representative from PIACT be invited to the next meeting
- Refugees** are still coming into the city, also impacting the available rental market. Ensure that SCHG continues to receive this data.
- Through **Just Transitions** encourage the mixed housing model for future developments.
- Is there an opportunity to encourage **Abbeyfield** to build a facility in Invercargill www.abbeyfield.org.nz
- Liaise with the **Regional Housing Forum** with a view to encouraging rental properties to be included in their planning

vi Conclusions

- SCHG still has an obligation to report to the ICC as the initiator of the 2017 report.**
- The focus has always been on advocating for sufficient warm dry affordable and appropriate housing**
- Statistics show that need has been rising since the 2017 report was written**

- 4. Venture Southland 2018 reported the need to build at least 700 houses per year.**
- 5. While the 700 need has not yet been met it appears that more houses have been and are being built these last two years.**
- 6. The housing need is still growing.**

Appendix one

Participating groups in 2017

Salvation Army (SA)
Habitat for Humanity (HfH)
Awarua Synergy
Southland Community Law Centre
Southland Breathing Space Trust(SBST)
State Housing Aotearoa Network (SHAN)
South Alive Housing Action Group
Invercargill City Council (ICC)
Representatives of local MPs

Appendix Two

Participating groups now in 2023 include:

Salvation Army
Habitat for Humanity
Awarua Synergy
Southland Community Law Centre
Southland Breathing Space Trust
State Housing Aotearoa Network
Invercargill City Council
Representatives of local Mps

plus

Just Transitions,Great South
Te Puni Kōkiri (TPK)
No 10 , Southland Youth One Stop Shop
Ministry of Social Development (MSD)
Vodafone – youth support programmes
E Tu
Southland Beneficiaries and Community Rights Centre,
Kāinga Ora (KO)
Oranga Tamariki (OT)
Ministry for Pacific Peoples (MPP)



**MINUTES OF CONNECTED MURIHIKU JOINT COMMITTEE MEETING, HELD IN THE
COMMUNITY TRUST SOUTH BOARDROOM, 62 DON STREET, INVERCARGILL ON
MONDAY 9 OCTOBER 2023 AT 1PM**

Present: Mrs Pania Coote
Cr Steve Broad (ICC)
Cr Sarah Greaney – SDC - teams
Cr Paul McPhail – GDC
Mrs Jess Domigan – Community Representative - teams
Mr Stacy Hughes – Community Representative

In Attendance: Ms Rebecca Amundsen – Project Lead - teams
Ms Rhiannon Suter – Manager – Strategy and Policy
Mrs Liz Williams – Team Leader – Executive Support

1. Apologies

Mrs Robyn Morris

2. Declaration of Interest

A register was tabled for members to complete.

**3. Minutes of Connected Murihiku Appointments Committee Meeting Held
on 31 August 2023**

A4831679

Nothing arising from the minutes.

Moved, Cr Greaney; seconded Mr Hughes and **RESOLVED** that the Committee confirm the Minutes of Connected Murihiku Joint Committee Meeting Held on 31 August 2023.

4. Presentation from Project Lead

Ms Amundsen took the committee through a verbal presentation, she thanked the committee for the opportunity to take on this role. Keen to understand from the committee what they would like to see from the project. Visited the Wheelhouse Project

- good place to start is connection and communication. Work with mana whenua and how work together in the future.

Cr Broad talked about joining the puzzle pieces to together – without doubling up.

Mr Hughes noted that he had had an approach to be involved, central government are interested.

Ms Domigan keen to bring the people that were at the conference bring them back in and up to speed with the project. Key that we work with and involve mana whenua.

Cr Greaney keen to see the good work done and turn it into something tangible. Such a big project – condense and prioritise key actions so that we can focus on. Also need to be clear about what not in scope – look at both sides.

Cr McPhail key for him is connections – connect the whole region as one and again tie in the people that were involved early on.

Mrs Coote also agreed not going too wide and look at what is in scope and what isn't. Be clear around what that pou looks like and focus – take the information from the workshops. Need to ensure benefits for our communities and Maori and it is a safe place, otherwise won't get engagement.

The group talked about what success looks like and how we measure that.

RSLG is very interested in this platform due to labour force – a lot of interest in what will be and come out of this.

Ms Suter we do need to support on the milestones to MBIE have been good work done in the workshops – next couple of months are key and laying the groundwork for an online platform. Also how we deliver and involve the whole region.

One big map – pulling into key themes and thinking.

Ms Suter queried how the committee would like Ms Amundsen to report in.

Ms Amundsen noted that logically a report but also keen to meet with the members of the committee in the next couple of weeks and connect with their communities.

Mrs Coote perhaps once a fortnight, Ms Amundsen could update the committee on what she is doing and what she needs – perhaps fortnightly on zoom/team and in person in the next two weeks.

The committee agreed that that would work well.

Cr Greaney felt that we need to have a round-up of the information and get the committee on the same page and look at how we support Ms Amundsen in her role.

Ms Amundsen noted that one of her first things is to do a one pager to leave with people.

Cr Greaney also noted that in Te Anau there are new people that had not been involved in the early stages and would be good to connect with them.

Ms Suter noted that there is a Lets Talk Connected Murihiku page and that is a good resource and can keep as long as needed. Paper in the first meeting would be good to have as well. Formal presentation from Ms Amundsen once has been able to disseminate that information.

Mrs Coote noted that could be shared to tell the story, and asked Ms Amundsen how she would like to be supported.

Ms Amundsen agreed fortnightly catch ups would be great and getting a feel from the committee what's happening in the community – may be nothing to report but still good to have. The success of this project is how we will get buy in from community groups and organisations, and that's a team effort.

Mrs Coote noted there is a combined runaka meeting on 4th November and will get an invite to Ms Amundsen for that.

Cr McPhail noted that a one pager report would be good to take back to his council.

Ms Suter showed the group the page that is currently on ICC website – will be good when have our own. Bios from council and mana whenua reps to add to the site would be great to add. Can run polls, video engagements – and noted that Ms Amundsen can add to this platform for as long as it is needed.

5. Public Excluded

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

- (a) Evaluation Report Connected Murihiku
- (b) Project Update Report

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
(a) Evaluation Report Connected Murihiku	Section 7(2)(a) Protect the privacy of natural persons, including that of deceased natural persons	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.

(b) Project Update
Report

Section 7(2)(b)(ii)

Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information

Section 48(1)(a)

That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.

There being no further business, the meeting finished at 2.05pm

MINUTES OF THE BLUFF COMMUNITY BOARD, HELD IN THE COUNCIL CHAMBERS AT THE MUNICIPAL BUILDING 18 GORE STREET BLUFF ON MONDAY 16 OCTOBER AT 7.00PM

Present: Mr S Graham
Mr J Sutherland
Ms T Topi
Cr B Stewart
Mrs P Coote - Advisory Member

In Attendance: Mr M Keil – Manager Infrastructure Operations
Mr A Gillespie – Senior Engineer Operations
Ms C Rain - Manager - Parks and Recreation
Mr L Beer – Bluff/Publicity Officer
Ms N Allan - Manager Bluff Service Centre
Mrs L Williams – Team Leader Executive Support

1. Apologies

R Fife, S Stockwell, Cr G Dermody

Moved Mr Sutherland, seconded Cr B Stewart and **RESOLVED** that the apologies be accepted.

2. Declaration of Interest

Nil

3. Minutes of the Meeting of The Bluff Community Board held on Monday 11 September 2023

Moved Mr Graham and seconded Mr Sutherland and **RESOLVED** that the minutes of the Bluff Community Board held on 11 September 2023 be confirmed.

4. Bluff Action Sheet

Moved Cr Stewart, seconded Mr Sutherland that the Bluff Community Board:

1. Receive the report 'Bluff Action Sheet'

Mr Keil and Mr Gillespie spoke to the report.

Mr Keil noted that two and a half weeks had been lost, due to the recent flooding in the city.

Mr Gillespie said that the concrete crossing by the Bluff Maritime Museum and two in the Bluff township were yet to be completed, the contractor was due to come to Bluff, but did not have an exact date.

Vegetation removal in Bann Street is programmed to be completed before the end of October.

The slip in Bann Street was now just waiting for Powernet to reinstate the power pole.

Had quotes to remove pine tree in Lagan Street, either the whole tree or just the branch, would discuss with Mr Pearson, if we remove only the branch it would be an ongoing cost to Council. Gorse had been removed.

Looking at options on how we could discourage people parking and driving on the cycleway. Ocean Beach Road section requires delineators to define this is not a parking bay. Also seeking signage to clearly communicate what this lane is.

The sumps in Gore Street had now been added to the contractors programme.

The no parking lines outside the Bluff Pool got repainted unfortunately, they would be blacked out and repainted on the other side.

Mr Keil advised that he had, had discussions with the property team and the Scout Hall roof was programmed to be repaired soon.

The Exeloo toilet next to the Service Centre on Gore Street, had the toilet paper dispenser changed to a metric cartridge, this should stop the toilet jamming. Extra toilet facilities for Bluff would be looked at in next year's budget 2024/2025, the lead time for an Exeloo is around 28 weeks. Mr Keil advised that Exeloo's are the best for sustainability and for availability and cost.

The roading contract with Fulton Hogan went live at the beginning of October, the key changes are delivery and efficiency.

Ms Rain spoke to the meeting and thanked those that attended the Blessing of the Bluff Hill Recreation Precinct, Ms Rain also noted that when completed there would be a three pan toilet block situated there.

Ms Rain also noted that the car stops at the top of Bluff Hill need moved and realigned. The signage that Mr Fife was concerned about was owned by the Bluff Charitable Trust.

Consultation around the disposal of land at Mokomoko Road and Awarua Bay was held recently at Omaui, where the process was explained and questions answered. The closing date had been extended until 28 October 2023.

Mrs Coote queried about the supply of water at the Bluff Cemetery and also the Greenpoint Cemetery, Ms Rain explained that the Bluff Fire Brigade used to fill the Bluff Cemetery one, and now the neighbours are filling it, they are happy to supply the water if someone wants to fill it. Ms Topi queried about the Bluff History Group shed, taking the water from the spouting, Ms Rain would look into it, but doesn't think it was viable, it makes sense to make itself filling. Ms Rain noted that they were currently looking at putting water down the side of the car park to the entrance.

Mr Gillespie advised that a letter drop would happen in the next few weeks to encourage property owners to maintain the frontage of their properties, with regards to overgrowth preventing pedestrian use.

Mrs Coote queried about access to the beach at Stirling Point, Ms Rain advised that it was still on the list, but had not progressed.

Mr Sutherland spoke about unsafe building and debris blowing off them with the high winds we have had lately. Mr Gillespie advised that Council send inspectors out to make sure they were safe and the owners were contacted, the regulatory team follow up with the owners.

Mrs Coote asked if the Board could have a list of unsafe buildings, Ms Topi supported this.

Ms Topi advised that she would like to request a report about unsafe buildings in Bluff and what actions were being taken for the next Community Board meeting in November.

Moved Mr Sutherland, seconded Cr Stewart that the Bluff Community Board request a report from Council Officers about dangerous buildings in Bluff.

Cr Stewart enquired about the light on the Bluff sign at the entrance to Bluff, Mr Gillespie would follow this up with Ms McCoy.

Ms Topi would like an update on the Club Hotel, no one in attendance was able to answer her query, and staff would follow up with the building and planning team.

The motion now put was **RESOLVED**

5. Report of the Bluff Publicity/Promotions Officer

Moved Mrs Coote, seconded Cr Stewart

1. That the Bluff Community Board receive the report "Report of the Bluff Publicity/Promotion Officer"

Mr Lindsay Beer spoke to the report.

Funding had been received for the Up and Over Bluff Hill Grunt, \$1,900 for two years. Unfortunately still waiting for permission from DoC, as their system had changed, they now have two levels of permission, which consist of a simple letter, or a complex application, which has a lead in time of eight months. DoC is still deciding at which level we sit. Mr Beer would like it noted that DoC had been very helpful.

Ms Topi asked if a new date had been set, Mr Beer advised, not at this stage, they would wait for permission, but it would now be in 2024.

Mrs Coote queried, why it had taken so long, as it was not a new event, Mr Beer advised that the event hasn't happened for around eight or nine years, since then their policies and staff have changed.

Ms Topi suggested inviting DoC to a Board meeting.

Mr Beer had asked for two quotes for the promotional sign ,he had received one and was still waiting for one, he would take them to the Bluff Promotions meeting on 26th October and then bring them to the Board meeting in November.

Mr Beer advised he had spoken to Great South about the Cruise Ships and had arranged a meeting this week with Mark Froot, who was schooled up on cruise ships.

Ms Topi asked how the Bluff Promotions Website was going and if imagery could be added to events to encourage people to attend, Mr Beer advised the website was going well and everyone was happy with the website, it was quite easy to update and myself and members of Bluff Promotions could update it.

Cr Stewart commented on how bad the road near Ocean Beach was and was concerned about the Tour of Southland, Mr Graham advised that he had read that Waka Kotahi had a large amount of money to spend on Southland roads and Bluff Highway was part of that.

6. Chairman's Report - Verbal Update

Moved Cr Stewart, seconded Mrs Coote that the Board:

1. Receive the report "Chairperson's Report - Verbal Update".

Ms Topi noted that there was a large number of projects underway in Bluff at present, it is important that the Board was kept up to date with all developments, so we could keep the Bluff Community updated.

Ms Topi advised that she had been contacted by Invercargill Rowing Club regarding a fundraiser they are holding – Club Members are going to row from Stewart Island to Cape Reinga. They would be dropped off at Stewart Island on the 2nd December and arrive in Bluff either 7 or 8 December depending on weather conditions, Bluff Rowing Club would row out to meet them, they are looking for Community support and would appreciate people at Stirling Point to welcome them.

Ms Topi would like Waka Kotahi to attend another Community Board Meeting.

Mr Graham asked if any updates around Ocean Beach were available, Mrs Coote advised that a discussion had taken place with the Runaka and as soon as any updates were available the Board would be updated.

Mrs Coote advised that Council along with others had set up Connected Murihiku which is an IT platform to connect groups across the Southland Region. The Project had recruited Rebecca Amundsen as Project Lead.

The Board discussed the CCTV project and delays and what the delay would mean for Bluff. It is very disappointing. Ms Topi asked who the project lead on this was, it was confirmed that it was Mr Butcher.

Ms Topi noted that there was broken glass at Stirling Point which was not on the Action Sheet.

There being no further business, the meeting finished at 8.01pm

Extraordinary Great South Joint Shareholders Committee

OPEN MINUTES

Minutes of a meeting of Extraordinary Great South Joint Shareholders Committee held in the Great South, 143 Spey Street, Invercargill on Friday, 20 October 2023 at 8:00 am (8:02 – 9:19 am) (PE 8:21 – 9:19 am)

MEMBERS PRESENT

A class shareholders

Rob Scott, Mayor Southland District Council (Chair)
Keith Hovell, Acting Mayor, Gore District Council
Nobby Clark, Mayor, Invercargill City Council
Nicol Horrell, Chair, Environment Southland

B class shareholders

Daryl Haggerty, Acting Chief Executive, Southern Institute of Technology

Member

Jackie Flutey, Chief Executive Officer, Community Trust South

APOLOGIES

Ben Bell, Mayor, Gore District Council
Chris Ramsay, Chief Executive, Invercargill Licensing Trust
Neil McAra, President, Southland Chamber of Commerce

IN ATTENDANCE

Ian Collier, Board Chair, Great South
Chami Abeysinghe, Chief Executive, Great South
Suzanne Hotton, General Manager finance, IT and Facilities, Great South
Rachael Millar, General Manager Policy & Government Reform Environment Southland
Bonnie Lawrence, Strategic Programmes Manager, Environment Southland
Michael Day, Chief Executive, Invercargill City Council
Rex Capil, Acting Chief Executive, Gore District Council
Megan Seator, Policy Advisor, Southland Mayoral Forum
Michal Gray, Democracy Advisor, Southland District Council

Extraordinary Great South Joint Shareholders Committee
20 October 2023

1 Apologies

Apologies were received from Mayor Bell, Chris Ramsay and Neil McAra.

Moved Member Horrell, seconded Mayor Bell and resolved:

That the Great South Joint Shareholders Committee accept the apologies..

2 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

There were no requests for leave of absence.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

Reports

6.1 Great South update

Record No: R/23/10/48996

Chami Abeysinghe, Chief Executive updated the committee on **Great South's recent** activities including working with stakeholders to develop policy priorities for the incoming government following the election so that Southland is well positioned to proactively address the new government regarding Southland-related matters.

Resolution

Moved Mayor Scott, seconded Acting Mayor Hovell and resolved:

That the Great South Joint Shareholders Committee:

- a) **receives the report titled "Great South update".**

Public Excluded

Extraordinary Great South Joint Shareholders Committee
20 October 2023

Exclusion of the public: Local Government Official Information and Meetings Act 1987

Resolution

Moved Mayor Scott, seconded Member Horrell and resolved:

That the public be excluded from the following part(s) of the proceedings of this meeting.

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

C7.2 Great South Funding Review

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Great South Funding Review	s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

C7.1 Great South draft letter of expectation 2024-2025

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Great South draft letter of expectation 2024-2025	s7(2)(e) - the withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

The public were excluded at 8:21 am.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available unless released here.

The meeting concluded in PE at 9:19 am

CONFIRMED AS A TRUE AND CORRECT RECORD AT A
MEETING OF THE GREAT SOUTH JOINT
SHAREHOLDERS COMMITTEE HELD ON 20 OCTOBER
2023

DATE:.....

CHAIRPERSON:.....

MINUTES OF HEARINGS FOR CITY BLOCK WEST, HELD IN THE COUNCIL CHAMBERS, FIRST FLOOR, TE HĪNAKI CIVIC BUILDING, 101 ESK STREET, INVERCARGILL ON TUESDAY 24 OCTOBER 2023 AT 1.30 PM

Present:

Mayor W S Clark
Cr A J Arnold
Cr R I D Bond
Cr P M Boyle
Cr S J Broad
Cr T Campbell
Cr A H Crackett
Cr G M Dermody
Cr P W Kett
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr B R Stewart

In Attendance:

Rev E Cook – Māngai – Waihōpai
Mrs P Coote – Kaikaunihera Māori – Awarua
Mr M Day – Chief Executive
Ms E Moogan – Group Manager – Infrastructure
Mrs P Christie – Group Manager – Finance and Assurance
Mr A Cameron – Chief Risk Officer
Mr M Morris – Manager – Governance and Legal
Ms R Suter – Manager – Strategy and Policy
Mrs H Kennedy – Policy Analyst
Ms A McDowell – Corporate Analyst
Ms C Manera – Engagement Coordinator
Mr D Titus – Policy Analyst
Mr R Pearson – Chief Engineer
Ms L Knight – Manager – Strategic Communications
Mr G Caron – Digital and Communications Advisor
Ms M Sievwright – Senior Executive Support

1. Submissions to be Heard

1.1. Submission 088 – David Swan

Mr Swan took the meeting through his submission. He said great public spaces did not have four buses through the centre and Wachner Place should be pedestrianised. This space needed to remain pedestrianised and option 2 should be the preferred option.

In response to a question regarding Wachner Place being a road, it was noted that there were a lot of technical roads around the country and whether a road was paper or formed, was irrelevant. If it was a technical matter he could not understand why this was a consideration.

He noted that option 2 with the right detailed architecture and design offered the potential for a world class venue.

In regard to a question regarding future use, it was a source of people coming into the city and the people deserved to be able to walk from the hotel to the shopping district.

Note: Cr Arnold arrived at the meeting at 1.39 pm.

The opportunity of not having bus access but removing the clock and forming a wind tunnel was down to design, however a lot of locals seemed to love the clock so it could be refurbished.

The Mayor thanked Mr Swan for submitting.

1.2. Submission 116 – Brian Dunkley

Mr Dunkley took the meeting through his submission. He noted there were not an option for none. There should not be tour buses going through Wachner Place. The bells in the clock could be modernised. The mall was corporate welfare. He was concerned about what would happen with the CCTV data.

It was noted that the policy around the CCTV footage was very detailed and was currently being consulted on.

In response to a question around the disappearance of mechanical clocks, Mr Dunkley said Invercargill was one of the only areas in the country with this technology.

He agreed to refreshing this space and including modern technology, which would give people a reason to go there.

In response to the CCTV issue, he was concerned people gaining the information without reason. It was a security issue.

The Mayor thanked Mr Dunkley for submitting.

1.3. Submission 157 – Bob Simpson

Mr Simpson took the meeting through his submission and tabled additional information.

He suggested that Don Street was a better venue than Wachner Place. He said the columns and restrooms needed to be retained.

In response to a question regarding the wind through Esk Street, it was noted that the wind went over the top of the glass wall. It was inherently a bad place for public events.

In response to a question regarding entrance and exit onto Dee Street, it was noted Mr Simpson was not designing it. His view was to make it a decent road and if it became a problem it could be blocked off later on. He questioned why you

would not want to exit onto North Road. It was not a high pedestrian area and could be a two way street.

In response to a question regarding the buses and cars and why people were not considered, it was noted that very few people used the place. He proposed increasing the outside space to give more space outside the eateries. It was a myth this would be popular.

In response to a question about retaining the space but not have traffic, retain the foot traffic, was it reasonable to assume trees would cut down the wind. It was noted that trees were a myth, they looked good on plans but were of no use.

The Mayor thanked Mr Simpson for submitting.

1.4. Submission 168 – Jenny Campbell

Ms Campbell took the meeting through her submission.

She recognised how significant Wachner Place was, particularly the restrooms, restaurants, meeting spaces, protests and events. She wanted the area to have one lane from Dee Street turning left, keep the columns and see people continue to use this area. Having flowers and appropriate trees to cut down carbon emissions and having shade was important. Beautify the area by using local artists.

In response to a question regarding what would need to change to get people to use Wachner Place, it was noted that interpretation panels could be included, having trees and beautifying could help. It was suggested that an i-SITE kiosk could be included in Wachner Place.

In response to a question regarding removing glass panels and clock, it was noted that it was quite breezy through there, having solid panels did not cut the wind down.

In response to a question regarding the safety issues with the introduction of vehicles, it was noted that the cars moved slowly down Don and Esk Street now, so did not see an issue and a pedestrian crossing would be extra safety.

The Mayor thanked Ms Campbell for submitting.

1.5. Submission 130 – Lindsay Frewen

Mr Frewen took the meeting through his submission. He said he watched a video of the opening of Wachner Place and noted that Mrs Wachner had given money or land for this development. He did not believe this should be turned into a bus lane. Respect should be shown to Mrs Wachner and Mayor Eve Poole and refurbish Wachner Place.

In response to a question, it was mentioned to think about an update and make it a place for people to meet. The clock should be kept.

It was noted that Mrs Wachner gifted two parcels of land to the City Council. It would be a sad day if buses were driven over parcels of gifted land.

The Mayor thanked Mr Frewen for submitting.

1.6. Submission 046 – Paul Hurley

Mr Hurley took the meeting through his submission. He said it seemed a waste to demolish things which could be refurbished. The columns were four pillars of wisdom and should be preserved. They were a perfect transition from the busy Esk Street to the tranquillity of Wachner Place. Wachner Place could still be used as everywhere else was windy, in Wachner Place it was calm. Wachner Place was not used as events were not planned, and staff needed to include Wachner Place as a venue.

In response to a question around events in Esk and Don Street, food caravans parked to block the wind, but Wachner Place did that already.

In response to a question regarding alcohol in Wachner Place, he was not an advocate of having alcohol at every event.

In response to a question regarding Wachner Place being child friendly, and whether there was a need to put barriers up as it was next to a state highway. It was noted that there would be no need for that.

In response to a question regarding crossing a state highway to get to Wachner Place, it was noted it could be an issue.

The Mayor thanked Mr Hurley for submitting.

1.7. Submission 132 – Laura Pope

Ms Pope took the meeting through her submission. She supported option 2 of the proposed changes which promoted safe travel around Wachner Place. She supported the implementation of a CCTV policy.

In response to a question regarding green spaces, it was noted that Otepunui was also important in contributing the green spaces in Invercargill.

In response to a question that Wachner Place be retained for pedestrians, but be improved, it was noted that there were more green spaces around Wachner Place.

In response to a question about events in Wachner Place, it was noted that it was what you create in the environment so creating events in Wachner Place would bring people together and create a positive space.

In response to a question around climate change, it was noted they promoted active and public transport.

The Mayor thanked Ms Pope for submitting.

1.8. Submission 141 – Louise O'Callaghan

Ms O'Callaghan took the meeting through her submission. She said it was not used as it was not connected. Green space and seating was required.

In response to a question regarding access points to the hotel but there was only one Wachner Place, it was noted that it was about the ease for the hotel guest, and not about anything else. There were three options which did not give away Wachner Place.

In response to the size of Wachner Place, it was noted that Wachner Place could have multiple uses with different sized groups.

The Mayor thanked Ms O'Callaghan for submitting.

Note: The meeting broke for afternoon tea at 3.13 pm

Note: Cr Crackett left the meeting at 3.13 pm

Note: The meeting resumed at 3.30 pm

1.9. Submission 107 – Tina Kelland

Ms Kelland took the meeting through her submission.

She wanted to see a roof erected over Wachner Place and made into a more family space for Friday and Saturday nights, and be used more often. There was nothing for younger kids to do or places to go. Kids needed a place to go so they did not turn to crime.

In response to a question regarding how the guests from the hotel would get into the city, it was noted that there were buses and taxis.

In response to a question regarding young people not using Wachner Place and why, it was noted that it was a pass-by which was open, wet and cold. If a roof was erected and the floor improved, it would be open and become inviting.

The Mayor thanked Ms Kelland for submitting.

1.10. Submission 172 – Richard McMillian

Mr McMillian took the meeting through his submission.

Mr McMillian disagreed with option 1 as buses would need two lanes to turn into Esk Street and would destroy Wachner Place. Option 2 showed buses could come down Leven Street and people could get off the bus on the shelter side. Option 2 allowed Wachner Place to still be used. He disagreed with moving the clock tower. The chimes could be disabled, it was the only clock still in the town. He suggested the clock could be removed to the front of the new museum if it was not kept in Wachner Place.

In response to a question regarding leaving the clock tower in Wachner Place and how this would look, it was noted that people did use Wachner Place.

The Mayor thanked Mr McMillian for submitting.

1.11. Submission 169 – John McCulloch

Mr McCulloch took the meeting through his submission.

It was noted that the columns, panels and glass wall were paid for by the Community Trust of Southland and not Council. He took the meeting through the history of how the pillars and panels came about. It was important to keep things with history like what was done with the Water Tower.

In response to a question regarding the preferred option, it was noted that having a bus coming in from the south would be preferable, so option 2. The clock tower could remain with a road on either side.

In response to a question regarding the original staff involved, and what consideration was given to the buildings to the west, it was noted that the Menzies Building and Southland Frozen Meats were consulted but not considered.

In response to a question regarding the history of the pillars, it was noted that people just accepted them as part of the urban landscape and the reason for erecting them was forgotten. There had been a lot of positive response in social media.

The Mayor thanked Mr McCulloch for submitting.

1.12. Submission 170 – June Trotter

Ms Trotter took the meeting through her submission.

In response to a question regarding Wachner Place, it was noted that Wachner Place was situated between four hotels and guests may wish to have a place to sit and enjoy after sitting on a bus. There was value in this space and it would be a shame to lose it. It should be enhanced and advertised.

In response to a question regarding how the buses got to the new hotel from the airport and Queenstown, it was noted this exercise was about prioritising what was important, buses or losing this important open space. Open space was getting harder to come by and if it was lost there would be nothing else. It would be wonderful to keep the clock.

The Mayor thanked Ms Trotter for submitting.

1.13. Submission 144 – Thelma Buck

Ms Buck attended via Zoom and took the meeting through her submission.

She said there were a lot of things which could be done to Wachner Place. It was noted Wachner Place could be an asset even though it was windy. She did not want to see Mrs Wachner's donation destroyed.

The Mayor thanked Ms Buck for submitting.

2. City Block West Hearings

A4880618

Moved Cr Pottinger, seconded Cr Stewart and **RESOLVED** that Council:

1. Receives the report "City Block West Hearings".
2. Receives the submissions, including the submissions to be heard.
3. Agrees to receive late submissions received after the closing of submissions:
 - a. 154 – Mahana Whittaker
 - b. 155 – Lee Hurley
 - c. 156 – Margaret Clyma
4. Notes the summary of submissions (A4957961).
5. Notes the hearing schedule:
 - a. 1330 – submission 088 – David Swan
 - b. 1340 – submission 116 – Brian Dunkley
 - c. 1350 – submission 157 – Bob Simpson
 - d. 1400 – submission 168 – Jenny Campbell
 - e. 1410 – submission 125 – Kieran Wall
 - f. 1420 – submission 071 – Rex Dunkley
 - g. 1430 – submission 130 – Lindsay Frewen
 - h. 1440 – submission 132 – Laura Pope
 - i. 1450 – submission 141 – Louise O'Callaghan
 - j. 1520 – submission 107 – Tina Kelland
 - k. 1530 – submission 050 – W B Coats
 - l. 1540 – submission 172 – Richard McMillian
 - m. 1550 – submission 046 – Paul Hurley
 - n. 1600 – submission 169 – John McCulloch
 - o. 1610 – submission 170 – June Trotter
 - p. 1620 – submission 017 – Hugh McGaveston
 - q. 1630 – submission 144 – Thelma Buck
6. Notes the social media report (A4952631)

There being no further business, the meeting finished at 4.37 pm.

**MINUTES OF COUNCIL, HELD IN THE COUNCIL CHAMBERS, FIRST FLOOR, TE HĪNAKI
CIVIC BUILDING, 101 ESK STREET, INVERCARGILL ON TUESDAY 31 OCTOBER 2023 AT
3.00 PM**

Present: Mayor W S Clark
Cr A J Arnold
Cr P M Boyle
Cr S J Broad
Cr T Campbell
Cr A H Crackett
Cr G M Dermody
Cr P W Kett
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper

In Attendance: Rev E Cook – Māngai – Waihōpai
Mrs P Coote – Kaikaunihera Māori – Awarua
Mr M Day – Chief Executive
Mrs P Christie – Group Manager – Finance and Assurance
Mrs T Hurst - Group Manager - Community Engagement and Corporate Services
Mr A Cameron – Chief Risk Officer
Mr M Morris – Manager – Governance and Legal
Ms R Suter – Manager – Strategy and Policy (via zoom)
Ms L Knight – Manager – Strategic Communications
Mr G Caron – Digital and Communications Advisor
Ms M Sievwright – Senior Executive Support

1. Apologies

Cr Bond, Cr Stewart and Cr Crackett for lateness

Moved Cr Ludlow, seconded Cr Soper and **RESOLVED** that the apologies be accepted.

2. Declaration of Interest

Nil.

3. Public Forum

Nil.

4. Major Late Item

4.1 Adoption of Annual Report

Moved Cr Soper, seconded Cr Ludlow and **RESOLVED** that the Major Late Item 'Adoption of Annual Report' be accepted.

The reason that the item was not in the agenda: The item was not ready at the time of the publication of the agenda.

The reason why the discussion of the item could not be delayed: Matters could be progressed in a timely manner.

5. Minutes of the Risk and Assurance Committee Meeting Held on 19 September 2023

A4877577

Moved Cr Soper, seconded Cr Ludlow and **RESOLVED** that the Minutes of the Risk and Assurance Committee Meeting Held on 19 September 2023 be received.

6. Minutes of the Meeting of Council held on Tuesday 26 September 2023

A4887844

Moved Cr Campbell, seconded Cr Dermody and **RESOLVED** that the Minutes of Council held on Tuesday 26 September 2023 be confirmed.

7. Minutes of the Community Wellbeing Committee Meeting held on Tuesday 10 October 2023

A4935711

Moved Cr Ludlow, seconded Cr Kett and **RESOLVED** that the Minutes of the Community Wellbeing Committee meeting held on Tuesday 10 October 2023 be received.

8. Minutes of the Infrastructure Committee Meeting held on Tuesday 10 October 2023

A4938063

Moved Cr Pottinger, seconded Cr Dermody and **RESOLVED** that the Minutes of the Infrastructure Committee held on Tuesday 10 October 2023 be received and the recommendations to Council be confirmed.

Recommendations to Council

7. Elderly Persons Housing Policy (A4689645)

1. That it adopt the Elderly Persons Housing Policy (A4691619).

10. Infrastructure Council-Owned Land Disposal Options (A4897322)

3. That the properties being considered under Point 2 being 313 Bay Road, 141 Bond Street, 40a Glengarry Crescent with low/medium strategic suitable for disposal value be placed on the open market for disposal.

9. Minutes of the Extraordinary Meeting of Council held on Tuesday 17 October 2023

A4945699

Moved Cr Soper, seconded Cr Ludlow and **RESOLVED** that the Minutes of the Extraordinary Council held on Tuesday 17 October 2023 be confirmed.

10. Minutes of the Finance and Projects Committee Meeting held on Tuesday 17 October 2023

A4949800

Moved Cr Dermody, seconded Cr Campbell and **RESOLVED** that the Minutes of the Community Wellbeing Committee meeting held on Tuesday 17 October 2023 be received.

11. Minutes of the Risk and Assurance Committee Meeting held on Wednesday 25 October 2023

A4959049

Moved Cr Soper, seconded Cr Dermody and **RESOLVED** that the Minutes of the Risk and Assurance Committee meeting held on Wednesday 25 October 2023 be received.

12. Parks Land Disposal Options and Masterplan and Management Plan Update

A4839918

Mayor Clark requested that this report be left on the table while he worked through getting advice on disposal of the land given that Donovan Park was significant, and 8 out of 16 parcels of land were reserves.

13. LTP – Climate Change

A4899956

Mrs R Suter was in attendance to speak to this item.

Council had been working with Te Ao Marama at a regional level and this report included more options and calculations of emissions.

In response to a question regarding a managed retreat, it was noted that staff needed to understand further modelling before they could answer. The modelling from Lidar was available from Environment Southland and had given a pathway forward. It was a few years of work and could be considered for the next Long-term Plan.

In response to a question regarding a contestable fund, it was noted that if emissions were offset through forestry, a significant number of trees would be required. More work was required on this.

Note: Cr Crackett attended the meeting at 3.12 pm

In response to a question regarding the savings at Splash Palace, it was noted that 2,000 tonnes was the estimate at the time of the original report being written. The following question was why Council did not go electric, and it was noted there were still emissions with electricity. The internal contestable fund would be required for Council to consider all aspects of community wellbeing and investment decisions. The contestable fund would be linked to trying to reduce carbon emissions in the most efficient way. It was agreed that Council needed to be weary of contractors in providing services such as roading, and it was noted that carbon emissions were considered when the Procurement Policy was created, however it was not a requirement yet.

In response to a question regarding the contestable fund and whether part of the idea of innovative and creative initiatives spread wider into the community, it was agreed there could be learnings and the fund should look at reducing Council emissions first.

Moved Mayor Clark, seconded Cr Soper and **RESOLVED** that Council:

1. Receives the report "LTP – Climate Change".
2. Receives the report "Invercargill City Council Greenhouse Gas Inventory Report FY23" (A4952450).
3. Notes the 2020/2021 Council Carbon Emissions baseline (Scope 1, 2 + 3) (10,050 tonnes) and the 2022/2023 Emissions profile (9,944 tonnes).
4. Notes the two approaches to offsetting, with initial estimates of costs to offset provided as indicators to inform Council decision making.
6. Provides guidance as to whether Council seeks to set a more ambitious Net Zero target than 2050, noting the forecast \$530,343 - \$1,613,700 annual operational expenditure required to offset emissions dependent on offsetting approach.
9. Notes the following proposed points for a technical submission to the Expert Working Group Report on Managed Retreat:
 - a. The importance of genuine in-depth engagement with Individual Councils on this issue given the potential impact on local communities.

- b. The importance of investment in updated data and modelling where there are known gaps for making assessment about the risk to land and infrastructure, including coastal inundation and river flood modelling based on updated digital elevation modelling and incorporating updated asset condition data for infrastructure such as the Stead Street Stopbank and other facilities. Request of open and transparent sharing of information between Central and Local Government to improve the robustness of the data.
- c. The identification of appropriate compensation for Local Government owned strategic assets which are commercial holdings but which may be within identified risk zones.

Moved Mayor Clark, seconded Cr Soper and **RESOLVED** that Council:

- 5. Agree to consult the community on an internal contestable fund of \$200,000 annually to be available for Council projects to reduce emissions

Moved Cr Soper, seconded Cr Boyle and **RESOLVED** that Council:

- 7. Agree to the following proposed LTP indicator outside the Statement of Service Performance for carbon emissions reduction noted on p4 of the report, which would result in a combined 5% reduction target over the first three years of the LTP.

Moved Mayor Clark, seconded Cr Dermody that Council:

- 8. Disagree to allocate \$75,000 towards further data analysis in partnership with Environment Southland to assess climate change risk to core Invercargill City Council assets necessary to maintenance of life.

A discussion was held regarding the benefits of allocating this. It was noted that it was important to invest to get the information specifically needed, and it was seen as an investment for assets. It was suggested this was paying Environment Southland for work they should be doing, however it was put against a specific project. It was noted that Council owned the data in relation to the core assets and needed the Lidar data Environment Southland held to model council data.

Note: Crs Ludlow, Crackett, Broad, Soper, Campbell voted against this motion.

The motion, now put, was **RESOLVED**.

14. LTP Draft Budget Direction

A4963579

Mrs R Suter was in attendance to speak to this item. This was Council's opportunity to give direction on items in terms of enabling the Finance team to pull together the draft Long-term Plan budget and asset management plans.

In response to a question regarding the figures for Waka Kotahi and why \$2.4 million in capital was proposed to be spent, it was noted that this was co-funded. This was for improvements to intersections. Waka Kotahi was a three year commitment.

It was noted that more detail should have been included in the recommendations, however there was information in the report and further information in Asset Plans which would be presented at a later Council meeting.

In response to a question regarding item 2 dd, it was noted this was a new line item for operating the Tuatara facility.

It was suggested that option 2 u. be changed from \$250,000 to \$150,000.

Moved Mayor Clark, seconded Cr Dermody and **RESOLVED** that Council:

1. Receives the report "LTP Draft Budget Direction"
2. Agree to include the following items (uninflated figures) within the draft budget, with items to be included within the Financial Impact Statements, Asset and Activity plans and Infrastructure Strategy as appropriate ahead of audit and consultation:
 - a. Waka Kotahi Road to Zero / Low cost – Low risk safety improvements - \$2.4 million capital per annum 2024 – 2027
 - b. Waka Kotahi Safety Improvement Local Area Traffic Management - \$2.5 million between 2025 - 2030
 - c. ICC Road Safety Improvements (inc. outside schools) - \$50,000 - \$100,000 capital per annum from 2024/2025
 - d. City Centre maintenance and repairs inc. cleaning - \$100,000 operational per annum from 2024/2025
 - e. Additional trips at beginning / end of day on existing bus service – Operational \$100,000 per annum from 2024/2025
 - f. Mersey St Waste Water Main Duplication – Capital \$19.9 million from 2025/2026
 - g. Bluff Water Waste Treatment Plant Upgrades - \$7.2 million from 2024/2025 – 2028/2029
 - h. Clifton Waste Water Treatment Plant Upgrades - \$89.2 million from 2028/2029 – 2032/2033
 - i. Lindisfarne Waste Water Rising Main Duplication - \$5 million capital from 2029/2030
 - j. Pump Station Replacement (Seismic resilience) Relocation of pump stations in liquefaction areas - \$9.2 million in 2033/2034
 - k. Building maintenance – Brankholme Water Treatment Plant and Clifton Wastewater Treatment Plant - \$150,000 per annum from 2024/2025
 - l. Planning and undertaking individual property inspections to identify which properties have incorrect connections between sewer and stormwater - \$100,000 operational from 2024/2025
 - m. Awarua Development – Water supply - \$53.3 million capital from 2027 - 2029
 - n. Recycling glass bin - \$1.6 million capital and \$439,000 operational per annum from 2024/2025
 - o. Upgrade Transfer Station to resource recovery park - \$4 million, with \$1 million forecast subsidy from 2028/2029
 - p. Ōtātara – Rubbish Collection - Capital \$321,000 and \$210,000 operational per annum from 2027/2028
 - q. Waka Kotahi Safety Improvement – Ōtātara School – Capital \$250,000 from 2025/2026

- r. Renew and replace existing housing units with programme to increase number of units – Capital \$7 million to be funded via general rates from 2024/2025
 - s. Turnbull Thompson Traffic Solution - \$400,000 capital in 2026/2027
 - t. Elizabeth Park Strategy - \$50,000 operational in 2024/2025
 - u. New pump track likely in South Invercargill - \$150,000 capital in 2026/2027
 - v. Swimming pontoon Bluff - \$50,000 operational expenditure in 2024/2025
 - w. Emissions reduction internal contestable fund - \$200,000 operational per annum from 2024/2025
 - x. Climate change risk modelling and analysis – contribution - \$75,000 operational in 2024/2025
 - y. Museum Operations - \$300,000 for 2024/2025, \$600,000 for 2025/2026 and then \$1.2 million for 2026/2027 and then \$4 million ongoing for Project 1225
 - z. Museum building maintenance - \$200,000 operational per annum from 2027/2028
 - aa. Tisbury building maintenance - \$100,000 operational per annum from 2024/2025
 - bb. Tuatara building maintenance- \$20,000 operational per annum from 2024/2025
 - cc. Landscaping park connection to museum - \$1 million in 2026/2027
 - dd. Tuatara operational costs - \$20,000 operational per annum from 2024/2025
 - ee. Wellness Package - \$300,000 a year to support staff wellbeing
 - ff. Amend Roadmap to Renewal Projects including:
 - i. Phasing Urban Play across three years – 2025/2026, 2026/2027, 2027/2028
 - ii. Removal of ACI (\$17.5 million) and adding \$150,000 operational funding for 2024/2025 to enable scoping for a new arts city centre project which could be located in the Old Bank Building in the City Block
 - iii. Addition of CCTV to the Roadmap and add \$1.2 million capital 2024 - 2026 and \$59,000 annual operational ongoing
 - iv. Water Tower – Capital \$4.4 million from 2032/2033
 - v. Bluff Boat Ramp - \$210,000 capital expenditure for new toilets and \$30,000 annual operational from 2025/2026, with \$80,000 operational expenditure for carpark scoping.
3. Agree the following items to be included outside the first ten years of the Long-term plan but within the Infrastructure Strategy:
- a. Reticulation extension – Water – Ōtātara - Capital \$10.6 million from 2036
 - b. Reticulation extension – Sewerage – Ōtātara - Capital \$10.6 million from 2036
 - c. Increase water capacity to Bluff – Capital \$25 million from 2035/2036.
 - d. Sandy Point Pit Road development – Capital \$1.5 million in later years of the Plan.
4. Agree the following items will not be included in the draft budget and may be reviewed again during a future Annual Plan or Long-term Plan:
- a. Stirling Point Parking Operational Options - \$100,000 per annum from 2031/2032
 - b. Seal Extensions - \$2 million capital total from 2024/2025
 - c. Greenway cycleway - \$1.2 million capital total from 2024/2025
 - d. Fully funded footpath renewal - \$1.2 million capital per annum from 2024/2025

- e. Footpath development/ widening – Bluff/ Invercargill - \$100,000 capital per annum from 2024/2025
- f. Suburban refresh – Bluff - \$3 million capital in 2027/2028
- g. Suburban refresh – Windsor - \$2.5 million capital in 2029/2030
- h. Suburban refresh – Bluff - \$2.5 million capital in 2031/2032
- i. Lighting features around city – \$200,000 capital across two years from 2024/2025
- j. On demand service – Operational \$100,000 per annum from 2028/2029
- k. New contract cost inc. e-bus – Operational \$350,000 per annum
- l. Bus service to Bluff – Operational \$1 million from 2024/2025
- m. Recycling organics bin - \$6.6 million, operational \$174,000
- n. New footpath development works – Ōtātara \$250,000 capital from 2028/2029
- o. New Street Light Development – Ōtātara - \$250,000 capital per annum from 2028/2029
- p. Ōtātara Ditch Improvements – Removal Road Hazards – Capital \$300,000 per annum in 2028/2029
- q. Waka Kotahi Operational Costs for Passenger Transport Service to Ōtātara - \$150,000 from 2030/2031
- r. Sculpture Walk landscaping and maintenance – Capital \$90,000 per annum, \$10,000 operational per annum from 2024/2025
- s. Community Wellbeing Fund - \$100,000 reduction in fund

15. Amendment to Governance Statement 2022 – 2025 and Delegations Register - Council and Finance

A4969338

Mr M Morris took the meeting through the minor changes to this document.

In response to a question regarding the Chief Executive Performance Appraisal Committee, it was suggested there should be four meetings per year rather than one.

In response to a question regarding feedback from the Southland Indoor leisure Centre Charitable Trust (SILCCT), it was requested that a paper be prepared noting that a reporting regime of six monthly be implemented. It was suggested that minutes be routinely sent to the Governance team to share this information.

In response to a question regarding Southland Museum and Art Gallery (SMAG) under the Regional Heritage Joint Committee, it was noted that this was where the museum reporting line went to, however this would be changed.

Moved Cr Dermody, seconded Cr Crackett and **RESOLVED** that Council:

1. Receives the report "Amendment to Governance Statement 2022 – 2025 and Delegations Register - Council and Finance".
2. Notes the changes to update the Governance Statement and Delegations Register under the "Summary of Changes" in the report.
3. Appoints the Mayor, Deputy Mayor Cr Campbell and Cr Soper to the Chief Executive Performance Appraisal Committee.
4. Adopts the Governance Statement 2022 – 2025 – October 2023 Amendment as set out in Appendix 1 (A4969021).

5. Adopts the Delegations Register – Council and Finance – Version 3 Amendment as set out in Appendix 2 (A4904879).
6. To approve the Chief Executive to make minor amendments to reflect current organisation structure.

16. Meeting Dates for 2024

A4914831

Moved Cr Ludlow, seconded Cr Crackett and **RESOLVED** that Council:

1. Receives the report "Meeting Dates for 2024".
2. Adopt the 2024 Meeting Schedule.
3. Confirm if all Committee and Council meetings (excluding Risk and Assurance and back to back meetings) are to start at 3.00 pm

17. Local Government New Zealand Young Elected Members Hui 2023 Attendance

A4968529

Moved Cr Ludlow, seconded Cr Soper and **RESOLVED** that Council:

1. Receives the report titled "Local Government New Zealand Young Elected Members Hui 2023 Attendance".
2. Notes the date change of the Hui to 6 - 8 December 2023.
3. Continues to endorse the attendance of Cr Crackett at the Hui.

18. Minor Late Item

18.1 Opening of Tisbury

Mayor Clark was mindful there was only six weeks left for a name to be considered. There was a commitment that a name would be bilingual.

19. Adoption of Annual Report

A4981628

Mrs P Christie took the meeting through this item. Council had invested over \$100 million in the capital projects in the last 2 financial years and were delivering on the projects outlines in the Long Term Plan. She thanked her team and Audit NZ, they had worked well together this year to achieve this result.

In response to a question regarding Southland Museum and Art Gallery Trust, it was noted that at 30 June it was a council controlled organisation.

In response to a question regarding the adoption of the annual report and the fact that the auditors were not attending the meeting, it was noted there were competing

priorities and it was noted that the Audit team had meet with the Risk and Assurance Committee the prior week.

Acknowledgement was made to the work Mr Bruce Robertson had put in in his role as Chair of Risk and Assurance, and also the work the Chief Executive and Group Manager Finance and Assurance had put in with Audit NZ to get this result.

Moved Cr Soper, seconded Cr Dermody **RESOLVED** that Council:

1. Notes that the Risk and Assurance Committee has:
 - a. Reviewed the draft Annual Report, draft Summary Annual Report and recommends them both for adoption.
 - b. Reviewed Audit New Zealand's draft opinion.
 - c. Reviewed the Letters of Representation and recommends the Letter of Representation to Audit New Zealand for signing.
2. Notes that the Audit New Zealand's opinion in Attachment 3 (A4982893) has a limited scope in relation
 - a. to the opening balance of the 2022 comparative numbers for the valuation of Council's infrastructure and operational assets. The limitation of scope is based on the conclusion that based on the increases in economic indicators available to Council from March to June 2021 that there were indicators that suggested a revaluation of the infrastructure and operational assets was required at 30 June 2021.
 - b. The result of the smooth travel exposure performance measure within the Roading Services activity in the statement of service performance. Audit New Zealand was unable to obtain assurance over the result included in the annual report due to source traffic count data being unavailable.
3. Authorises the Mayor and Chief Executive to sign the Audit New Zealand Letter of Representation for the 2023 Annual Report (A4983032).
4. Authorises the Mayor and Chief Executive to sign the Statement of Compliance on page 34 of the 2023 Annual Report.
5. Adopts the 2022/23 Annual Report for the Invercargill City Council Group (A4981964).
6. Authorises the Group Manager Finance and Assurance to make minor changes to the 2022/23 Annual Report prior to publication, where necessary.
7. Adopts the draft 2022/23 Summary Annual Report document (A4981979) subject to receiving the audit opinion from Audit New Zealand.
 - a. Authorises the Chair of the Risk and Assurance Committee, Chief Executive and Group Manager Finance and Assurance to release the document for signing on receipt of the audit report from Audit New Zealand.
 - b. Authorises the Mayor, Chief Executive and Group Manager Finance and Assurance to sign the Compliance Statement.
 - c. Authorises the Mayor and Chief Executive to sign the Audit New Zealand Letter of Representation for the Summary Annual Report when received from Audit New Zealand.

- d. Authorises the Group Manager Finance and Assurance to make changes necessary to the Summary Annual Report document for publication.

20. Public Excluded Session

Moved Cr Boyle, seconded Cr Kett and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

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

- (a) Minutes of the Public Excluded Session of Risk and Assurance Committee Meeting Held on 19 September 2023
- (b) Minutes of the Meeting of Public Excluded Session of Council Held on 26 September 2023
- (c) Minutes of the Public Excluded Session of the Infrastructure Committee Meeting Held on 10 October 2023
- (d) Minutes of the Public Excluded Session of the Community Wellbeing Committee Meeting Held on 10 October 2023
- (e) Minutes of the Public Excluded Session of the Finance and Projects Committee Meeting Held on 17 October 2023
- (f) Minutes of the Public Excluded Session of the Risk and Assurance Committee Meeting Held on 25 October 2023
- (g) ICHL 2024/2025 Letter of Expectation and Long-term Plan Strategic Planning
- (h) 2024 – 2034 LTP – Draft External Funding Allocations

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
(a) Minutes of the Public Excluded Session of Risk and Assurance Committee Meeting Held on 19 September 2023	<p>Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> <p>Section 7(2)(a) Protect the privacy of natural persons, including</p>	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

that of deceased natural persons

Section 7(2)(g)

Maintain legal professional privilege

Section 7(2)(b) (ii)

Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information

Section 7(2)(h)

Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities

- b) Minutes of the Meeting of Public Excluded Session of Council Held on 26 September 2023

Section 7(2)(i)

Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

Section 48(1)(a)

That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

- (c) Minutes of the Public Excluded Session of the Infrastructure Committee Meeting Held on 10 October 2023

Section 7(2)(i)

Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

Section 48(1)(a)

That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

Section 7(2)(h)

Enable any local authority holding the information to carry on,

without prejudice or disadvantage,
commercial activities

Section 7(2)(g)

Maintain legal professional privilege

Section 7(2)(b)(ii)

Protect the information where the making available of the information would be unlikely unreasonably to prejudice the commercial position of the person who supplier or who is the subject of the information

- (d) Minutes of the Public Excluded Session of the Community Wellbeing Committee Meeting Held on 10 October 2023

Section 7(2)(i)

Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

Section 7(2)(i)

Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

Section 7(2)(a)

Protect the privacy of natural persons, including that of deceased natural persons

- (e) Minutes of the Public Excluded Session of the Finance and Projects Committee Meeting Held on 17 October 2023

Section 7(2)(i)

Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

Section 48(1)(a)

That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

Section 7(2)(a)

Protect the privacy of natural persons, including that of deceased natural persons

	Section 7(2)(h) Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	
(f) Minutes of the Public Excluded Session of the Risk and Assurance Committee Meeting Held on 25 October 2023	Section 7(2)(b)(ii) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
(g) ICHL 2024/2025 Letter of Expectation and Long-term Plan Strategic Planning	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
	Section 7(2)(h) Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	
(h) 2024 – 2034 LTP – Draft External Funding Allocations	Section 7(2)(b)(i) Protect information where the making available of the information would disclose a trade secret.	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

There being no further business, the meeting finished at 6.47 pm.

MINUTES OF EXTRAORDINARY COUNCIL, HELD IN THE COUNCIL CHAMBERS, FIRST FLOOR, TE HĪNAKI CIVIC BUILDING, 101 ESK STREET, INVERCARGILL ON TUESDAY 7 NOVEMBER 2023 AT 3.20 PM

Present:

Mayor W S Clark
Cr A J Arnold
Cr R I D Bond
Cr P M Boyle
Cr S J Broad
Cr T Campbell
Cr A H Crackett
Cr G M Dermody
Cr P W Kett
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr B R Stewart
Rev E Cook – Māngai – Waihōpai
Mrs P Coote – Kaikaunihera Māori – Awarua

In Attendance:

Mr M Day – Chief Executive
Mr R Pearson – Acting Group Manager – Infrastructure
Mrs P Christie - Group Manager - Finance and Assurance
Mr J Shaw - Group Manager - Consenting and Environment
Ms T Hurst - Group Manager - Community Engagement and Corporate Services
Ms R Suter – Manager – Strategy and Policy
Ms L Knight - Manager - Strategic Communications
Mr G Caron - Digital and Visual Communications Advisor
Ms M Sievwright – Senior Executive Support

1. Apologies

Nil.

2. Declaration of Interest

Nil.

3. Changes to Agenda

Mayor Clark noted he wished to remove recommendations 3 to 8 in item 5 City Block West Deliberations and Decisions. The first reason was to have a fresh discussion on Wachner Place and not have the confusion of ICL finances. The second reason was some uncertainty around the finances from ICL and a further written report which had been requested.

In relation to the options around Wachner Place, Mayor Clark wished to move an amendment to Option 1, and to consider the late advice he had received regarding the pillars which are below earthquake standard which would make a significant difference in decision making. The advice of under 34% NBS rating was subject to analysing the place where the pillars were sitting. As the pillars were sitting on an arterial road, there were 12 years to bring the pillars up to code. This created moral and ethical issues if there was an earthquake and people were hurt and nothing was done.

Mayor Clark outlined the amended change he wished to move to item 11 option 1.

Moved Mayor Clark, seconded Cr Campbell that Council:

11. Agree the following option for delivery, noting that Council has a preference for retaining the clock and Dee Street columns:
 - a. Option 1 – Through Wachner Place – One way for tour buses while retaining the clock structure and using the space to the north and south of the block structure for buses and pedestrian movement and allocate up to \$14.99 million capital noting that following detailed design this figure may be reduced.

In response to a question regarding vehicle access, it was not intended to limit to just buses. It was noted that the community had not been consulted on a shared space option. A discussion was held regarding what vehicles would be included.

It was noted that the use of the word vehicle would cause confusion for the public and the assumption would be this word would include all vehicles.

Note: Mr Day noted that the minutes of the hearing and the report had not been accepted yet so this needed to be done first.

4. City Block West Deliberations and Decision

A4959778

Moved Cr Soper, seconded Cr Dermody and **RESOLVED** that Council:

1. Receive the report "City Block West Deliberations and Decision"
2. Note the feedback received via submissions and hearings provided to Council at the 31 October Council meeting.

It was noted there were three options under item 11. It was clarified that option 3 would be deleted. It was also noted that option 1 was getting into design and it should be just to allow access through Wachner Place or not.

It was noted there was a need to make a decision today. By choosing option 1, this would not rule out the option of retaining the clock.

The suggested change to the wording was over emphasizing a preference to option 1 before voting. The decision should be on whether it should have vehicle access at all.

Council had received a clear steer from submitters and the majority were against option 1, with a clear preference to option 2.

Two options which had sought consultation on spoke about trying to preserve the heritage of the clock and the proposed amendment was a good compromise. The only reasons why four buses were contemplated was the difficulty of buses being able to turn into Esk Street West. So the option for four buses could continue through Wachner Place should stay. The same did not apply to taxis.

Note: Cr Pottinger raised a Point of Order. It was noted this vote was just on the amendment to Item 11, option 1.

5. Minutes of Hearing for City Block West held on Tuesday 24 October 2023
A4963605

Moved Cr Dermody, seconded Cr Stewart and **RESOLVED** that Council notes the Minutes of Hearing for City Block West held on Tuesday 24 October 2023.

6. City Block West Deliberations and Decision (cont.)

The motion to item 11 option 1, now put, was **RESOLVED**.

Note: Crs Kett, Bond and Soper voted against this motion.

Moved Cr Campbell, seconded Cr Bond and **RESOLVED** that option 3 be removed.

Moved Cr Campbell, seconded Cr Dermody that option 1 be selected.

11. Agree the following option for delivery, noting that Council has a preference for retaining the clock and Dee Street columns:
 - b. Option 1 – Through Wachner Place – One way for four buses while retaining the clock structure and using the space to the north and south of the block structure for buses and pedestrian movement and allocate up to \$14.99 million capital noting that following detailed design this figure may be reduced.

Further discussion was held regarding the options. The relevance of Wachner Place was queried now as the landscape had changed since it have first been developed.

Note: Cr Arnold left the meeting at 3.53 pm.

All councillors were given the opportunity to share their views before a vote was cast.

Note: Cr Arnold returned to the meeting at 3.55 pm.

It was noted that cities did not need to design their civic spaces around vehicles. It was noted this was the closest space there was to the original waka landing space so the connection between Wachner Place and the railway was an important connection. It was suggested that it should not be opened as it was a dangerous wind tunnel. There was an opportunity to revitalise the area. It was noted there was an opportunity for

economic development and Council should look to partner with the new hotel and this was a way to do this.

The motion, now put, was **RESOLVED**.

Note: Crs Kett, Bond, and Soper voted against this motion.

Moved Cr Crackett, seconded Cr Ludlow and **RESOLVED** that Council:

9. Note that for Wachner Place/ Esk Street West - Option 2: People first Esk Connection to City Centre with bus access from Leven St (59%+) has the most support through public submissions.
10. Note the developer of the Hotel has also requested approval to construct the Porte Cochere within the road reserve to serve as an entrance for the hotel which will require a licence to occupy.
12. Request officers to approach detailed design for the preferred option with a view to maintaining a consistent design ethos to City Streets Stage 1 while identifying cost savings with final budget to be brought back for Council decision.

7. 2024 – 2054 Draft Infrastructure Strategy

A4882536

Mr Russell Pearson and Ms Rhiannon Suter presented the report.

Cr Pottinger said the money being put aside for the two wastewater discharges were \$90 million and asked if this was worst case scenario. It was noted that iwi would oppose any water to water discharge and the preference was to discharge to land. Clarification was being sought from Local Government. This strategy was for the next 30 years and linked to the financial strategy.

Moved Cr Pottinger, seconded Cr Bond and **RESOLVED** that Council:

1. Receive the report “2024 – 2054 Draft Infrastructure Strategy”.
2. Confirm the Draft Infrastructure Strategy prior to audit, noting that budgets will be added following finalisation (A4593618).

8. 2024 – 2034 LTP Financial Strategy

A4901950

Ms Patricia Christie and Ms Rhiannon Suter spoke to the report.

Note: Cr Crackett left the meeting at 4.41 pm

It was noted this strategy remained draft until June and interlinked with the Infrastructure Strategy. The whole document would be available for consultation.

In response to a question regarding useful end of life and how depreciation was dealt with, it was noted that depreciation was the cost to replace an asset. By the time Council

came to replace it, inflation would expand this so depreciation needed to keep up with this. It was not uncommon for the life to keep extending.

Note: Cr Crackett returned to the meeting at 4.45 pm.

This was more difficult than funding renewals. This was the first cycle of infrastructure in the country so there was not enough data yet. Depreciation renewals would never match renewals.

Moved Cr Soper, seconded Cr Crackett and **RESOLVED** that Council:

1. Receive the report "2024 – 2034 LTP Financial Strategy".
2. Confirm the Draft 2024 – 2034 Financial Strategy prior to audit and consultation (A4915537).

9. LTP 2024 – 2034 Levels of Service, KPIs and Targets

A4906654

Ms Rhiannon Suter was in attendance to speak to this item.

In response to a question regarding the trend of measures not applicable, it was noted there were some targets which were set by the DIA and could not be changed. Alternatively in some areas, some targets were being reconsidered.

In response to a question regarding the satisfaction surveys, and whether there was a way of filtering out persons who responded but did not use the services, it was noted some of the surveys were specifically targeted to users and some surveys wanted to know why services were not used.

Moved Cr Dermody, seconded Cr Bond and **RESOLVED** that Council:

1. Receives the report "LTP 2024 – 2034 Levels of Service, KPIs and Targets".
2. Confirms the Long-term Plan Draft Levels of Service, Key Performance Indicators and Targets ahead of audit and consultation in 2024, noting that they will remain draft until the Long-term Plan is adopted in June 2024. (A4988013)

There being no further business, the meeting finished at 5.05 pm

**MINUTES OF INFRASTRUCTURE COMMITTEE, HELD IN THE COUNCIL CHAMBERS,
FIRST FLOOR, TE HĪNAKI CIVIC BUILDING, 101 ESK STREET, INVERCARGILL ON
TUESDAY 7 NOVEMBER 2023 AT 3.00 PM**

Present:

Cr I R Pottinger (Chair)
Mayor W S Clark
Cr A J Arnold
Cr R I D Bond
Cr P M Boyle
Cr S J Broad
Cr T Campbell
Cr A H Crackett
Cr G M Dermody
Cr P W Kett
Cr D J Ludlow
Cr L F Soper
Cr B R Stewart
Rev E Cook – Māngai – Waihōpai
Mrs P Coote – Kaikaunihera Māori – Awarua

In Attendance:

Mr M Day – Chief Executive
Mr R Pearson – Acting Group Manager – Infrastructure
Mrs P Christie - Group Manager - Finance and Assurance
Mr J Shaw - Group Manager - Consenting and Environment
Ms T Hurst - Group Manager - Community Engagement and Corporate Services
Ms R Suter – Manager – Strategy and Policy
Ms L Knight - Manager - Strategic Communications
Mr D Rodgers – Manager – Strategic Asset Planning
Mr G Caron - Digital and Visual Communications Advisor
Ms M Sievwright – Senior Executive Support

1. Apologies

Nil.

2. Declaration of Interest

Nil.

3. Public Forum

Nil.

4. Minutes of the Meeting of the Infrastructure Committee held on Tuesday 10 October 2023

A4938063

Moved Cr Stewart, seconded Cr Dermody and **RESOLVED** that the Minutes of the Infrastructure Committee held on Tuesday 10 October 2023 be confirmed.

5. Temporary Road Closures – Invercargill Santa Parade 2023

A4949142

Note: Due to a conflict of interest, Cr Pottinger vacated the Chair and Cr Campbell took over.

Mr Doug Rodgers was in attendance to speak to this item. He said the route this year had been changed due to the entrance and exit of the Mall on Tay Street.

Moved Cr Ludlow, seconded Cr Soper and **RESOLVED** that the Infrastructure Committee:

1. Receives the report "Temporary Road Closures – Invercargill Santa Parade 2023".
2. Resolve that the proposed event outlined in the report will not impede traffic unreasonably.
3. Approves the temporary road closures for:
 - Gala Street - from Doon Street to Dee Street from 11.30 am until 3.30 pm on Saturday, 25 November 2023 weather permitting with the alternative date of Sunday, 26 November 2023.as permitted under the Local Government Act 1974 (Section 342 and Schedule 10).

Note: Cr Pottinger resumed the Chair.

6. Temporary Road Closures – Bluff Santa Parade 2023

A4949143

Mr Doug Rodgers was in attendance to speak to this item.

Moved Cr Ludlow, seconded Cr Soper and **RESOLVED** that the Infrastructure Committee:

1. Receives the report "Temporary Road Closures – Bluff Santa Parade 2023".
2. Resolve that the proposed event outlined in the report will not impede traffic unreasonably.
3. Approves the temporary road closures for:
 - Liffey Street - from Barrow Street to Gore Street.
 - Palmer Street – from Gore Street to Barrow Street.
 - Barrow Street - from Palmer Street to Lee Street.as permitted under the Local Government Act 1974 (Section 342 and Schedule 10).

7. Temporary Road Closures – Burt Munro Challenge 2024

A4862865

Mr Russell Pearson was in attendance to speak to this item. There were safety issues with the previous Challenge and this report outlined the new changes.

Moved Cr Boyle, seconded Cr Kett and **RESOLVED** that the Infrastructure Committee:

1. Receives the report 'Temporary Road Closures – Burt Munro Challenge 2024'.
2. Resolve that the proposed event outlined in the report will not impede traffic unreasonably.
3. Approves the temporary road closures for:
 - Mason Street, Lagan Street, Flagstaff Road, Budd Street, Pearce Street, Theodore Street and Slaney Street, Bluff, from 7.00 am Thursday 8 February 2024, until 8.00 pm Thursday 8 February 2024
 - Oki Street, Dunns Road, and Oreti Beach (from Dunns Road entrance to 2km north of Dunns Road entrance), from 12.00pm Friday 9 February, until 10.00pm Friday 9 February 2024

as permitted under the Local Government Act 1974 (Section 342 and Schedule 10).

8. Public Excluded Session

Moved Cr Soper, seconded Rev Cook and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

- a) Minutes of the Public Excluded Session of the Infrastructure Committee Held on 10 October 2023

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
a) Minutes of the Public Excluded Session of the Infrastructure Committee Held on 10 October 2023	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

Section 7(2)(h)

Enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities

Section 7(2)(g)

Maintain legal professional privilege

Section 7(2)(b)(ii)

Protect the information where the making available of the information would be unlikely unreasonably to prejudice the commercial position of the person who supplier or who is the subject of the information

There being no further business, the meeting finished at 3.06 pm.

**MINUTES OF COMMUNITY WELLBEING COMMITTEE, HELD IN THE COUNCIL CHAMBERS,
FIRST FLOOR, TE HĪINAKI CIVIC BUILDING, 101 ESK STREET, INVERCARGILL ON TUESDAY
14 NOVEMBER 2023 AT 3.00 PM**

Present:

Cr D J Ludlow (Chair)
Mayor W S Clark
Cr R I D Bond
Cr P M Boyle
Cr S J Broad
Cr T Campbell
Cr G M Dermody
Cr I R Pottinger
Cr L F Soper
Cr B R Stewart – apology for lateness
Mrs P Coote – Kaikaunihera Māori – Awarua

In Attendance:

Mr M Day – Chief Executive
Ms E Moogan - Group Manager – Infrastructure
Mrs P Christie - Group Manager - Finance and Assurance
Ms T Hurst – Group Manager – Community Engagement and Corporate Services
Mr J Shaw - Group Manager - Consenting and Environment
Mr M Waters – Acting Group Manager Places and Spaces
Mr A Cameron - Chief Risk Officer
Ms R Suter – Manager Strategy and Policy
Ms G Crawford – Engagement and Partnerships Officer
Mr C McAulay – Manager – Parks Operations
Ms C Rain – Manager - Parks and Recreation
Ms A Duncan – Manager – Planning and Building Services
Ms G Cavanagh – Manager – Environmental Services
Mr M Morris - Manager - Governance and Legal
Ms L Knight - Manager - Strategic Communications
Mr G Caron - Digital and Communications Advisor
Mrs L Williams – Team Leader Executive Support

1. Apologies

Cr P Kett, Rev E Cook, Cr Crackett and Cr B Stewart for lateness

Moved Mayor Clark, seconded Ms P Coote and **RESOLVED** that the apologies be accepted.

2. Declaration of Interest

Nil.

3. Minutes of the Community Wellbeing Fund Subcommittee Meeting Held on Thursday 28 September 2023

A4899179

Moved Cr Soper, seconded Cr Bond and **RESOLVED** that the Minutes of the Community Wellbeing Fund Subcommittee Meeting Held on Thursday 28 September 2023 be received.

4. Minutes of the Community Wellbeing Committee Meeting Held on Tuesday 10 October 2023

A4935711

Moved Cr Ludlow, seconded Cr Soper and **RESOLVED** that the Minutes of the Community Wellbeing Committee Meeting Held on Tuesday 10 October 2023 be confirmed.

5. Minutes of the Extraordinary Community Wellbeing Fund Subcommittee Meeting Held on Friday 20 October 2023

A4958568

Moved Cr Boyle, seconded Cr Soper and **RESOLVED** that the Minutes of the Extraordinary Community Wellbeing Fund Subcommittee Meeting Held on Friday 20 October 2023 be received.

6. Minutes of the District Licensing Committee Meetings Held in October 2023

A5002014

Moved Cr Ludlow, seconded Cr Bond and **RESOLVED** that the Minutes of the District Licensing Committee Meetings Held in October 2023 be received.

7. Minutes of the Hearings – Gambling Policy Held on Thursday 9 November 2023

A4988547

5. Recommend that the Community Wellbeing Committee **Recommend to Council to adopt:**

- a. CAP Board Venue Policy
- b. CAP Class 4 Venues Policy

Moved Cr Campbell, seconded Cr Bond and **RESOLVED** that the Minutes of the Hearings – Gambling Policy Held on Thursday 9 November 2023 be received and the recommendation to the Community Wellbeing Committee be confirmed.

8. Report - Invercargill City Council Tree Plan 2020 – Information Update To Councillors

A4802824

Ms Caroline Rain spoke to the report and advised this was an update. The tree plan was developed to ensure a consistent approach to trees on all Council land. One of the key actions was annual scoping and risk assessment of heritage trees. Part of this assessment and work was in conjunction with the airport and there were a number of trees identified for removal. Assessment was in high population or traffic areas, and one tree was removed due to safety, the remainder were in good health. This would be reviewed again in 2025 and would come back to Council, alongside consultation with the community.

The Chair asked if the assessment could be brought back. It was confirmed once received it could be.

A query was raised around the number of trees and the report talks of 5,000 trees but have planted 10,000, Ms Rain noted they were the corridor trees.

A query was raised if this included forestry at Sandy Point, it was advised it does not, they are managed under the management plan.

A further query was raised around trees that had fallen due to weather and if staff had data in those, Ms Rain noted that no data had been collected. In the future this need to monitor the high priority trees as part of the assessment work.

Note: Cr Stewart arrived at 3.30 pm

Mr Day noted that the initial assessment was 200 trees that needed to be removed, this had increased to 450, and the priority was around the trees at risk and around people.

A query was raised if the trees that fell in Queens Park were on the register, it was noted that there had been extreme weather events and looking at the high risk areas was the priority.

The tree plan came to be due to a number of trees that fell in Victoria Avenue a number of years ago and that the highest risk trees be addressed which was where the original 200 trees came from, which had subsequently been increased to the 450 trees, and assessed yearly. Ms Rain noted this happened last week.

A query was raised around the trees notified by the airport and repopulation – and whether the trees were appropriate for that area, it was confirmed that they were. A further query was raised around high winds, Ms Rain noted that she would bring a report back with the assessment. The area would be remediated once all the trees in that area were down.

A query was raised if council ever removed non-native trees for the purpose of replacing with an indigenous tree. It was noted that there were a number of trees near the bowling club that need to come down and was there a plan, Ms Rain noted she did not have that information.

A query was raised around roots on trees causing damage to a footpath and what happened. It was noted this would be in the infrastructure area, Ms Rain noted that parks would work with infrastructure and involve the community if any trees needed to be removed.

Moved Cr Soper, seconded Cr Boyle and **RESOLVED** that the Community Wellbeing Committee:

1. Receives the Report "Invercargill City Council Tree Plan 2020 – Information Update to Councillors".
2. Acknowledges the issues Council is planning to overcome as part of forward planning.

9. Report - Temporary Alcohol Ban – Christmas At The Races

A4966624

Mrs Gillian Cavanagh took the Committee through the report and noted that the only change was that this would be the last year that council share the costs 50/50, and that in 2024 the racing club would pay the total amount.

Moved Mayor Clark, seconded Cr Bond and **RESOLVED** that the Community Wellbeing Committee:

1. Receives the report titled "Temporary Alcohol Ban – Christmas At The Races".
2. Impose a temporary alcohol ban on Saturday 16 December 2023 from 10.00 am to 8.00 pm from the intersection of St Andrew Street and Racecourse Road to the Racecourse Road entrance of the Ascot Park Hotel, and on Yarrow Street between Racecourse Road and Derwent Street.

10. Report – Community Wellbeing Fund – Update to Framework

A4667840

Ms Rhiannon Suter and Ms Gemma Crawford took the Committee through her report and noted this report provided an update and ran through a presentation advising what work had been done.

Cr Boyle as Chair was invited to speak and noted that the Committee were provided with a good level of information and thanked staff.

Moved Cr Boyle, seconded Cr Bond and **RESOLVED** that the Community Wellbeing Committee:

1. Receives the report "Community Wellbeing Fund – Update To Framework".
2. Adopts the updated Terms of Reference, noting the two alternate delegates are incorporated within the Delegations Register (A4996325).

3. Adopts the updated Community Wellbeing Fund Framework (A4996567).
4. Notes recruitment has taken place recently for the empty community representative seat.

11. Report – 2023 Youth Council Annual Report

A4975171

Youth councillors Alexander Black; Hana Davis and Emma Pope spoke to the report.

Ms Davis shared with the committee that this was her first year and had been rewarding and a safe space. Election event was a highlight with a number of questions and there was a great turnout. The Youth Council had grown over the past 12 months. Ms Pope noted that there had been a good uptake on survey and await MBIE response. Looking forward Summer Youth Council and thanked the councillors for their support. Mr Black noted that 40 applications had been received for elections next year and interviews had been held. One of the summer projects over summer was a full orientation day for Youth Council and youth market day in February.

The chair thanked Mr Black for his three year services and thanked Miss Davis and Miss Pope for their first year of service. He added that he was pleased to see how the Youth Council had interacted with Council.

A query was raised around how the youth councillors felt that they had enough opportunities to meet with Council. It was noted in the affirmative and that they were very supported by councillors that attend their meetings.

A query was raised around access to Youth in the city and how the councillors felt that was going, it was noted that they had access to social media and that they were hoping to utilise to market day to get information out about the Youth Council. In addition the applications received for the Youth Council mainly came from social media. Query around the analytics being available to them, it was noted that they could ask for the information about their reach.

Note: Cr Arnold arrived at 3.11 pm.

A query was raised about the unsuccessful applicants and was a list kept and could they touch base. Ms Crawford affirmed that they kept those details and that if there was a requirement during the year for a councillor they could touch base.

A query was raised about the Youth Wellbeing Committee and the reach that had, and any events planned, the youth councillors advised that this would be looked at in February with the new Council.

Community advocacy was raised and noted a number of issues that had been raised and how would the Youth Council engage to speak to those students around awareness. It was confirmed that some of the Youth Councillors speak at their own schools and perhaps could look at open days.

A query was raised on whether there was an opportunity for the four committees to have a youth councillor attend and could this be an option in the future, it was confirmed that

if interested could promote and give speaking rights but no voting rights. A query was raised around whose view would be being represented, individual vs Youth Council, as a whole this would be raised with the new Youth Council.

A query was raised around the age and coverage of schools in the recent applications, and Ms Crawford noted there were a number of younger applicants 12-13 year olds and across a number of schools, and did see a diverse range.

Moved Cr Ludlow, seconded Ms P Coote and **RESOLVED** that the Community Wellbeing Committee:

1. Receives the Report "2023 Youth Council Annual Report".

12. Report – Active Communities Update

A4989105

Ms Rhiannon Suter and Ms Gemma Crawford took the Committee through the report. This was the first year update on the funding that Active Southland took over from Council.

The Chair noted that this had been a learning curve for committee members but doing well.

It was noted that this had allowed a much more holistic way in dealing with applications and had fulfilled what Council had wanted. Active Southland also did well in directing applicants to the correct funds.

A query was raised around the funding of registration fees and did this happen in the past. It was affirmed it was a change but as part of the new direction around accessibility, cost could be a barrier.

Moved Cr Ludlow, seconded Cr Soper and **RESOLVED** that the Community Wellbeing Committee:

1. Receives the report "Active Communities Fund Update."

13. Activities Report

A4985405

The Chair thanked staff for the above and beyond work done in the recent weather events.

It was noted that good numbers had been attending the food markets, very positive and there was a local band.

Tree planting and the planting of native trees, had a plan to plant one per person and have to date planted 9,500 and how close council were to that target. Ms Suter noted that something like 26,000 trees had been planted over the past three years.

Query raised about the infrastructure in Bluff supporting the number of cyclists, camper vans, potential to explore.

Feedback that the centre plots did not look good and no colour. Traffic management plans should be in place to allow staff to do this.

It was noted that the food market was a family event and licensing requirements for alcohol. It was a great atmosphere and a success.

Mr Day confirmed that some of the centre plots did not fall under Council as they were on Waka Kotahi roading corridors.

A query was raised what constitutes an overgrown section, it was noted they were covered under a bylaw and overgrown was higher than 25 cm. From Bay Rad to Drury Lane have cars, classed as industrial, the Chair confirmed being investigated by Environment Southland.

Vegetables being grown, was there any plan to do something like this in Bluff. Mr Day confirmed working closely with the community and take the idea to parks.

Tracks and trails would be good to see annual data as well, it was confirmed this would happen in the future now the data was being collected.

Local Play advocate, was this a Council position, it was responded to in the affirmative, but paid by Sport New Zealand. Was there budget attached to it, it was confirmed fully funded.

Query raised around naming of Tisbury and the Trust, need to get on and do it, causes confusion that the directors are part of the Museum. Mr Day noted independent Trust and have the ability to name themselves and have reinforced would like then to change but they were waiting for a Chair to be in place.

Rugby Park and the Trust returned to Council, the wording was felt to be ambiguous. Mayor Clark as Chair noted that have to technically sell from the Trust back to Council.

Agreement that the wording was ambiguous and needed clarification.

Moved Cr Boyle, seconded Cr Bond and **RESOLVED** that the Community Wellbeing Committee:

1. Receives the "Activities Report".

14. Public Excluded Session

Moved Cr Ludlow, seconded Cr Soper and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

- a) Minutes of the Public Excluded Session of the Community Wellbeing Fund Subcommittee Meeting Held on 28 September 2023
- b) Minutes of the Public Excluded Session of the Community Wellbeing Committee Meeting Held on 10 October 2023

- c) Minutes of the Public Excluded Session of the Extraordinary Community Wellbeing Fund Subcommittee Meeting Held on 20 October 2023

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
a) Minutes of the Public Excluded Session of the Community Wellbeing Fund Subcommittee Meeting Held on 28 September 2023	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
b) Minutes of the Public Excluded Session of the Community Wellbeing Committee Meeting Held on 10 October 2023	Section 7(2)(h) Enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities	
c) Minutes of the Public Excluded Session of the Extraordinary Community Wellbeing Fund Subcommittee Meeting Held on 20 October 2023	Section 7(2)(g) Maintain legal professional privilege Section 7(2)(b)(ii) Protect the information where the making available of the information would be unlikely unreasonably to prejudice the commercial position of the person who supplier or who is the subject of the information	

There being no further business, the meeting finished at 4.14 pm



Board (TAB) Gambling Venues Policy

Effective from 1 December 2023





Board (TAB) Venues Policy

Introduction and background:

Section 96 of the Racing Industry 2020 requires Council to adopt a Board (TAB) Venues Policy in relation to stand alone Board venues.

As required by the Act, TAB New Zealand must seek consent of Council if it intends to establish a stand-alone Board Venue for sport/ race betting.

Purpose:

- To assist in limiting the harm of a problem in the community.
- To encourage responsible gambling practices and attitudes in Board venues.
- To facilitate community involvement in decisions about gambling by ensuring that all communities in the Invercargill District are given the opportunity to consult with Council in a manner that is culturally appropriate.





Definitions

The Act: The Racing Industry Act 2020.

Business Zone 1 or Central Business District (CBD): means the area defined in the map attached in Appendix 2.

Council: means Invercargill City Council.

DIA: means the Department of Internal Affairs.

Invercargill District: means all the area covered by the Invercargill City Council, a Territorial Authority as per the Local Government Act 2002.

New Venue: means any venue that has not held a venue licence for six months or more or that has never held a venue consent.

Sensitive Premises: includes any school, child care facility, preschool or facility providing for education or care of children or,

- any place of religious gathering or assembly or;
- any residential activity, apartments or dwellings or;
- any community facility.

Social Impact Assessment: means a study assessing the impact on the Community of the relocating gambling venue. It will consider (but is not limited to):

- Socio-economic factors of the area the venue is to relocate to; and
- The Community response; and
- Other facilities in the area; and
- Environmental impacts; and
- Health and wellbeing of the community area.

Further information is available from International Association for Impact Assessment or their New Zealand branch.





TAB Venues: means premises that are owned or leased by TAB New Zealand, where the main business carried on at the premises is providing racing betting or sports betting services as provided for in the Act. It covers stand-alone TAB Board Venues only and Council consent is not required under the legislation to establish a TAB facility in a bar, hotel or club.

Policy requirements for venues

New owner: If the owner(s) of a principal business of the venues changes Council's consent remains allocated to the TAB New Zealand for that venue will continue. The new owner of these premises will not be required to obtain Council consent, however a new license may be required from the Department of Internal Affairs.

Relocation and merger: Council will only consider an application for a relocation and merger in the following circumstances:

If the proposed new location is within the CBD (the area defined in Invercargill District Plan as set out in the maps attached as appendix 2).

If the relocation or merger is moving from one location to another location with lower deprivation rating within the CBD.

If the relocation or merger is to move within the CBD to a location that more suitable and is further away from a residential/suburban area.

When considering suitability of the location, Council will take into account matters referred in Section 96 of the Act, a social impact assessment and cumulative effect of the additional opportunities of gambling in Invercargill City district.

The proposed relocation is not within 100 metres of a Sensitive Premises unless Informed consent has been obtained.

The new site is not within 100 metres of an automatic teller machine, except within the CBD.

Transfers: Council will consent to the transfer of a licence for an existing venue to a new venue only when the new venue is located within the CBD (the area defined in the Invercargill District Plan and as set out in the maps attached as Appendix 2). When considering whether the location is suitable, Council will take into consideration the matters referred to in Section 96 of the Racing Industry Act 2020 and the required Social Impact assessment.





Monitoring and Review: Primary monitoring responsibilities for this activity lie with the DIA. Council encourage licence holders to adopt a best practice code of conduct (Appendix 1) in pursuant to DIA's Gambling Harm Prevention and Minimisation Guidelines. Council will invite license holders to submit evidence of action taken to comply with the code of conduct as part of the monitoring and review process.

Council's Request For Service (RFS) function on gambling will allow the public to report any breach of Appendix 1 to Council. Council will forward the RFS details to the appropriate enforcement agency.

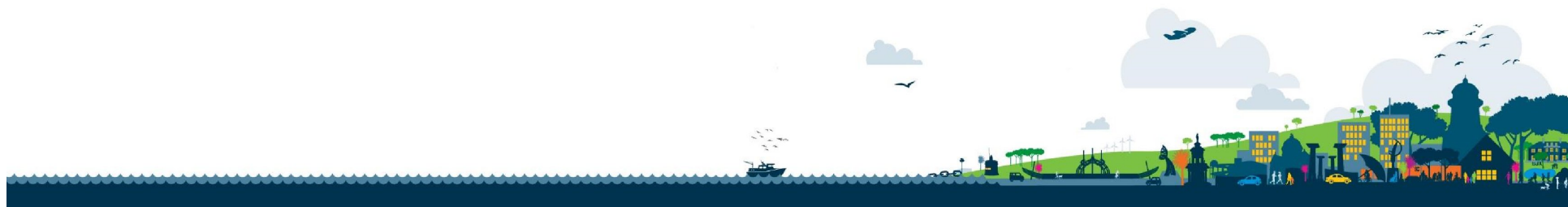
Procedure- Applications

All applications will incur a fee which is prescribed by Council according to Section 150 of the Local Government Act 2002.

Council will publicly notify applications for the transfer, merger or relocation of TAB venues and allow for public submissions to be lodged and heard.

Applications for consent must be made to Council and include:

- Name and contact details for the applicant; and
- Names of venue management staff; and
- Street address of premises being transferred, substituted relocated or merged and the proposed new address; and
- Payment of the fees; and
- A Social Impact Assessment; and
- Any other information which may be reasonably required to allow proper consideration of the application including how the applicant will encourage responsible gambling practices.



Other issues

All TAB venues are to adhere to the Best Practices guidelines (Appendix 1). Further information will be displayed on the ICC website to ensure that they are always up to date. Information relating to Gambling Help and support will also be provided there and updated regularly.



Revision History:

September 2007, December 2011, May 2015, April 2020

Effective Date:

1 December 2023

Review Period:

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

New Review Date:

2026

Associated Documents / References:

Class 4 Gambling Venues Policy, Racing Industries Act 2020, NZ Census Index of Poverty

Supersedes:

N/A

Reference Number:

A5006415

Policy Owner:

Manager - Environmental Services

Authorised By: _____

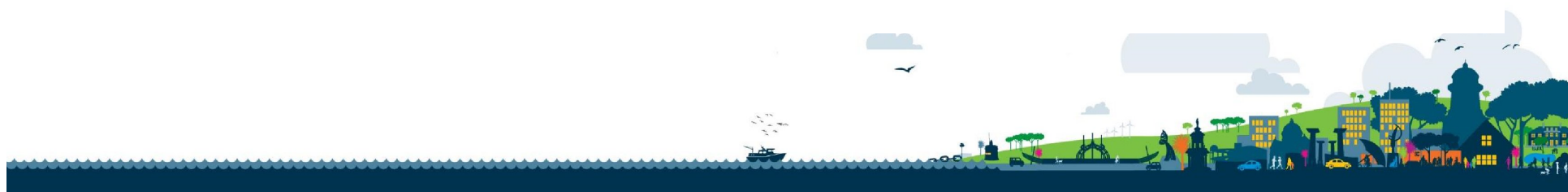
Michael Day
Chief Executive

Appendix 1

The best practice code of conduct will not be assessed as part of venue consent. It is a voluntary code of conduct developed to promote and reaffirm the mandatory host responsibilities of licensed venues. This supplementary harm minimisation tool will inform the public of the different harm minimisation measures practised in licensed gambling venues.

This code will help Council to assess the social impacts of gambling within venues and for the Invercargill City District. Council's Request For Service (RFS) on gambling will support this code of conduct and will allow the public to report any potential breach of the host's responsibilities on gambling harm minimisation. The table below sets out the relevant criteria and supporting actions that form the code of conduct.

Best Practice Supporting Action	Supporting Action
Host responsibility and gambling harm minimisation and prevention guidelines	<p>The applicant has in place a host responsibility and harm minimisation policy.</p> <p>The programme conforms to best practice as set out by national guidelines or standards should these become available.</p>
Mandatory staff training programme or activities	<p>The applicant demonstrates that all staff and management are familiar with its host responsibility and gambling harm minimisation and prevention responsibilities and receive problem gambling awareness training. The training provides information on:</p> <ul style="list-style-type: none"> • The potential effects of gambling on customers; • The identification of problem gambling traits; • The processes for approach, intervention and follow up for patrons with suspected problem gambling; • Identification practices for patrons appearing under 25 and actions to be followed; • Recognition of intoxicated patrons and steps to be followed to prevent intoxicated patrons from gambling; and



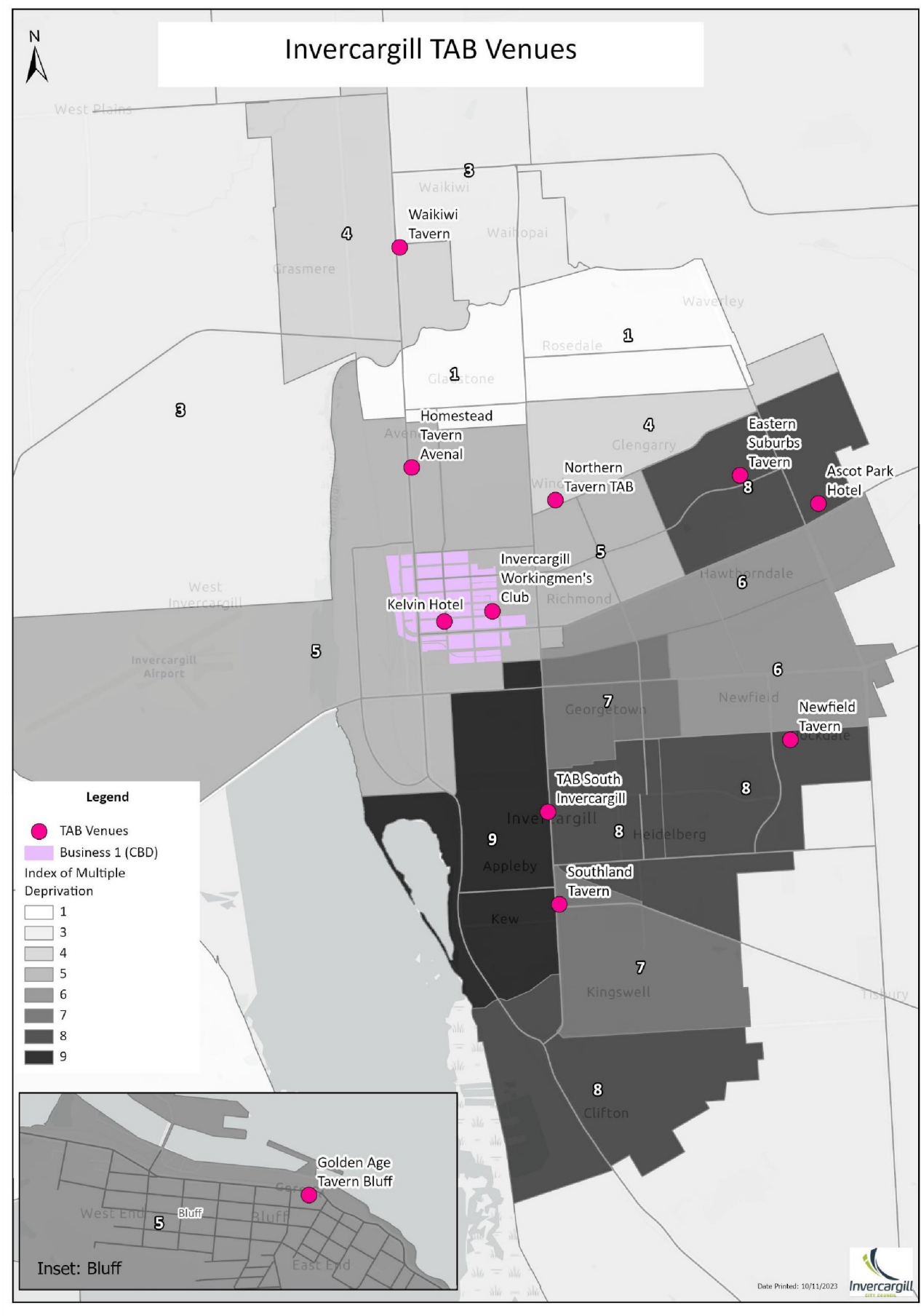
	<ul style="list-style-type: none"> • First-hand accounts (which may be pre-recorded) from people who have experienced or been affected by harm. • Systems to be followed if children are left unattended in premises or nearby premises. • Local and national problem gambling services and other organisations that can provide support to people affected by harm. • The procedure for self-exclusion and venue-initiated exclusion, including when it is appropriate for the venue manager or a person acting on their behalf to consider excluding an individual. <p>Training must also guide in conducting gambling sweeps and maintaining records in compliance with the Privacy Act 2020.</p>
Policy on underage access to gambling machines	<p>The venue manager must ensure that appropriate signage is in place indicating age restrictions so that this is visible at every gambling machine and at the point(s) of entry into the gambling area.</p> <p>Policy on identification checks for patrons appearing under 25.</p> <p>Staff training on identification of patrons appearing under 25 and actions to be followed.</p>
Display of problem gambling information	<p>The venue manager must ensure that patrons have access to appropriate information on problem gambling and problem gambling help services.</p> <p>Gambling helpline number information is placed on or near all gambling machines.</p> <p>Additional material on problem gambling and help services are displayed in at least one other area within the premise, situated near gambling machines.</p>



Clocks are visible in premise	The venue manager ensures that clocks are visible from the other side of the room from gambling machines.
There is good visibility where gambling machines are located	Natural or artificial light illuminates the area where gambling machines are located at all times when machines are in operation.
Self-exclusion, venues intended exclusion and multi venues exclusion.	<p>The venue manager and staff ensures that systems to support problem gamblers through appropriate exclusion process are put in place.</p> <p>Mangers and staff training on systems to support appropriate exclusion of problem gamblers in accordance to the exclusion order (problem gambling) guidelines.</p>
Children are not left unattended while gambling is undertaken	<p>The venue manager will take active steps to prevent parents leaving their children unattended without adult supervision, including:</p> <ul style="list-style-type: none"> • Requiring employees to report incidents where a child has been left unattended, either inside the premise or immediately outside the premise; and • Where a child has been left unattended, the licensee will take steps to locate an adult responsible for the child. If this attempt is unsuccessful, the licensee will contact the police.
Intoxicated patrons are prevented from gambling	<p>Staff training on identification of intoxicated patrons and actions to be followed if intoxicated patrons attempt to gamble.</p> <p>The venue manager takes practicable steps to ensure that no person who appears to be intoxicated is allowed to gamble.</p> <p>It is an offence if a licensee or a venue manager of any alcohol-licenced premises allows an intoxicated patron to remain in the licenced premises under section 252 of the Sale and Supply of Alcohol Act 2012.</p>



Appendix 2





Class 4 Gambling Venues Policy

Effective from 1 December 2023





Class 4 Gambling Venues Policy

Introduction:

The Gambling Act 2003 came into force on 18 September 2003. Under Section 101 of the Act, Council is required to adopt a Policy to regulate the number and location of non-casino electronic gambling machines (Class 4), more commonly known as Pokie machines. As of 7 September 2023, the Invercargill District had 15 Class 4 gaming venues and 226 Class 4 electronic gaming machines in operation.

As required under the Act, this policy applies only to gambling venues licensed after 17 October 2001, or to venues licensed before this if they wish to increase the number of electronic gaming machines.

Purpose:

- To assist in limiting the harm of a problem in the community.
- To encourage responsible gambling practices in Class 4 Venues.
- To reduce the number of electronic gaming machines in the community over time.
- To facilitate community involvement in decisions about gambling by ensuring that all communities in the Invercargill District are given the opportunity to consult with Council in a manner that is culturally appropriate.



Definition

The Act: The Gambling Act 2003.

Central Business District (Business 1): means the area defined in the map attached in Appendix 2 (the district maps will be added to this draft later on).

Class 4 Gambling: means any activity that involves the use of a gaming machine outside of a casino, which may be conducted only by a Corporate Society and only to raise money for authorised purposes.

Corporate Society: means a society that is:

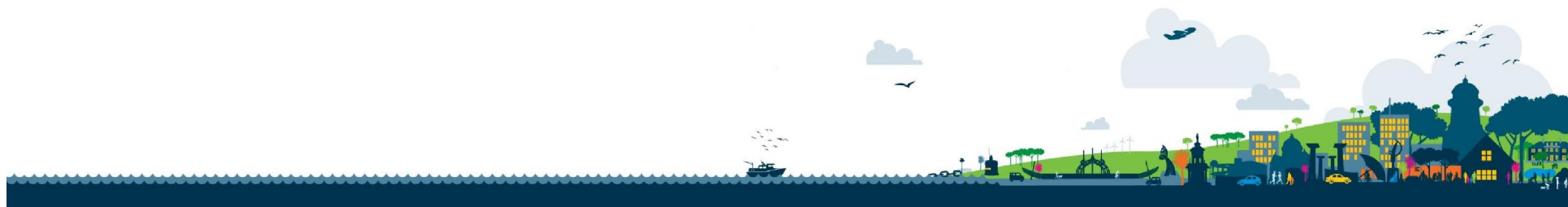
- a) Incorporated under the Incorporated Societies Act 2022 or
- b) Incorporated as a board under the Charitable Trusts Act 1957 or
- c) A company incorporated under the Companies Act 1993 that
 - (i) A company incorporated under the Companies Act 1993 that
 - (ii) Is incorporated and conducted solely for authorised purposes or,
- d) A Working Men's Club registered under the Friendly Societies and Credit Unions Act 1982.

Corporate Societies may therefore include Clubs (RSA, sports clubs etc, Charitable Trusts and Racing Clubs. Club has the same meaning.

Council: means Invercargill City Council.

DIA: means the Department of Internal Affairs.

Informed Consent: means that the owner and occupier of the sensitive premises have been fully consulted, informed of the proposal and have freely given their consent. This includes any affected person's approval that may be required as part of a resource consent.





Invercargill District: means all the area covered by the Invercargill City Council, a Territorial Authority as per the Local Government Act 2002.

New Venue: means any venue that has not held a Class 4 venue licence for six months or more or that has never held a Class 4 venue consent.

Sensitive Premises: includes any school, child care facility, preschool or facility providing for education or care of children or,

- any place of religious gathering or assembly or;
- any residential activity, apartments or dwellings or;
- any community facility.

Social Impact Assessment: means a study assessing the impact on the Community of the relocating gambling venue. It will consider (but is not limited to):

- Socio-economic factors of the area the venue is to relocate to; and
- The Community response; and
- Other facilities in the area; and
- Environmental impacts; and
- Health and wellbeing of the community area.

Further information is available from International Association for Impact Assessment or their New Zealand branch.



Scope

- a) Section 3 of the Act sets out the Act's purpose and this is as follows: 3 Purpose The purpose of this Act is to—
- b) control the growth of gambling; and
- c) prevent and minimise harm from gambling, including problem gambling; and
- d) authorise some gambling and prohibit the rest; and
- e) facilitate responsible gambling; and
- f) ensure the integrity and fairness of games; and
- g) limit opportunities for crime or dishonesty associated with gambling and the conduct of gambling; and
- h) ensure that money from gambling benefits the community; and
- i) facilitate community involvement in decisions about the provision of gambling.

This Policy is to be reviewed every three years.



Electronic Gaming Machine (Class 4) Venues

Council will not grant consent for the establishment of any new Class 4 gambling venues and / or to increase electronic gaming machines (EGMs) in an existing Class 4 gambling venue other than by means of relocation, transfer or merger of venues.

A gambling venue consent is for one venue (one premises) and is not transferable to another venue, unless consent is obtained from Council. A Consent is granted to a venue at a given address, not to a person or to a business.

It is acknowledged that in some cases moving existing gaming machines from one site to another under the same ownership will not create a new venue, and that Council's consent to the transfer may not be required in those cases.

Once a venue ceases to operate the machine numbers will not be allocated to any new or existing venue.

Council will not provide consent pursuant to Sections 95(1)(f) or 96(1)(e) of the Act to any application by corporate societies with Class 4 licences seeking Ministerial discretion to increase the number of gaming machines permitted at a venue except as by way of relocation.



Relocations, transfers of changes to venues and machines

Relocation: Council will only consider an application for a relocation in the following circumstances:

If the relocation is disestablishing an existing licenced venue and the relocation is into the CBD (as defined in the District Plan and the accompanying map)

If the relocation is moving from one location to another location with lower deprivation rating within the CBD.

If the relocation is to move within the CBD to a location that more suitable and is further away from a residential/suburban area.

If there is no increase in the overall number of venues as a consequence. For clarity, the operator would be able to take all existing gaming machines to the new premises in the CBD in accordance with Section 97 of the Act.

The proposed relocation is not within 100 metres of a Sensitive Premises unless Informed consent has been obtained.

The new site is not within 100 metres of an automatic teller machine, except within the CBD.

Transfers: Transfers occur when one or more venues transfer machines to an existing venue. Council will consider an application to transfer machines where:

The transfer of machines is from one licensed venue to another owned by the same society (or organisation), and

The total number of machines on site does not exceed 9, unless the venue was established before 2001, in which case the maximum number is 18, and

The venue receiving the machines is located in the CBD.

The Social Impact Assessment must contemplate the increase of machines in the venue.

Council will not consider a transfer of machines between two licensed venues if the two venues are owned by two different societies or organisations.





Merger of Licenced Club venues: Two or more licensed Class 4 clubs may apply to Council for consent to merge and increase the number of gaming machines subject to social impact study. Council will allow merger if the merger location is within the CBD.

Where such an application is made, and consent granted, the maximum number shall not exceed either 30 gaming machines or the sum total of the number of gaming machines that both clubs had prior to their merger.

Monitoring and Review: Primary monitoring responsibilities for this activity lie with the DIA. Council encourage licence holders to adopt a best practice code of conduct (Appendix 1) in pursuant to DIA's Gambling Harm Prevention and Minimisation Guidelines. Council will invite license holders to submit evidence of action taken to comply with the code of conduct as part of the monitoring and review process.

Council's Request For Service (RFS) function on gambling will allow the public to report any breach of Appendix 1 to Council. Council will forward the RFS details to the appropriate enforcement agency.

Factors for council in determining an application

In determining whether to grant any of the applications referred to above, Council will consider a social impact assessment on the proposed premises and will also consider whether the location is suitable, taking into account matters set out in Section 101(4) of the Act.





Procedure- Applications

All applications will incur a fee which is prescribed by Council according to Section 150 of the Local Government Act 2002.

Council will publicly notify applications for relocation, merger or transfer of Class 4 gambling venues and allow for public submissions to be lodged and heard.

Applications for consent must be made to Council and include:

- Name and contact details for the applicant.
- Names of venue management staff.
- Street address of premises being transferred, relocated or merged and the proposed new address.
- Payment of the fees.
- A Social Impact Assessment.
- Any other information which may be reasonably required to allow proper consideration of the application including how the applicant will encourage responsible gambling practices.

Other issues

All Class 4 venues are to adhere to the Best Practices guidelines (Appendix 1). Further information will be displayed on the ICC website to ensure that they are always up to date. Information relating to Gambling Help and support will also be provided there and updated regularly.

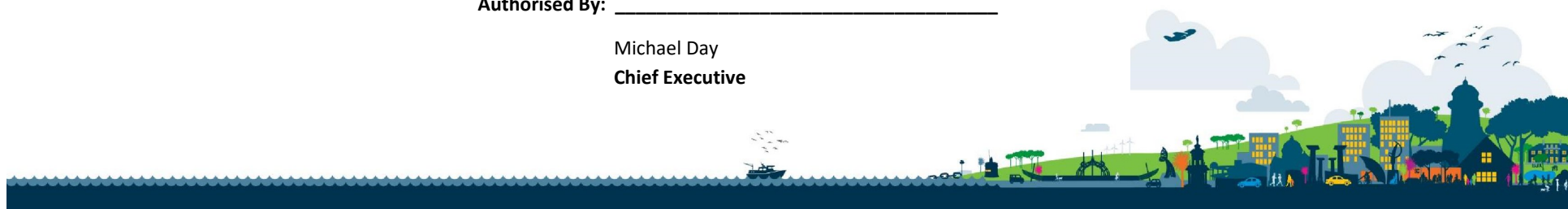
Self-excluded patrons are supported and shall be invited to bar themselves from all Class 4 venues in the City.



Revision History:	September 2007, December 2011, May 2015, April 2020
Effective Date:	1 December 2023
Review Period:	This policy will be reviewed every three (3) years unless earlier review is required due to legislative change, or is warranted by another reason requested by council.
New Review Date:	2026
Associated Documents / References:	Gambling Act 2003, Board (TAB) Venue Policy, NZ Census Index of Poverty
Supersedes:	N/A
Reference Number:	A5006294
Policy Owner:	Manager - Environmental Services

Authorised By: _____

Michael Day
Chief Executive



Appendix 1

The best practice code of conduct will not be assessed as part of venue consent. It is a voluntary code of conduct developed to promote and reaffirm the mandatory host responsibilities of licensed venues. This supplementary harm minimisation tool will inform the public of the different harm minimisation measures practised in licensed gambling venues.

This code will help Council to assess the social impacts of gambling within venues and for the Invercargill City District. Council's Request For Service (RFS) on gambling will support this code of conduct and will allow the public to report any potential breach of the host's responsibilities on gambling harm minimisation. The table below sets out the relevant criteria and supporting actions that form the code of conduct.

Best Practice Supporting Action	Supporting Action
Host responsibility and gambling harm minimisation and prevention guidelines	<p>The applicant has in place a host responsibility and harm minimisation policy.</p> <p>The programme conforms to best practice as set out by national guidelines or standards should these become available.</p>
Mandatory staff training programme or activities	<p>The applicant demonstrates that all staff and management are familiar with its host responsibility and gambling harm minimisation and prevention responsibilities and receive problem gambling awareness training. The training provides information on:</p> <ul style="list-style-type: none"> • The potential effects of gambling on customers; • The identification of problem gambling traits; • The processes for approach, intervention and follow up for patrons with suspected problem gambling; • Identification practices for patrons appearing under 25 and actions to be followed; • Recognition of intoxicated patrons and steps to be followed to prevent intoxicated patrons from gambling; and



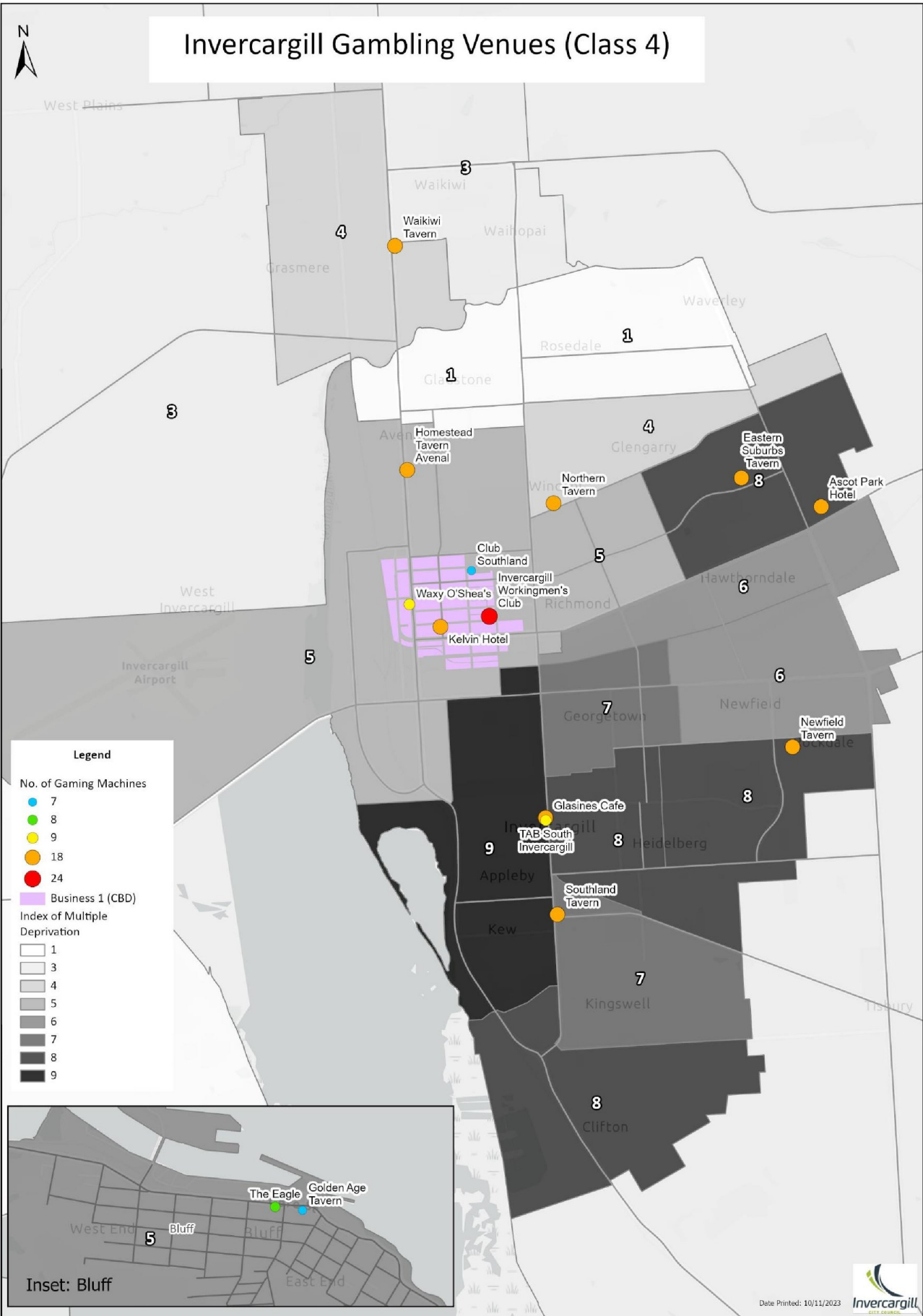
	<ul style="list-style-type: none"> • First-hand accounts (which may be pre-recorded) from people who have experienced or been affected by harm. • Systems to be followed if children are left unattended in premises or nearby premises. • Local and national problem gambling services and other organisations that can provide support to people affected by harm. • The procedure for self-exclusion and venue-initiated exclusion, including when it is appropriate for the venue manager or a person acting on their behalf to consider excluding an individual. <p>Training must also guide in conducting gambling sweeps and maintaining records in compliance with the Privacy Act 2020.</p>
Policy on underage access to gambling machines	<p>The venue manager must ensure that appropriate signage is in place indicating age restrictions so that this is visible at every gambling machine and at the point(s) of entry into the gambling area.</p> <p>Policy on identification checks for patrons appearing under 25.</p> <p>Staff training on identification of patrons appearing under 25 and actions to be followed.</p>
Display of problem gambling information	<p>The venue manager must ensure that patrons have access to appropriate information on problem gambling and problem gambling help services.</p> <p>Gambling helpline number information is placed on or near all gambling machines.</p> <p>Additional material on problem gambling and help services are displayed in at least one other area within the premise, situated near gambling machines.</p>



Clocks are visible in premise	The venue manager ensures that clocks are visible from the other side of the room from gambling machines.
There is good visibility where gambling machines are located	Natural or artificial light illuminates the area where gambling machines are located at all times when machines are in operation.
Self-exclusion, venues intended exclusion and multi venues exclusion.	<p>The venue manager and staff ensures that systems to support problem gamblers through appropriate exclusion process are put in place.</p> <p>Mangers and staff training on systems to support appropriate exclusion of problem gamblers in accordance to the exclusion order (problem gambling) guidelines.</p>
Children are not left unattended while gambling is undertaken	<p>The venue manager will take active steps to prevent parents leaving their children unattended without adult supervision, including:</p> <ul style="list-style-type: none"> • Requiring employees to report incidents where a child has been left unattended, either inside the premise or immediately outside the premise; and • Where a child has been left unattended, the licensee will take steps to locate an adult responsible for the child. If this attempt is unsuccessful, the licensee will contact the police.
Intoxicated patrons are prevented from gambling	<p>Staff training on identification of intoxicated patrons and actions to be followed if intoxicated patrons attempt to gamble.</p> <p>The venue manager takes practicable steps to ensure that no person who appears to be intoxicated is allowed to gamble.</p> <p>It is an offence if a licensee or a venue manager of any alcohol-licenced premises allows an intoxicated patron to remain in the licenced premises under section 252 of the Sale and Supply of Alcohol Act 2012</p>



Appendix 2



**MINUTES OF FINANCE AND PROJECTS COMMITTEE, HELD IN THE COUNCIL CHAMBERS,
FIRST FLOOR, TE HĪNAKI CIVIC BUILDING, 101 ESK STREET, INVERCARGILL ON TUESDAY
14 NOVEMBER 2023 AT 4.20PM**

Present: Cr G M Dermody (Chair)
Mayor W S Clark
Cr A J Arnold
Cr T Campbell
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr B R Stewart
Cr R I D Bond

In Attendance: Cr P M Boyle
Cr S J Broad
Mrs P Coote – Kaikaunihera Māori – Awarua
Mr M Day – Chief Executive
Mrs P Christie – Group Manager – Finance and Assurance
Ms T Hurst – Group Manager Community Engagement and Corporate Services
Mr J Shaw – Group Manager - Consenting and Environment
Mr A Cameron – Chief Risk Officer
Mr L van Nierop – ICHL Group Finance Lead
Mr M Morris – Manager – Governance and Legal
Ms L Knight – Manager – Strategic Communications
Mr G Caron – Digital and Communications Advisor
Mrs L Williams – Team Leader Executive Support
Ms K Ball – Director ICL

1. Apologies

Cr Kett; Rev Cook and Cr Crackett.

Moved Cr Ludlow, seconded Cr Stewart and **RESOLVED** that the apologies be accepted.

2. Declaration of Interest

Nil.

3. Public Forum

Nil.

4. Major Late Item

Moved Cr Ludlow, seconded Cr Soper and **RESOLVED** that the Major Late Item 'Invercargill City Holdings Limited – Transactional Opportunities' be accepted in Public Excluded Session

The reason that the item was not in the agenda: The item was not ready at the time of the publication of the agenda.

The reason why the discussion of the item could not be delayed: Matters could be progressed in a timely manner.

Reason for Public Exclusion:

Section 7(2)(h) - Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities

Section 7(2)(i) - Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

5. Public Excluded Session

Moved Cr Soper, seconded Cr Stewart and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, with the exception of Ms K Ball, ICL Director.

- a. Letter to Invercargill City Council Regarding Capital Raising
- b. Invercargill City Holdings Limited – Transactional Opportunities

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
a. Letter to Invercargill City Council Regarding Capital Raising	Section 7(2)(h) Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

Section 7(2)(i)

Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

- b. Invercargill City Holdings Limited – Transactional Opportunities

Section 7(2)(h)

Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities

Section 48(1)(a)

That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

Section 7(2)(i)

Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

There being no further business, the meeting finished at 6.15 pm.

**MINUTES OF THE BLUFF COMMUNITY BOARD, HELD IN THE MUNICIPAL CHAMBERS
AT 18 GORE STREET BLUFF, ON MONDAY 20 NOVEMBER AT 7.00 PM**

Present:	Mr R Fife Ms T Stockwell Ms T Topi Cr G M Dermody Mrs P Coote - Advisory Member
In Attendance:	Mr J Shaw – Group Manager – Consenting and Environment Mr M Keil – Manager Infrastructure Operations Mr A Gillespie – Senior Engineer Operations Ms C Rain – Manager - Parks and Recreation Mr M Morris – Manager – Governance and Legal Mr L Beer – Bluff/Publicity Officer Mrs N Allan – Manager Bluff Service Centre Mrs D Fife – Assistant Manager Bluff Service Centre Ms M Sievwright – Senior Executive Support

1. Apologies

Mr J Sutherland and Mr S Graham, Cr G Dermody for lateness.

Moved Ms Stockwell, seconded Ms Topi and **RESOLVED** that the apologies be accepted.

2. Declaration of Interest

Nil.

**3. Minutes of the Meeting of The Bluff Community Board held on Monday
16 October 2023**

A4939110

Moved Ms Topi, seconded Mrs Coote that the minutes of the Bluff Community Board held on 16 October 2023 be confirmed.

A change from S Stockwell, to T Stockwell.

It was noted that the replacement of the smashed glass panels at Stirling Point needed to be included in the action sheet.

The motion, not put, was **RESOLVED**.

Note: Cr Dermody and Cr Stewart arrived at 7.07 pm.

4. Bluff Action Sheet

A4949145

Mr Matt Keil and Mr Allan Gillespie were in attendance to speak to this item.

Moved Ms Topi, seconded Mr Fife and **RESOLVED** that the Bluff Community Board:

1. Receive the report 'Bluff Action Sheet'

Mr Keil reported that at the present time road markings were being repainted around Bluff. There had been a change of bylaw so the no parking road markings outside the Bluff Pool could be changed to the opposite side of the street, this is programmed for four to six weeks.

Mr Gillespie gave an update on items on the Bluff Action Sheet.

Minor work has been done to overhanging trees and vegetation.

Concrete work for the pedestrian scoop on Foreshore Road across from the Bluff Maritime Museum has been dispatched to the contractor.

Mr Gillespie reported that the Scout Hall roof has now been resolved.

The exeloo on Gore Street is on the list to be replaced next year, as the parts for the present one are proving very hard to source.

Ms Topi noted that it is good to see the update on foreshore Road around the speed advisory, with the programmed painting of centre lines on sharp corners.

The stop line for Raymond Street is going to be moved further into Walker Street to allow sufficient sight distance up Walker Street, contractor will be advised and programmed.

The glass panel at Stirling Point had been broken last year when the other three were replaced, the broken panel would be replaced soon, and if vandalism keeps happening, different materials will be looked at to replace the glass.

There is going to be a bylaw change for no parking lines outside Bluff Engineering on Foreshore Road.

A discussion took place around the CCTV for Stirling Point, Cr G Dermody has asked for the camera to be installed in the first round, which will be around June 2024.

It was confirmed that staff were keeping an eye on the vandalism at Stirling Point. If there was more vandalism then the glass panels would be replaced with something else. The CCTV camera would be put in the first round of installation. This was due to be in before June 2024. It was suggested that the glass panel be replaced sooner than the cameras being installed.

Ms T Stockwell enquired about item 96, wash out at the Rowing Club beach, there has been no further development, it was advised that the contractor will have a look.

Cr Dermody asked if the action sheet was worked through in numerical order, it was advised that it was not and that it was listed in priority order. Ms Topi said that it had never had a priority process, it was agreed that a priority column would be added to the sheet.

In response to questions regarding the top of Bluff Hill, it was noted that any ongoing maintenance would be undertaken by Council, not the Bluff Charitable Trust. It was also noted that a meeting would be required to work out who had responsibility, and a Memorandum of Understanding (MoU) would be required. Ms Rain would look for a previous MoU.

Ms Rain asked the Board if they would like the top of Bluff Hill painted with parking lines, she noted that if they were that parking lines would have to be painted for all types of vehicles. The Board decided to stay with the status quo. Ms Topi noted that there are pot holes in that area, and this would be added to the action sheet.

Ms Rain noted that the Bluff Hill Recreation Precinct was progressing well, meeting all timeframes and budgets. Cr G Dermody would like a copy of the budget progress. Ms Topi would like Mr Butcher to attend the next meeting.

It was advised that the bylaw change for the parking at the factory was in the plans to be updated.

Staff were working with Alliance and Fulton Hogan regarding line marking, looking at details in this space.

In response to a question regarding the order of the action sheet, it was noted that items on the action list were not being dealt with in numerical order, it was in order of priority. A priority column would be added to the spreadsheet.

Discussion would be held with Parks and Infrastructure regarding the street litter bins at a number of locations.

The motion, now put, was **RESOLVED**.

5. Verbal Update on Dangerous Buildings/ Club Hotel

Moved Cr Dermody, seconded Ms Topi that the Bluff Community Board:

1. Receives the verbal report on Dangerous Buildings/Club Hotel.

Mr Jonathan Shaw spoke to this item.

Only one dangerous building had been identified in Bluff which was the Club Hotel, although there could be more. The Building Act placed the responsibility on the owners to maintain their buildings. The Act also tied Council's hands on what they were able to do. Dangerous buildings excluded seismic issues. Earthquake prone buildings had been identified and had 12.5 years to come up to code. Owners were required to provide a report on where their building was at.

A hearing was held on the Club Hotel and awaiting the outcome on this. All parties seemed to be in agreement that demolition was required. The hearing had been publicly notified through the newspaper however it was noted this could have been communicated better.

In response to the question regarding what would be put in its place, the RMA required Council to consider retention of heritage.

The motion, now put, was **RESOLVED**.

6. Report of the Bluff Publicity / Promotions Officer

A5031587

Moved Mrs Coote, seconded Ms Stockwell that the Bluff Community Board:

1. Receives the "Report of the Bluff Publicity / Promotion Officer"

Mr Lindsay Beer spoke to the report.

There were issues with the approvals for the Bluff Grunt. No update had been provided from DoC as yet.

In response to a question regarding the app, it was noted that this would cost thousands of dollars and the website was already mobile friendly. Further discussion would be required.

In response to a question regarding alcohol, it was noted that there were no alcohol free areas in Bluff and was waiting to hear back from the Police on this issue.

In response to a question regarding charging out for the use of the sign to cover costs, it was noted that this had not been considered as yet.

The motion, now put, was **RESOLVED**.

7. Bluff Community Board Bursary Subcommittee Terms of Reference and Framework

A5036734

Moved Mr Fife, seconded Mrs Coote that the Bluff Community Board:

1. Receives the report "Bluff Community Board Bursary Subcommittee Terms of Reference and Framework".
2. Adopt the Bluff Community Board Bursary Application Assessment Framework (Appendix 2).

Recommend to Council

3. Approve and Adopt the Terms of Reference for Bluff Community Board Bursary Subcommittee (Appendix 1) and update the Governance Statement and the Delegation Register – Council and Finance accordingly.

Mr Michael Morris spoke to the report.

Mr Morris said as this was Council money that was being awarded, it needed to be formalised and included in the Governance Statement.

One change would be to state "any three members of the Bluff Community Board" as the membership of the subcommittee.

The motion, now put, was **RESOLVED**.

8. Bluff Wastewater Consenting Project - Verbal Update

Moved Mrs Coote, seconded Cr Dermody that the Bluff Community Board:

1. Receive the "Bluff Wastewater Consenting Project - Verbal Update".

Mr Michael Morris provided the verbal update and tabled PowerPoint slides.

There was a governance group set up and there was a space available for a member of the Bluff Community Board to join. There was going to be an invitation to the Runaka to attend also. This was a big piece of work to be undertaken to move away from discharging to water but to land.

Ms Moogan would attend the next meeting to answer any questions the Board had.

The motion, now put, was **RESOLVED**.

9. Chairman's Report - Verbal Update

Moved Mr Fife, seconded Ms Topi that the Bluff Community Board:

1. Receive the report "Chairperson's Report - Verbal Update".

NZAS Community Forum on Wednesday at 5.30 pm – Rio Tinto environmental testing. Environment Southland remediation plan to address Tiwai contamination. Opportunity to hear direct from the Smelter.

Bluff boat ramp – no new feedback. Mr Butcher would be invited to the next meeting to advise where this was at.

It was suggested that various speakers such as Waka Kotahi, Environment Southland, Tiwai, DoC, etc, be locked in to attend meetings to provide updates.

The motion, now put, was **RESOLVED**.

There being no further business, the meeting finished at 8.26 pm

Bluff Community Board Bursary Subcommittee

Type of Committee	Subcommittee
Responsible to	Bluff Community Board
Legislative Basis	Committee constituted by Council as per Clause 30 (1) (a) Schedule 7 of the Local Government Act 2002. Committee delegated powers by Council as per Clause 32 Schedule 7 of the Local Government Act 2002.
Membership	Any three members of the Bluff Community Board.
Quorum	A quorum shall be half of the members (including vacancies) if the number of members is even, and a majority (including vacancies) if the number of members is odd.
Frequency of Meetings	Once a year or when required.
Administration	The Bluff Service Centre will provide required administration support.
Purpose	To facilitate and encourage the opportunities by which members of the Bluff community can undertake tertiary or university education.
Scope of Activities	<ul style="list-style-type: none"> Responsible for considering applications, determining and approving allocation of the Bursary. Responsible for considering applications, determining and approving allocation of the Bursary in line with Bluff Community Board Bursary Framework.
Delegation	The Committee to consider applications for Bluff Community Board Bursary funding and allocation of the Bursary. Confirmation of the award of the Bursary will be made when the committee has received verification of the Bursar's enrolment.

CITY BLOCK WEST DELIBERATIONS AND DECISION – REFINANCING OF CITY BLOCK SUPPLEMENTARY REPORT

To: Council

Meeting Date: Tuesday 28 November 2023

From: Patricia Christie – Group Manager Finance and Assurance

Approved: Michael Day - Chief Executive

Approved Date: Thursday 23 November 2023

Open Agenda: Yes

Purpose and Summary

This report returns the deliberations and decision for the Refinancing of City Block (A4959778) which was left on the table at the Extraordinary Council meeting on 7 November 2023 to Council for deliberation and decision.

Deliberations and decision making was deferred on 7 November to allow the Finance and Projects Committee to discuss the request and change in recommendation with the Invercargill Central Limited (ICL) board.

This report should be read in conjunction with the deliberation and decision report on 7 November, the report for Adoption for Consultation on 12 September 2023 and the Hearings Report on 24 October 2023.

Recommendations

That Council:

1. Receives the report "City Block West Deliberations and Decision – Refinancing of City Block Supplementary Report".
2. Notes the feedback received via submissions and hearings provided to Council at the 24 October Council meeting.
3. Notes the updated financial information received from ICL and other shareholders provided to the Finance and Projects Committee in public excluded on 14 November.
4. Notes the public support for Council's preferred option for refinancing of ICL (74%).
5. Notes that ICL has communicated their intention to issue a \$40 million share offering to all the existing shareholders, with ICHL's share of that offer valued at \$18.32 million.
6. Notes staff advice to purchase at least \$18.32 million and up to \$20 million shares in order to match the other primary investor's shareholding and avoid dilution of Council's shareholding.

7. Requests ICHL on behalf of Council to restructure its ICL shareholding on the following basis **(delete as appropriate)**:

Option 1

- a. ICHL purchase up to \$10 million worth of shares in Invercargill Central Limited
- b. That Invercargill City Holdings Limited purchase in totality no more shares than O'Donnell CBD Limited purchase as part of the new share issue.
- c. Agree to extend the debt facility to ICL by up to \$8.55 million.

OR

Option 2

- d. ICHL purchase up to \$20 million worth of shares in Invercargill Central Limited.
 - e. That Invercargill City Holdings Limited purchase shares in any new issue by ICL of \$40 million or less in accordance with its current shareholding percentage and if the share offer is undersubscribed invest no more in totality than O'Donnell CBD Limited purchase (in total) and in any event no more than \$20 million as part of the new share issue.
 - f. Agrees to retain the debt facility to ICL at \$31.45 million, secured by the first mortgage. No increase in debt.
8. Delegates to the Chief Executive to make minor adjustments to this arrangement as required as a result of further negotiations with updates to be provided to Council

Background

This paper is a supplementary paper to that tabled at the Extraordinary Council Meeting on 7 November (A4959778). At that meeting it was agreed to defer both the deliberations and decisions in relation to the refinancing of ICL until the Finance and Projects Committee could receive an update from the ICL board.

An Extraordinary Finance and Projects Committee was held on 14 November 2023. At this meeting the ICL Board discussed the reasons for the increase in the proposed share capital raising from the existing shareholders.

Between the time of the consultation document being adopted in early September and now, the ICL Board have identified that new shares are required to be issued to all parties in accordance with their current shareholding and that in order to better secure the long term financial viability of ICL that ICL needs to raise \$40 million of equity from all or any of the existing shareholders.

ICL will offer shares sufficient to raise \$40 million to existing shareholders based on their current shareholding percentages. Existing shareholders will be able to purchase additional shares should any existing shareholders not participate in that offer. It is proposed that O'Donnell CBD Limited and ICHL may purchase additional shares with the total value of shares purchased by ICHL to be no more than O'Donnell CBD Limited and in any event no more than \$20 million.

Issues and Options

Refinancing of City Block – from 7 November paper

Two options were presented for public consultation:

- Option 1 - \$10 million share purchase and \$8.55 million increase in loan (preferred option)
- Option 2 - \$20 million share purchase and no increase in loan

At the time of going to consultation Council indicated that Option 1 was its preferred option. Council reached this position on the basis that it was important that Invercargill Central Limited (ICL) continue to focus on obtaining tenants and completion of its leasing programme. It also considered the difference between equity which has a long lead time for any return to the Council group and debt which has an immediate benefit to Council and ratepayers. In making this recommendation Council is taking into consideration the risks associated with leaving ICL capital constrained as evidenced by write down of the loan and investment in ICL. Although Council would be able to continue to provide further support to ICL this comes with both risks and costs across the group to manage this on an ongoing basis.

Option 2 also envisaged that O'Donnell CBD Limited would invest \$10 million enabling ICL to raise \$30 million. Since that time O'Donnell CBD Limited has indicated that it is willing to purchase up to \$20 million shares to enable ICL to raise \$40 million if required.

There were 111 responses which indicated a preference for an option, with 82 responses (74%) preferring Option 1 (Council's preferred option), 28 preferring Option 2 and one submission happy with either. Four submissions explicitly stated they were opposed to any further investment by Council.

Since the time of consultation, negotiations have been ongoing and further financial information has become available.

Share value for purchase

A revaluation of ICL shares has been completed. The new share issue will take place at 3 cents a share which is the value of the current shares. This will result in a dilution of the value of all shareholders current shareholding.

ICL has advised that it will ideally raise up to \$40 million as part of this share issue. Shares will initially be offered to all shareholders in accordance with their current shareholding percentage. This would mean an initial offer of shares to ICHL of \$18,320,000 (45.8%). In the event that the offer of shares is not taken up by other shareholders and/or ICHL the remaining shares would be offered to the shareholders who did participate in the offer.

O'Donnell CBD Limited have indicated that it will participate in the new share offer and should the share offer not be taken up by all shareholders will match the total dollar investment by ICHL.

The initial share offer would be allocated as follows:

Shareholder	Interest	Allocation of Investment (\$ million)
Invercargill City Holdings Limited	45.80%	18.3
O'Donnell CBD Limited	29.37%	11.7
Crown Regional Holdings Limited	20.67%	8.3
Mr G Thomson	4.15%	1.7
	100%	40.0

Contribution from other shareholders/loan providers

Community Trust South (CTS) is not an existing shareholder and is unable to participate in the new share offer. ICL continues to work with CTS regarding changes to the terms of the existing loan facility.

Crown Regional Holdings Limited (CRHL) will be offered shares as an existing shareholder as part of the new share offer. At this stage it is not known whether CRHL will participate in this share offer. ICL is continuing to work with CRHL regarding changes to its existing loan facility. Discussions with CRHL have been complicated by the national election and the implementation of caretaker conventions.

Mr Geoffrey Thomson, as an existing shareholder will be able to participate in the new share offer. ICL does not know whether he will take up his allocation.

Loan requirements

If ICL is able to issue shares, to whichever existing shareholders that enable it to raise \$40 million then it will be in a position to reduce the existing loan from Council. The exact impact on the loan to ICL is dependent upon the amount of capital raised through the equity offering.

As a result of the new information above it is recommended that Council change its preferred option to Option 2, including;

Council agree that Invercargill City Holdings Limited purchase up to \$20 million worth of shares in Invercargill Central Limited. That Invercargill City Holdings Limited purchase \$18.3 million worth of shares in the initial offer to maintain its current 45.80% shareholding and avoid dilution of its interest. In the event that the other existing shareholders do not participate in part or fully in the offer Invercargill City Holdings and O'Donnell CBD Limited agrees to purchase any shortfall, Invercargill City Holdings will purchase up to a further \$1.7 million of shares.

Significance

This issue is significant and has been consulted on as such in line with the Council's Significance and Engagement Policy.

Community Views

The community views on this issue are discussed in detail in the paper provided to Council for the hearings on this matter on 24 October 2023.

Implications and Risks

Strategic Consistency

Both options for refinancing of ICL align with Council's strategic direction set out in the Long-term Plan and with the original rationale for investment in the project as a long-term holding to promote social and economic wellbeing for the city.

Ensuring that the existing investment in ICL is not diluted is consistent with the strategic objective of ultimately receiving a return on the investment.

Financial Implications

Refinancing City Block

Under the option recommended by staff on the basis of newly available information (Option 2), ICHL will increase its shareholding on behalf of Council by up to \$20 million.

Council will leave the loan facility available to a maximum of \$35.45 million. The loan facility provided by HWR Finance Limited would be fully repaid, and the first mortgage security would remain at \$45.5 million. Noting that depending on the amount of shares subscribed that a portion of Council's current loan may be able to be repaid.

\$27.04 million of the current loan facility has been drawn down at 31 October 2023.

There is no impact on rates.

Option 2 avoids the dilution of the Council Group's current shareholding – retaining 45.8% of all shares.

If Council continues with Option 1 its shareholding (via ICHL) would be diluted to an estimated 25% dependent on other shareholders decisions.

There is a small positive revenue impact to Council from interest repayments from the loan. There is a minimal and not significant impact on the debt headroom available to Council.

The risk of ICL defaulting and/or having increased funding requirements is increased under Option 1 as the additional capital raised provides additional financial security and improves the ability of ICL to repay its existing loans without needing new debt funding.

Further information is available in the report for adoption for consultation of 12 September 2023 and the consultation document.

Legal Implications

Refinancing City Block

All parties recognised the potential for cost overruns at the commencement of the project. It was a requirement of other shareholders and funders that ICHL and O'Donnell CBD Limited guarantee the funds to complete the project and during the first year of operation. At that stage it was agreed to limit that exposure to 10% of the project cost or \$16.5 million.

ICHL and O'Donnell CBD Limited are currently required under the Shareholders Agreement to provide those funds if requested. The Shareholders Agreement requires that ICHL fund its share by way of equity injection. Purchase of \$20 million of equity by ICHL and O'Donnell CBD Limited is \$3.5 million more than what is required under the Shareholders Agreement.

The Shareholders Agreement was silent on the issue price. Given the issue at \$0.03 it is proposed to invite all parties to participate in the offer at the outset. Both options for the financial restructure meet the legal requirements of the Shareholder Agreement.

If ICHL invests more than O'Donnell CBD Limited for example the second option, this would possibly result in ICL becoming a Council Controlled Trading Organisation (CCTO) under Part 5 of the Local Government Act 2002.

Climate Change

There are no climate change implications

Risk

There is a current risk that if ICL was sold, shareholders would receive no return on their investment. Further equity investment in ICL comes with the same risk. Council from the commencement of the project has identified that this was an investment for the long term. The valuation received by Council has confirmed that this is a sound investment in the longer term.

The proposed additional investment reduces the risk in the short term that ICL would need to be sold with the subsequent loss to shareholders and it is expected to improve the long term performance and return to shareholders of ICL. Completion of the development has reduced the risk of further cost overruns. The risks with the investment are now the ordinary risks associated with a shopping centre, rental return (based on tenancies) and costs. There remains at this stage heightened risks around the finalisation of leasing in the centre.

Increasing the equity investment reduces the risk associated with the loan from Council by reducing the ratio of debt to equity. Council has managed this risk by having first mortgage security for a portion of the loan facility. It is anticipated that with the removal of HWR Finance Limited as a loan funder that the full Council loan facility will be secured by way of the first mortgage.

Council was required this year to impair the current loan at 30 June 2023, even though the interest payments required had been made by ICL. It is likely that the further equity investment will reduce the credit risk associated with the loan and may result in a reversal of that impairment when reassessed at 30 June 2024.

Council has been advised that ICL will be raising the \$40 million by issue of shares to existing shareholders. This issue is to be at \$0.03c per share to reflect the valuation of the existing shares. This will mean that ICL will issue approximately 1.3 billion new shares. If ICHL (at Council's direction) does not participate in the new share issue, at a level consistent with its existing shareholding percentage, then it will have its shareholding diluted. Dilution of the existing shareholding will have the effect of crystallising the current loss. There is a risk that by not participating fully in the new offer any subsequent increase in the value of the investment, and possible recovery of the crystallised loss, will flow disproportionately to those who participate in this new offer.

Next Steps

Following the decision on ICL refinancing, direction will be provided to the Chair of ICHL and the arrangements of the loan facility will be put in place and factored into Council's available debt headroom for the LTP budget.

Attachments

None

ICHL RESOLUTIONS TO BE APPROVED BY COUNCIL

To: Council

Meeting Date: Tuesday 28 November 2023

From: Andrew Cameron – ICHL General Manager

Approved: Patricia Christie - Group Manager - Finance and Assurance

Approved Date: Thursday 23 November 2023

Open Agenda: Yes

Public Excluded Agenda: No

Purpose and Summary

The Directors of Invercargill City Holdings Limited seek Council's approval of the following resolutions:

1. Resolution in Lieu of the 2023 Annual General Meeting; and
2. Resolution to amalgamate Invercargill City Property Limited and Invercargill City Holdings Limited.

Recommendations

That Council:

1. Receives the report "ICHL Resolutions to be Approved by Council".
2. Approves the resolution in Lieu of an Annual General Meeting attached at Appendix 1 as the shareholder of Invercargill City Holdings Limited and authorise the Mayor to sign on its behalf; and
3. Approves the special resolution attached at Appendix 2 regarding the amalgamation of Invercargill City Property Limited into Invercargill City Holdings Limited as the shareholder of Invercargill City Holdings Limited and authorise the Mayor to sign on its behalf.

Background

Council is the 100% shareholder in Invercargill City Holdings Limited (ICHL).

1. Resolution in Lieu of an Annual General Meeting

As in previous years, it is recommended that Council as shareholder pass a resolution in Lieu of an Annual General Meeting pursuant to Clause 13.3 of the constitution of Invercargill City

Holdings Limited. The recommendation is made on the basis that ICHL otherwise reports to Council as shareholder on a regular basis on matters that may otherwise be discussed and/or raised at the Annual General Meeting. This resolution aims to:

- Document the receipt and adoption of the ICHL group annual report (Appendix 3)
- Additionally, to appoint Audit New Zealand on behalf of the Auditor-General to act as Auditors;

2. Resolution to Amalgamate Invercargill City Property Limited

Pursuant to clause 12.2.3 of Invercargill City Holdings Limited's constitution, a special resolution of shareholders is required to approve the amalgamation of companies within the group.

Invercargill City Property Limited (ICPL) was set up to undertake property activities on behalf of the group. ICPL does not have any property assets, its only current asset is a loan to HWCP Management Limited. The primary benefit of the proposed amalgamation is operational expenditure savings of circa \$30,000 in annual compliance/audit costs.

The amalgamation:

- will not impact the solvency of Invercargill City Holdings' Limited.
- will have a nil impact at a group's financial position at a consolidated level.

Issues and Options

Analysis

The Annual General Meeting is an opportunity for shareholders to raise issues with the directors of companies. For most companies this is the only formal opportunity for this to occur. ICHL has discussions with Council on a regular basis with respect to the decisions made and future direction for ICHL most recently on 31 October 2023 with a smaller update in November.

Further the Local Government Act provides a process for Council to provide direction and conversation with directors around the direction of ICHL through the statement of intent process.

Council may consider that it has sufficient opportunity to have discussions with the ICHL directors and does not require the Annual General Meeting for that purpose.

Invercargill City Property Limited (ICPL) was established by ICHL to investigate commercial property opportunities. ICPL has not undertaken such investigation and/or property activity since about 2019. ICPL is a shareholder in HWCP Management Limited and has a loan to that entity.

ICHL is satisfied that should it wish to undertake any property development it would be able to undertake that activity in its own right or through other entities held by it if necessary. On that basis ICHL does not see any value in incurring the ongoing costs of maintaining ICPL as an inactive company.

Significance

The issues are not significant under the Council's Significance and Engagement Policy.

Options

Council may elect to pass a resolution in lieu of a formal Annual General Meeting. Accepting that the frequent updates provided are sufficient to meet its needs as shareholder. Alternatively, Council may require that the Annual General Meeting be held.

Council may approve the amalgamation of ICPL with ICHL as recommended by the ICHL board. Alternatively, Council may require that ICPL remain as a company.

Community Views

The community is not likely to have strong views on the Annual General Meeting, which will only be open to shareholders in any event.

The community will prefer a decision on ICPL that minimises the cost to the ICHL group of undertaking its activities.

Implications and Risks

Strategic Consistency

The decision to amalgamate ICPL is consistent with the Council strategic objectives for ICHL to operate an efficient group of businesses.

Financial Implications

Amalgamation of ICPL reduces the costs of operating the ICHL group.

Legal Implications

There are no legal implications for Council of these decisions.

Climate Change

There are no material climate change impacts of this decision.

Risk

There are no material risks from this decision.

Next Steps

Approve the signing of attachments.

Attachments

Appendix 1 - Resolution in Lieu of an Annual General Meeting (A5054895)

Appendix 2 - Resolution to Amalgamate Invercargill City Property Limited (A5057159)

Appendix 3 - ICHL 2023 Annual Report (A5060641)

A5054895



28 November 2023

Resolution in Lieu of an Annual General Meeting Pursuant to Clause 13.3 of the Constitution of Invercargill City Holdings Limited.

1. That the Annual Report for the year ended 30 June 2023 be received and adopted.
2. That the appointment of Audit New Zealand on behalf of the Auditor-General to act as Auditors be confirmed in accordance with Section 70 of the Local Government Act 2002.

RESOLUTION

The above resolutions are hereby approved on behalf of the shareholder.

Signed

Nobby Clark
MAYOR
INVERCARGILL CITY COUNCIL

Dated

Special Resolution

Amalgamation of Invercargill City Property Limited and Invercargill City Holdings Limited

Special resolution pursuant to 12.2.3 of Invercargill City Holdings Limited's constitution

Resolved:

That a proposal be approved whereby Invercargill City Holdings Limited and Invercargill City Property Limited will amalgamate, with Invercargill City Holdings Limited becoming the amalgamated company, in the manner prescribed by section [222\(1\)](#) of the Companies Act 1993.

RESOLUTION

The above resolution is hereby approved on behalf of the shareholder.

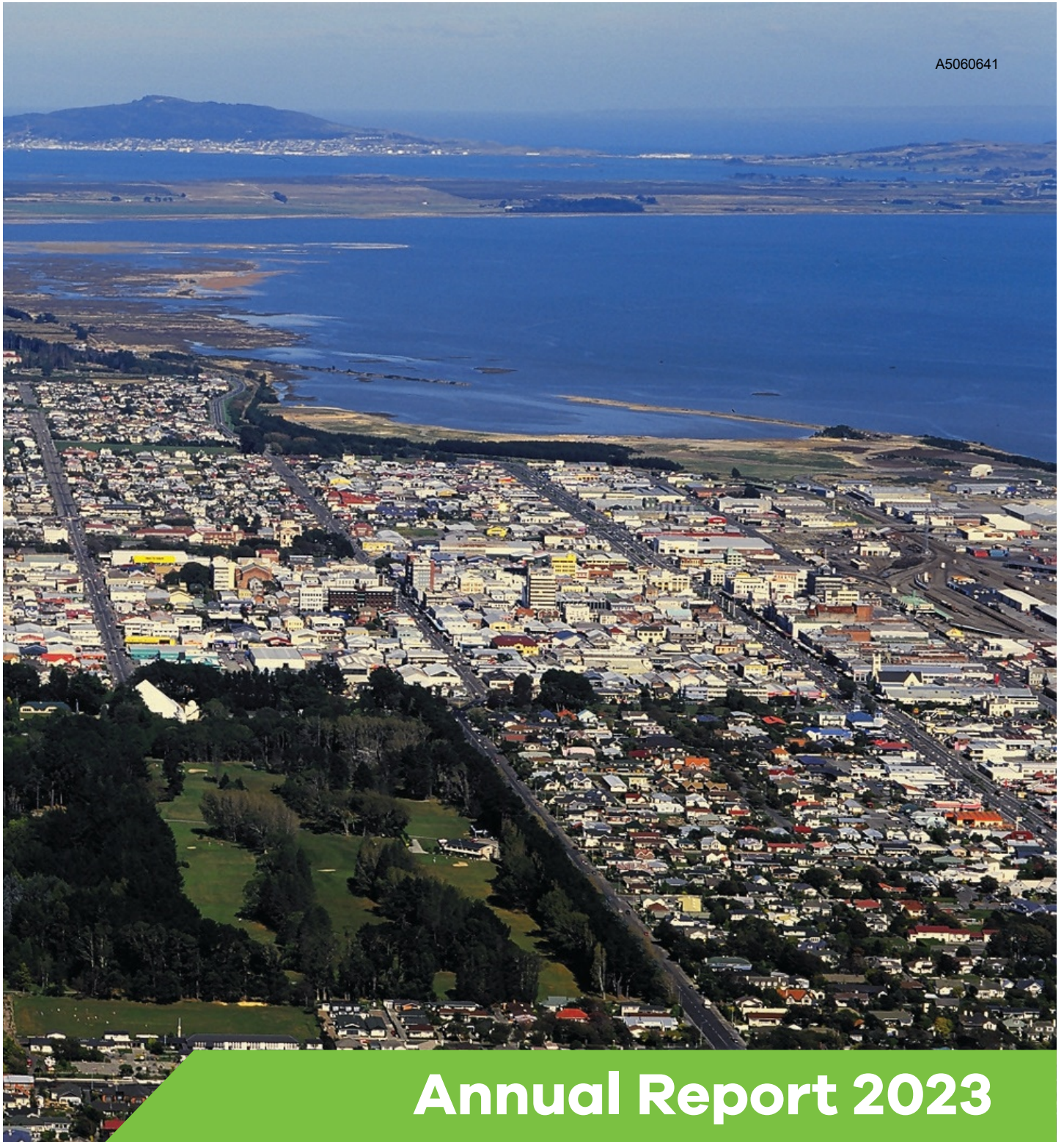
Signed

Nobby Clark

MAYOR

INVERCARGILL CITY COUNCIL

Dated



Annual Report 2023



INVERCARGILL CITY HOLDINGS LTD

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Approval by Directors

Directory

The Directors have approved for issue the financial statements of Invercargill City Holdings Limited for the year ended 30 June 2023.



B Wood
Director



J Schol
Director

For and on behalf of the Board of Directors.
2 October 2023

Registered Office

C/- Invercargill City Council
101 Esk Street, Invercargill 9810

Auditor

Audit New Zealand on behalf of the Office of
the Auditor-General

Bankers

BNZ

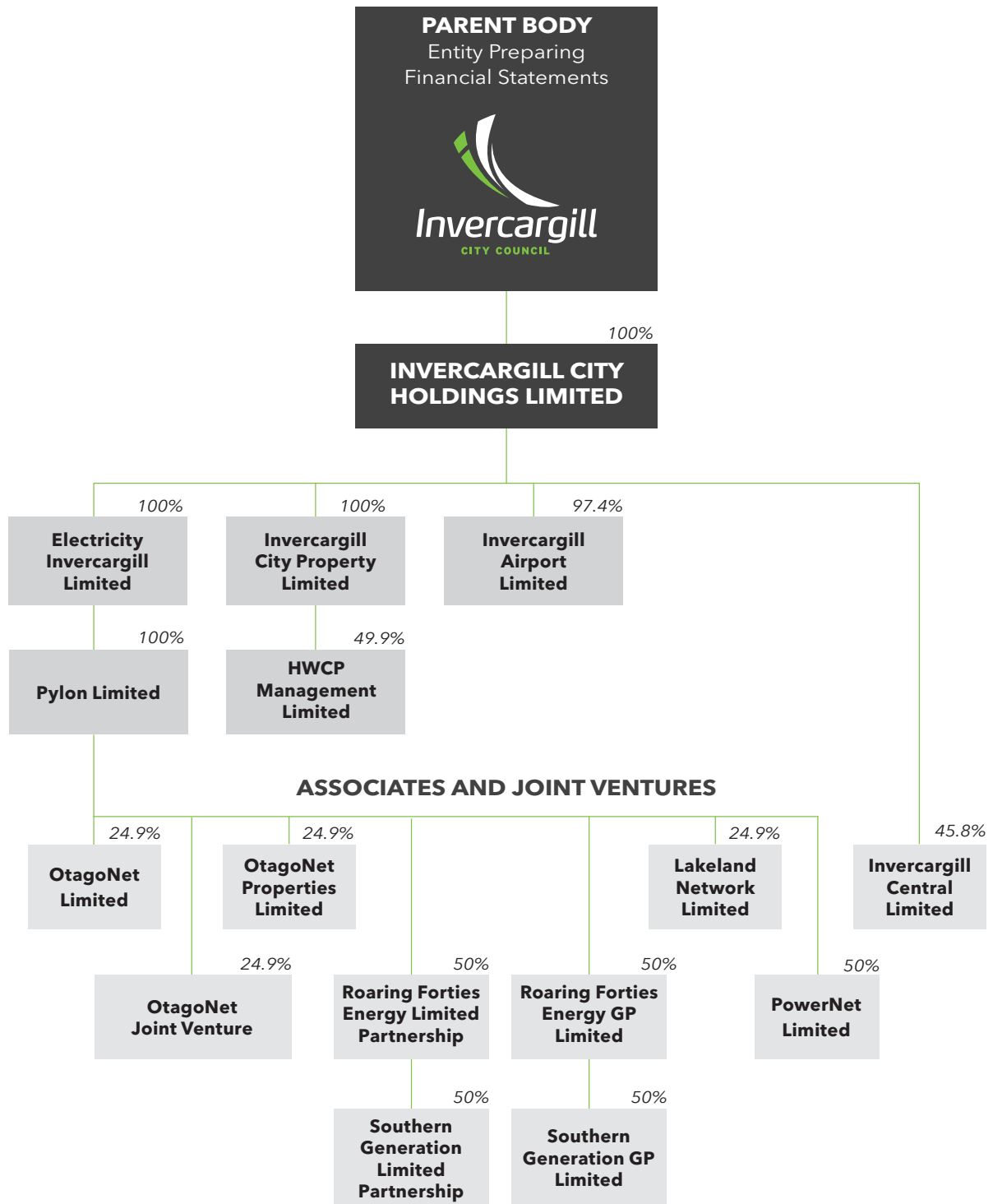
Solicitors

Preston Russell Law
45 Yarrow Street, Invercargill 9810

Treasury Advisor

Bancorp Treasury Services

Group Structure



An Overview

INVERCARGILL CITY HOLDINGS LIMITED

Activities:

- Treasury advice and systems.
- Overview of Group operations.
- Shareholding in Invercargill Central Limited.

2023 Financial Year:

- Overall financial result of after tax profit of \$4.67 million for the Group.

ELECTRICITY INVERCARGILL LIMITED

Activities:

- Owners of Electricity Network and Generation Assets.
- Management of Electricity Network.

2023 Financial Year:

- The after tax profit for the year ended 31 March was \$4.79 million compared to \$5.73 million for the prior year.
- EIL continues to focus on initiatives that will maintain network safety, efficiency and reliability.

INVERCARGILL AIRPORT LIMITED

Activities:

- Owners and operator of regional airport.

2023 Financial Year:

- The after tax profit was \$1.12 million before investment property revaluations compared to \$203,000 for the prior year.
- Passenger numbers for the year were 375,000 which is up 15% on the previous record (year ending June 2019).
- Health and safety, risk management and operational compliance remain a priority for the company.

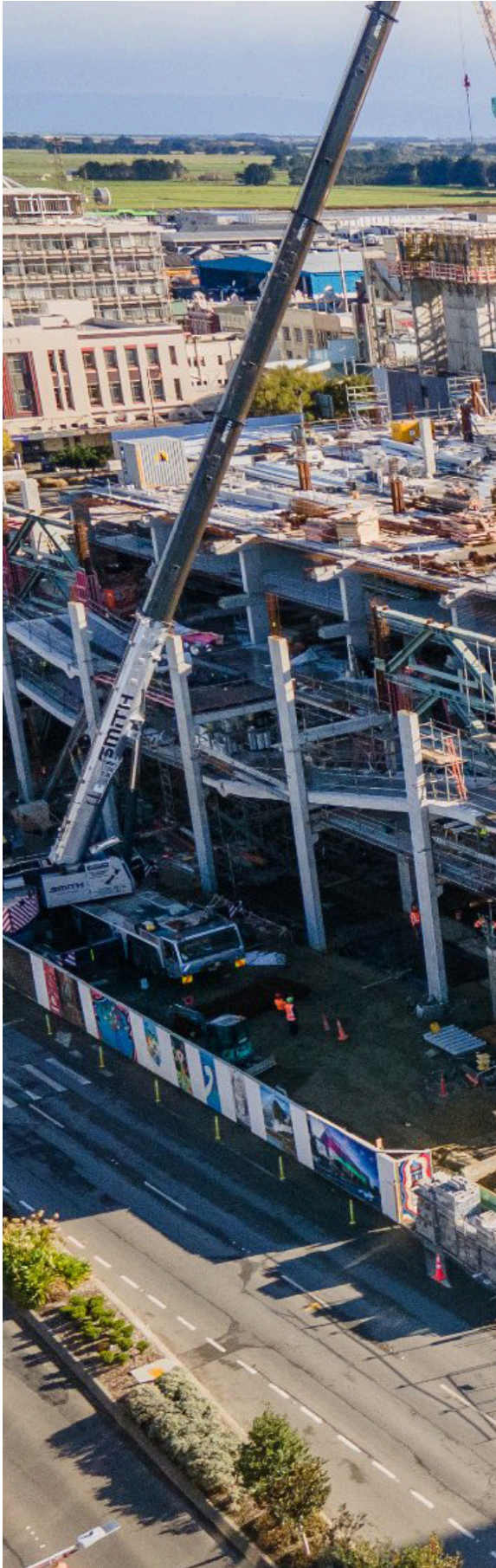
INVERCARGILL CITY PROPERTY LIMITED

Activities:

- Shareholding in HWCP Management Limited who own and manage commercial properties in the city area.

2023 Financial Year:

- The loss for the year was \$389,000 compared to \$0 for the prior year. In the 2023 financial year, an impairment expense was recorded in relation to the loan to HWCP Management Limited
- The Company continued to support HWCP Management Limited.



Board of Directors

COMPANY DIRECTORS

Invercargill City Holdings Limited

B Wood - Chair
J Bestwick (until 31 October 2022)
P Carnahan
M English
L Robertson (from 1 November 2022)
J Schol

Electricity Invercargill Limited

R Jamieson - Chair
E Ihaia
P Kiesonowski
S Lewis
S Young

Invercargill Airport Limited

G Lilly - Chair
J George
P Halstead
A Hercus

Invercargill City Property Limited

P Carnahan - Chair
J Bestwick (until 31 October 2022)
M English
L Robertson (from 1 November 2022)
J Schol

Statement of Governance

The Directors are pleased to present this Governance Statement.

Role of the Board of Directors

The Directors are responsible for the proper direction and control of the Group's activities. This responsibility includes such areas of stewardship as the identification and control of the Group's business risks on behalf of the ultimate shareholder, Invercargill City Council.

The Directors are responsible for the continual overseeing of the investment in the subsidiary companies with the Directors of those companies responsible for the day-to-day operation. Reporting by the subsidiary Boards of financial, market and operational information is received by the Group's Directors on a regular and ongoing basis.

The Directors of Invercargill City Holdings Limited are also responsible for the operation of the Treasury function which is operated within the Holding Company. This provides a service to the subsidiaries by sourcing funds at competitive rates.

The principal purpose of Invercargill City Holdings Limited is to maximise the performance of the Group as a whole.

DIRECTORS REMUNERATION

Invercargill City Holdings Limited

B Wood - Chair	\$70,000
J Bestwick (until 31 October 2022)	\$11,667
P Carnahan	\$35,000
M English	\$35,000
L Robertson (from 1 November 2022)	\$23,333
J Schol	\$42,500

Electricity Invercargill Limited

R Jamieson - Chair	\$65,000
E Ihaia	\$32,000
P Kiesanowski	\$32,000
S Lewis	\$32,000
S Young	\$32,000

Invercargill Airport Limited

G Lilly - Chair	\$54,000
J George	\$27,000
P Halstead	\$27,000
A Hercus	\$27,000

Invercargill City Property Limited

P Carnahan - Chair	-
J Bestwick (until 31 October 2022)	-
M English	-
L Robertson (from 1 November 2022)	-
J Schol	-

Invercargill Central Limited/HWCP Management Limited

B Wood	\$35,000
--------	----------

There was no remuneration or other benefits paid to Directors during the year for any of the following:

- Compensation for loss of office.
- Guarantees given by the Company for debts incurred by a Director.
- Entering into a contract to do any of the above.

Statutory Information

USE OF COMPANY INFORMATION BY DIRECTORS

No Director of any group company has disclosed, used or acted on information that would not otherwise be available to a Director.

SHAREHOLDING BY DIRECTORS

No Director has an interest in any of the Group Company shares held, acquired or disposed of during the year.

DIRECTORS' AND OFFICERS INDEMNITY INSURANCE

The Group has insured all its Directors and Executive Officers against liabilities to other parties that may arise from their positions.

EMPLOYEES' REMUNERATION

Three employees of the Group received remuneration and other benefits of \$100,000 or greater during the year.

\$'000	No. of employees
180-190	1
140-150	1
130-140	1

AUDITOR'S REMUNERATION

2023 audit fees for the Group totaled \$295,567. Details of fees payable are contained in Note 3.

LOANS TO DIRECTORS

There are no loans to Directors.

DIVIDEND

A dividend of \$5,089,000 was paid during the year.

DIRECTORS' INTERESTS

Invercargill City Holdings Limited maintains an interests register in which particulars of certain transactions and matters involving the directors are recorded. These are requirements under the Companies Act 1993. The following entries were recorded in the interests register during the year ended 30 June 2023.

	Invercargill City Holdings Limited	Invercargill City Property Limited	Invercargill Central Limited	HWCP Management Limited
Brian Wood - Chair	•		•	•
Jenn Bestwick (until 31 October 2022)	•	•		
Peter Carnahan	•	•		
Mervyn English	•	•		
Linda Robertson (from 1 November 2022)	•	•		
John Schol	•	•		

Board Chair Report

I am pleased to present the 2023 Annual Report of Invercargill City Holdings Limited. The Group produced a profit after tax of \$ 5.173M (excluding the impairment of investment in joint venture) compared to 5.164M last year. The Directors of Invercargill City Holdings Limited are satisfied that the changes they are implementing will enable Invercargill City Holdings Limited to continue to make sustainable dividend payments to Invercargill City Council as agreed.

Invercargill City Holdings Limited resolved a dividend of \$5.089M for the financial year.

Invercargill City Property Limited produced an after-tax loss of \$389,000 this year compared to \$0 profit in the prior year as a result of an impairment of a loan receivable. Invercargill City Property Limited has loans to HWCP Management Limited which still retains some land. While sales of those parcels have not been finalised at this time, the Directors objective is to recover funds from HWCP Management Limited when those transactions are completed. ICPL continues to incur interest costs on funds borrowed from Invercargill City Holdings Limited to on-lend to HWCP Management Limited

The Electricity Invercargill Limited group produced an after-tax profit of \$4.79M compared to \$5.73M last year. On May 2022, Invercargill City Council released a consultation on a proposed purchase of the investment in Roaring Forties Energy Limited Partnership that outlined a number of potential options for public submission. The preferred option being to transfer the 50% interest held by subsidiary Pylon Ltd, to Invercargill City Holdings Limited on behalf of Invercargill City Council. The purpose of this transfer was to enable Electricity Invercargill Limited to focus on management of the lines business and Invercargill City Holdings Limited to manage commercial investments. On August 2022, the directors of Pylon Limited approved in principle the board resolution to sell its interest in Roaring Forties Energy Limited Partnership to Invercargill City Holdings Limited. As at the date of

finalising the Group Consolidated Financial Statements, the negotiation on the terms and conditions of the sale agreement are still ongoing.

Invercargill Airport Limited reported an after-tax profit of \$1.119M compared to \$203,000 in the prior year before investment property valuations. Passenger numbers for the year were 375,000, which is up 15% on the previous record. A series of significant development projects have been worked on in the planning stages through the year, in preparation for physical work commencing later in 2023 calendar year.

Invercargill Central Limited has completed construction. For the year ended 30 June 2023, a market-based property valuation report was obtained from independent valuation experts, CBRE. This report indicated the fair value of Invercargill Central Limited investment property to be \$69.8m. As disclosed in note 12, an impairment expense of \$103M in relation to Invercargill Central Limited's investment property was recognised in their annual report for the year ended 30 June 2023. As further highlighted in note 12 of the Group's consolidated financial statements, the positive commercial yields, quality of the build and prospect of strong future revenue growth are consistent with the Director's long term investment objectives.

Invercargill City Holdings Limited is required to assess the fair value of its investment in Invercargill Central Limited. A fair value assessment requires Invercargill City Holdings to consider the value of its shares if they were sold today. Invercargill City Holdings Limited has no intention of selling its investment in Invercargill Central limited and at all times has agreed with Invercargill City Council that this investment is for the longer term, 10 years or more. Given the Impairment of Invercargill Central's investment property recognised in their financial statements, Invercargill City Holding's has impaired the Group's investment in Invercargill Central Limited from \$500,000 to Nil. This has no impact on cash flow or any of Invercargill City Holdings Limited's other activities



B J Wood
Board Chair

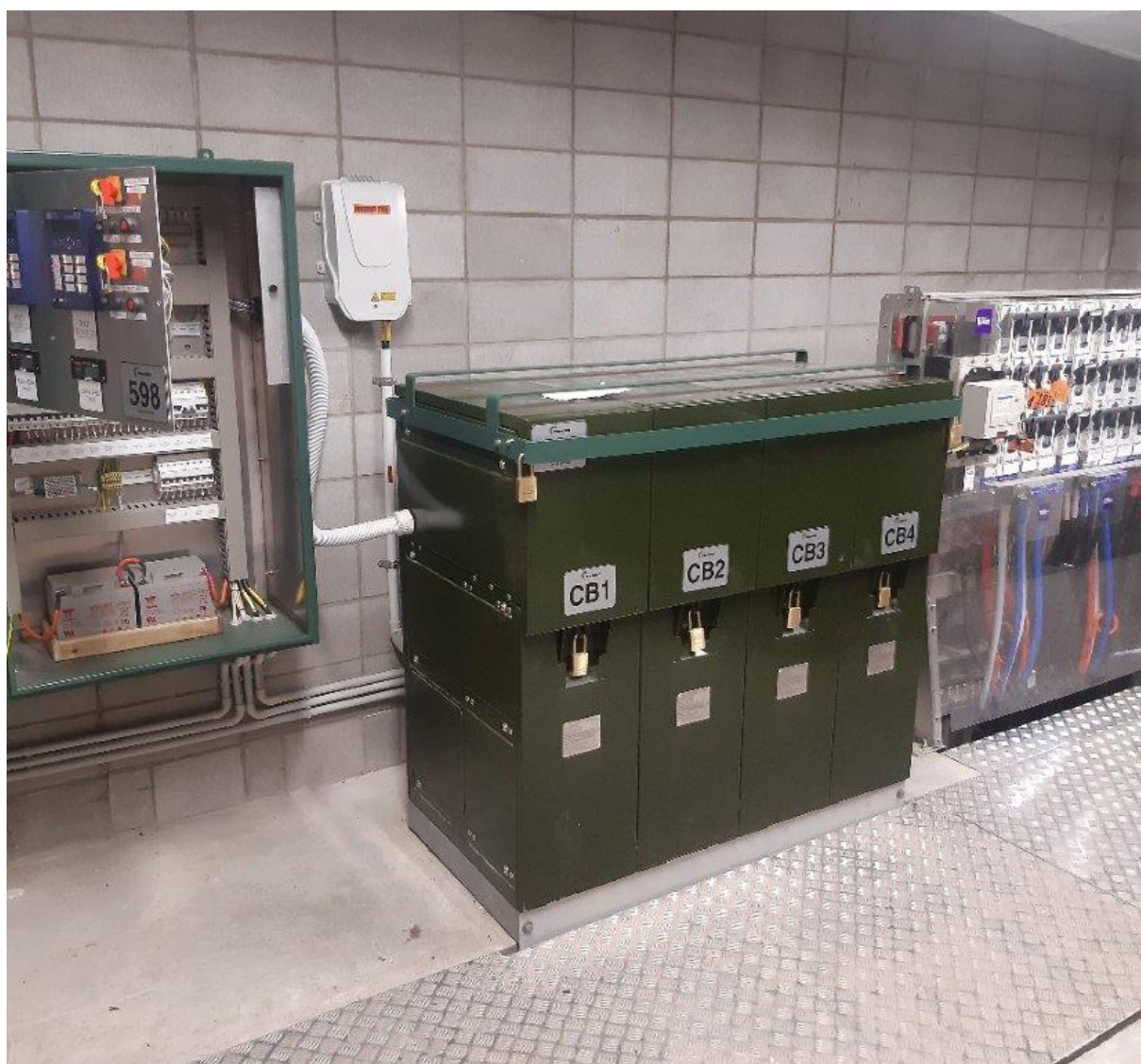
Statement of Financial Position

AS AT JUNE 30, 2023

	NOTE	GROUP 2023 \$000	GROUP 2022 \$000
ASSETS			
Current assets			
Cash and cash equivalents	7	3,177	5,102
Trade and other receivables	8	3,027	2,519
Other financial assets		750	-
Derivative financial instruments	22	133	-
Inventories		6	6
Total current assets		7,093	7,627
Non-current assets			
Property, plant and equipment	9	136,298	121,959
Investment property	10	5,830	5,505
Capital work in progress		2,747	3,245
Investments in associates and joint ventures	11,12	106,533	102,995
Advances to associates and joint ventures		12,998	13,428
Other financial assets		1,323	1,823
Deferred tax asset	15	3	78
Derivative financial instruments	22	1,349	643
Total non-current assets		267,081	249,676
Total assets		274,174	257,303
LIABILITIES			
Current liabilities			
Derivative financial instruments	22	-	61
Trade and other payables	13	3,888	4,238
Employee benefit liabilities		169	127
Borrowings	14	43,019	22,746
Tax payable		913	2,001
Total current liabilities		47,989	29,173
Non-current liabilities			
Borrowings	14	48,200	68,200
Deferred tax liability	15	29,628	24,525
Total non-current liabilities		77,828	92,725
Total liabilities		125,817	121,898

	NOTE	GROUP 2023 \$000	GROUP 2022 \$000
EQUITY			
Share capital	16	82,570	82,570
Retained earnings	16	16,411	16,818
Other reserves	16	49,376	36,017
Total equity attributable to the equity holders of the company		148,357	135,405
Equity is attributable to:			
Parent entity	16	146,523	133,607
Minority interest	16	1,834	1,798
		148,357	135,405

The Statement of Accounting Policies and Notes to the Financial Statements are an integral part of, and should be read in conjunction with the financial statements.



Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2023

	NOTE	GROUP 2023 \$000	GROUP 2022 \$000
INCOME			
Revenue from contracts with customers	1	25,491	23,662
Rental income		2,322	2,058
Other income		415	368
Other gains	2	325	539
Total income		28,553	26,627
EXPENDITURE			
Employee expenses	4	1,621	1,252
Depreciation	9	6,269	6,312
Other expenses	3	15,965	14,607
Total operating expenditure		23,855	22,171
Finance income	5	947	432
Finance expenses	5	3,365	2,704
Net finance expense		(2,418)	(2,272)
Operating profit/(loss) before tax		2,280	2,184
Share of associate and joint ventures surplus/(deficit)	11,12	5,113	4,993
Impairment of investment in joint venture		(500)	(41,385)
Profit/(loss) before tax		6,893	(34,208)
Income tax expense	6	2,220	2,013
Profit/(loss) after tax		4,673	(36,221)
OTHER COMPREHENSIVE INCOME			
To be classified to surplus or deficit in subsequent periods:			
Property, Plant and Equipment revaluation gains/(losses) – net of tax	9	12,719	-
Cash flow hedges net of tax	16	648	3,573
Total other comprehensive income		13,367	3,573
TOTAL COMPREHENSIVE INCOME		18,040	(32,648)
Total comprehensive income attributable to:			
Equity holders of the Company		18,004	(32,662)
Minority interest		36	14
		18,040	(32,648)

The Statement of Accounting Policies and Notes to the Financial Statements are an integral part of, and should be read in conjunction with the financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2023

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
	SHARE CAPITAL \$000	CASHFLOW HEDGING RESERVE \$000	REVALUATION RESERVE \$000	RETAINED EARNINGS \$000	TOTAL \$000	MINORITY INTEREST \$000	TOTAL \$000
Balance at 1 July 2021	65,793	(3,154)	35,623	57,900	156,162	1,784	154,378
Surplus/(deficit) after tax	-	-	-	(36,221)	(36,221)	14	(36,235)
Other comprehensive income	-	3,573	(25)	25	3,573	-	3,573
Distributions to Shareholders							
Dividends paid/declared	-	-	-	(4,886)	(4,886)	-	(4,886)
Contributions from Shareholders							
Shares issued and paid up	16,777	-	-	-	16,777	-	16,777
Balance at 30 June 2022	82,570	419	35,598	16,818	135,405	1,798	133,607
Balance at 1 July 2022	82,570	419	35,598	16,818	135,405	1,798	133,607
Surplus/(deficit) after tax	-	-	-	4,673	4,673	36	4,637
Other comprehensive income	-	649	12,710	9	13,368	-	13,368
Distributions to Shareholders							
Dividends paid/declared	-	-	-	(5,089)	(5,089)	-	(5,089)
Contributions from Shareholders							
Shares issued and paid up	-	-	-	-	-	-	-
Balance at 30 June 2023	82,570	1,068	48,308	16,411	148,357	1,834	146,523

Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2023

	NOTE	GROUP 2023 \$000	GROUP 2022 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		741	232
Receipts from other revenue		28,044	26,110
Payments to suppliers and employees		(16,945)	(15,646)
Interest paid		(3,163)	(2,356)
Income tax (paid) / refund		(2,753)	(688)
Goods and services tax [net]		5	22
Subvention payment		(205)	(251)
Net cash from operating activities		5,724	7,423
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		47	1
Dividends received from associates/joint ventures		6,564	6,326
Purchase of property, plant and equipment		(9,447)	(7,407)
Purchase of investments		(250)	(1,705)
Purchase of construction work in progress		(1)	(422)
Advances made to associates/joint ventures		261	416
Investments in associates/joint ventures		-	(8,575)
Net cash from investing activities		(2,826)	(11,366)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		4,850	90,100
Repayment of borrowings		(4,577)	(84,550)
Dividends paid		(5,096)	(4,886)
Net cash from financing activities		(4,823)	664
NET (DECREASE)/INCREASE IN CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS			
		(1,925)	(3,279)
Cash, cash equivalents and bank overdrafts at the beginning of the year		5,102	8,381
Cash, cash equivalents and bank overdrafts at the end of the year	7	3,177	5,102

The Statement of Accounting Policies and Notes to the Financial Statements are an integral part of, and should be read in conjunction with, the financial statements.

**RECONCILIATION OF NET PROFIT / (LOSS) TO NET CASH INFLOWS
(OUTFLOWS) FROM OPERATING ACTIVITIES**

	GROUP 2023 \$000	GROUP 2022 \$000
RECONCILIATION WITH REPORTED OPERATING SURPLUS		
Net profit after tax	4,673	(36,221)
Add/(deduct) non-cash items:		
Depreciation	6,269	6,312
Net (profit)/loss on sale of fixed assets	27	99
Impairment of trade receivables	-	51
Change in fair value of investment property	(325)	(335)
Increase/(decrease) in deferred taxation	279	634
Associate /joint venture post-acquisition profits	(5,113)	(4,993)
Change in fair value of loan	169	(204)
Impairment of investment in joint venture	500	41,385
Add/(less) movements in working capital:		
(Increase)/decrease in receivables	(602)	918
(Increase)/decrease in inventories	-	(1)
(Increase)/decrease in prepayments	(10)	(15)
Increase/(decrease) in accounts payable and accruals	828	(876)
Increase/(decrease) in GST/taxation	(971)	669
Net cash inflow (outflow) from operating activities	5,724	7,423

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the liabilities arising from financing activities can be classified as follows:

	Current borrowings	Non- Current Borrowings	Total \$000
1 July 2022	22,745	68,200	90,946
Non cash movements	20,000	(20,000)	
CASHFLOWS			
Proceeds	4,850	-	4,850
Repayments	(4,577)	-	(4,577)
30 June 2023	43,019	48,200	91,219

Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2023

REPORTING ENTITY

Invercargill City Holdings Limited ("the Company") is a Council Controlled Trading Organisation as defined in the Local Government Act 2002 and registered under the Companies Act 1993. The Company is wholly owned by the Invercargill City Council ("the Council").

The Invercargill City Holdings Limited Group consists of:

- Electricity Invercargill Limited (100% owned) and its wholly owned subsidiary Pylon Limited. The Electricity Invercargill Limited Group has a balance date of 31 March
- Invercargill Airport Limited (97.47% owned)
- Invercargill City Property Limited (100% owned)
- All the Group's subsidiaries and associates are incorporated in New Zealand

The primary objective of the Company is to manage the commercial investments of the Council. Accordingly, the Company has designated itself and the group as profit orientated entities for the purposes of New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

The financial statements of the Company and Group are for the year ended 30 June 2023. The financial statements were authorised for issue by the Board on 2 October 2023. The entities directors do not have the right to amend the financial statements after issue.

BASIS OF PREPARATION

The financial statements of the Group have been prepared in accordance with the requirements of the Local Government Act 2002, the Companies Act 1993, the Financial Reporting Act 2013 and the Energy Companies Act 1992.

The financial statements of the Group comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The Group is a Tier 1 for profit entity, as the Group has expenses over \$30 million. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared on a historical cost basis, modified by the revaluation of, investment property, network assets and financial instruments (including derivative instruments). certain property, plant and equipment has been revalued to fair value.

The accounting policies that have been applied to these financial statements are based on the External Reporting Board A1, Accounting Standards Framework (For-profit Entities Update).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand (\$'000). The functional currency of the Group is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Income.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the reporting date.

As described in note 16 to the financial statements, The Company has 74,675,202 (2022: 74,675,202) ordinary shares that have been called and a further \$100,000,000 (2022: \$100,000,000) of ordinary shares that have been issued to the Invercargill City Council which are able to be called upon. On this basis, together with the funding available through Group's loan facility held with New Zealand Local Government Funding Agency the Group is able to refinance appropriately and meet immediate investment and funding needs.

SUBSIDIARIES

The Company consolidates as subsidiaries in the group financial statements all entities where the Company has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity.

This power exists where the Company controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Company or where the determination of such policies is unable to materially impact the level of potential ownership

benefits that arise from the activities of the subsidiary.

The Company measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill.

BASIS OF CONSOLIDATION

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

ASSOCIATES AND JOINT VENTURES

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Joint ventures are those entities over which the Group has joint control, established by contractual agreement. The Group's investments in its associates and joint ventures are accounted for using the equity method. The investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the surplus or deficit after the date of acquisition. The Group's share of the surplus or deficit is recognised in the Group's Statement of Comprehensive Income. Distributions received reduce the carrying amount of the investment.

The Group's share in the associate's surplus or deficits resulting from unrealised gains on transactions between the Group and its associates is eliminated.

BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred using the effective interest method.

FINANCIAL ASSETS

Where applicable the Group classifies its investments in the following categories:

- Amortised cost, fair value through other comprehensive income, and fair value through profit or loss.
- The classification is determined by the Groups business model for managing the financial asset

and the contractual cashflow characteristics of the financial assets.

Financial Assets at Amortised Cost

Financial assets are measured at amortised cost if the assets are held within a business model where the objective is to hold the financial asset and collects its contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

A debt instrument is measured at FVOCI if the asset is held under a business model where the objective is to hold to collect the contractual cash flows and sell, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Profit or Loss (FVTPL)

Financial assets that are held within a different business model than "hold to collect" or "hold to collect and sell", and financial assets whose contractual cash flows are not solely payments of principal and interest on the principal amount outstanding. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments.

Impairment of Financial Assets

At each Statement of Financial Position date, the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Statement of Comprehensive Income.

FINANCIAL INSTRUMENTS

Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant amount of risk of changes in value.

Trade and Other Payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost using the effective interest method.



Borrowings

Borrowings are recognised initially at fair value, net of any transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability at least 12 months after the balance date.

Loans to HWCP Management Limited (Associate)

Loans to HWCP Management Limited are measured at fair value through profit or loss, transaction costs are expensed as incurred. Subsequently, these loans are measured at fair value through profit or loss with any realised and unrealised gains or losses recognised in profit or loss in the Statement of Comprehensive income. Refer to critical accounting estimates and assumptions for the valuation techniques and key assumptions used in the valuation.

Accounting for Derivative Financial Instruments and Hedging Activities

The Company uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. However, where derivatives qualify for hedge accounting, recognition for any resultant gain or loss depends on the nature of the hedging relationship.

Cash Flow Hedge

Changes in the fair value of the derivatives hedging instruments designated as a cashflow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, change in fair value are recognised in Statement of Comprehensive Income.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. The amount recognised in equity is transferred to revenue or expenditure in the same period that the hedged item affects the Statement of Comprehensive Income.

LEASES

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

All leases are classified as leases of right-of-use assets unless they meet the definition of short term or low value leases, or are sub-let. Lease payments that are short-term or low value are recognised as an expense on a straight-line basis over the lease term.

Lease liability payments are allocated between principal and finance cost over the term of the lease.

Right-of-use assets are depreciated over the shorter of the assets estimated useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the assets useful life.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

The Group has elected to apply the practical expedient not to apply to requirements of NZ IFRS 16 to leases for which the lease terms ends within 12 months of the date of initial application.

CAPITAL WORK IN PROGRESS

Work in progress includes the cost of direct materials and direct labour used in putting replacement and new systems and plant in their present location and condition. It includes accruals for the proportion of work completed at the end of the period. Capital work in progress is stated at cost and is not depreciated.

IMPAIRMENT OF ASSETS

Goodwill and indefinite life intangible assets are not subject to amortisation but are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that asset. Where that results in a debit balance in the

revaluation reserve, the balance is recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive Income.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve.

However, to the extent that an impairment loss for that asset was previously recognised in Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

GOODS AND SERVICES TAX (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department ("IRD") is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

DIVIDEND

A dividend is recognised when it is declared and approved by the Board.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, the Company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates, assumptions and critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- There are estimates and judgements made to determine the fair value of investment property. These are discussed in Note 10. The most

sensitive assumption on the valuation is that one hangar will be demolished but not replaced within the next year (2022: one hangar will be demolished within the next year and the other hangar within the next two years).

- Invercargill City Property Limited - determination of the fair value of the loan to HWCP Management Limited.

The fair value of the loan to HWCP Management Limited was determined using discounted cashflow methodology.

The valuation is based on forecast free cashflows to 2029. The following assumptions were adopted:

- A discount rate of 15.22% (2022: 12.44%) was used to reflect the unsecured loan including the credit margin of 2.6%.
- The forecast cashflows reflect a realisation of the remaining assets in 2029; and
- The value of the assets sold in 2029 are deemed to reflect the market value as at 30 June 2023. No adjustment has been made with regards the increase or decrease in market value of these assets to the point of forecasted realisation in 2029.

Changes in the discount rate and the final cashflow have an impact on the fair value of the loan.

- Invercargill Central Limited - determination of the fair value of the Class B Shares.

The fair value of the Class B Shares was determined using the dividend discount model.

The following valuation assumptions were adopted:

- The development is expected to be completed in the 2023 calendar year.
- The free cashflows are based on the Company's 10 year forecast.
- A Ke range of 16.6%-18.5% was with a mid-point of 17.5% for the forecast period.

Changes in the cost of equity and the cashflow have an impact on the fair value of the shares.

- Invercargill Airport Limited - determination of the recoverable amount of assets.

For 2023, due to the impact high inflation and a rising interest rate environment in New Zealand and globally, an impairment assessment was carried out.

The following major inputs and assumptions were adopted:

- The forecast free cash flows reflect the charges determined following the 2024 aeronautical charge review.
- Expected revenues reflect expected passenger numbers and other contractual revenues.
- The weighted average cost of capital (WACC) used ranges from 7.04% to 8.48% (2022: 5.6% to 7.16%) depending on the asset class.
- The assessment indicated that the value of property, plant and equipment was not impaired. The assessment is sensitive to the WACC applied. An impairment arises if the WACC for all asset classes is increased by any amount more than 2.87% (resulting in an average WACC of 10.38%).
- Electricity Invercargill Limited Group Estimates and Assumptions. The estimates and associated assumptions have been based on historical experience and other factors that are believed to be reasonable under the circumstances and have been used in the following areas:
 - Property, plant and equipment.
 - Network assets valuation.
 - Revenue estimation - Network Charges.

Property, Plant and Equipment

In the process of applying accounting policies, Electricity Invercargill Limited management has made the following judgements, estimates and assumptions that have the most significant impact on the amounts recognised in these financial statements.

The Group operates extensive integrated electricity distribution networks comprising large numbers of relatively minor individual network asset components. These components are replaced over time as part of an ongoing maintenance/ refurbishment programme, consistent with the Group's approved network asset management plans. The costs associated with recording and tracking all individual components replaced and removed from the networks substantially outweigh the benefits of doing so. Management has estimated the quantities and the carrying values of components removed from the networks in each reporting period. Any errors in the estimates of such removals are corrected at the next asset revaluation, and are not considered to be material on either an annual or a cumulative basis with respect to either reported net surpluses on carrying values of the networks.

The electricity distribution network is valued at fair value. Fair value is determined on the basis of a periodic valuation at a maximum of every five years, based on discounted cash flow methodology. The fair values are recognised in the financial statements of the Group and are reviewed at the end of each reporting period to ensure that the carrying amount

of the distribution network is not materially different from its fair value.

The carrying amounts of the property, plant and equipment are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Revenue Estimation

The Group invoices its customers (predominantly electricity retailers) monthly for electricity delivery services on the basis of an estimation of usage, adjusted for the latest wash-up data available from the electricity wholesale market and certain metering data from electricity retailers. Management has made an allowance in revenue and in current assets/liabilities for any amounts which are estimated to be under/over charged during the reporting period. However, as final wash-up metering data is not available for in excess of 12 months, it is possible for the final amounts payable or receivable to vary from that calculated.

NEW STANDARDS ADOPTED

There have been no new standards adopted during the financial year.

NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The new standards and amendments that are relevant to the Company and Group are:

Amendments to NZ IAS 1 - Classification of Liabilities as Current or Non-current

The amendments clarify a criterion in NZ IAS 1 for classifying a liability, such as loans, as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The Company and Group are assessing the effect of these amendments on its financial statements.

Amendments to NZ IAS 1- Disclosure of Accounting Policies

The amendments apply for annual reporting periods beginning on or after 1 January 2023 require entities to disclose their material accounting policy information, instead of significant accounting policies. Given the current disclosures, this amendment is not expected to have a material impact to future disclosures within the Company and Group's financial statements.

Amendments to NZ IAS 8 - Definition of Accounting Estimates

The amendments apply for annual reporting periods beginning on or after 1 January 2023. The

amendments clarify how accounting policies and accounting estimates relate to each other. The amendments also clarify the distinction between what is considered a change in an accounting estimate and what is considered a change in an accounting policy or a correction of a prior period error. These amendments are not considered to have a signification impact with regards to the Company and Group's disclosures.

Amendments to FRS-44 - Disclosure of Fees for Audit Firms' Services

This amendment updates the required disclosures for fees relating to services provided by an entity's audit or review firm. The disclosure is to be disaggregated into specified categories of services and includes guidance to assist entities. The mandatory date for application of this new standard is 01 January 2024. This new standard is not expected to have a material impact on the financial statement disclosure given the Company and Group's auditor fees are disaggregated within Note 1 of the financial statements.

2019 Omnibus Amendments to NZ IFRS

Effective for periods on or after 1 January 2025, the amendments clarify that in a transaction involving an associate or joint venture, the extent of the gain or loss recognised is dependent upon whether the assets sold or contributed constitute a business, as defined in NZ IFRS 3 Business Combinations. The Company and Group are assessing the effect of these amendments on its financial statements.

No new or amended standards that are issued but not yet effective have been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact in the current or future reporting periods

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the period except for those arising from the adoption of the new standards. All accounting policies have been consistently applied throughout the period covered by these financial statements.

1. OPERATING REVENUE

Revenue is recognised as the amount of consideration expected to be received in exchange for transferring promised goods or services to a customer.

**ELECTRICITY DISTRIBUTION SERVICES:
Revenue from Contracts with Customers:**
Electricity Delivery Services

Electricity delivery service revenue relates to the provision of electricity distribution services to electricity retailers through its electricity network in Invercargill City and the Bluff area. Electricity retailer delivery services are performed on a daily basis and considered a series of distinct goods and services provided over time. Prices are regulated and retailers are charged based on the published schedule and quantities delivered. Revenue is recognised over time using an output method based on the actual delivery services provided on a daily basis.

Capital Contributions

Capital contributions revenue relates to contributions received from customers, excluding delivery service customers who are directly billed, for construction activities relating to the establishment of new connections or upgrades of an existing connection. The subsequent electricity distribution is contracted separately, interposed through a retailer, and is therefore not considered to impact the assessment of the customer or performance of the obligations of the capital contribution contracts. Pricing is fixed and contributions are paid prior to an assets being connected to the network. Capital contributions are recognised as revenue at the point in time when construction activities are completed and the asset is connected to the network.

Airport Services

Services are provided on demand and the transaction price is recognised as revenue based on their stand-alone selling price. The stand-alone selling price is based on published prices, and calculated on a price per unit of the service, net of rebates.

Revenue is recognised over time as the customer simultaneously obtains the benefits from the service as it is being performed.

Other Income:**Meter Rental Income**

Meter rental income represents amounts invoiced to customers based on their usage of the metering assets owned by the Group.

Rental Income

Rent and lease income is recognised on a straight-line basis over the term of the lease where the group is the lessor.

	GROUP 2023 \$000	GROUP 2022 \$000
Electricity delivery services	18,498	17,736
Electricity capital contributions	418	1,451
Airport services	6,545	4,445
Other income	30	30
	25,491	23,662

	GROUP 2023 \$000	GROUP 2022 \$000
2. OTHER GAINS AND LOSSES		
Change in fair value of investment property	325	335
Gain on financial assets at fair value through profit or loss	-	204
	325	539

	GROUP 2023 \$000	GROUP 2022 \$000
3. OTHER EXPENSES (INCLUDES)		
Loss on financial assets at fair value through profit or loss	169	-
Director fees	581	492
Network costs	9,917	9,670
Transmission costs	5,762	5,486
Auditor's remuneration to Audit New Zealand comprises:		
• audit of financial statements	145	109
• 2022 audit fee recovery	22	-
• 2021 audit fee recovery	-	19
Auditor's remuneration to other auditors comprises:		
• audit of financial statements	66	49
• audit of default price path	36	32
• audit of regulatory disclosures	49	39
Donations	3	-
PwC consulting fees*	24	-
*Consulting fees include Regulatory Forecasting and Price Setting Compliance Statement		

	GROUP 2023 \$000	GROUP 2022 \$000
4. EMPLOYEE EXPENSES		
Wages and salaries	1,583	1,219
Defined contribution expenses	38	33
Total employee expenses	1,621	1,252

5. FINANCE INCOME AND EXPENSE

Interest income is recognised on a time-proportion basis using the effective interest method.

	GROUP 2023 \$000	GROUP 2022 \$000
Finance income		
Interest income on bank deposits	947	432
Total finance income	947	432
Financial expense		
Interest expense on financial liabilities measured at amortised cost	3,365	2,704
Total financial expenses	3,365	2,704
Net finance costs	(2,418)	(2,272)

6. INCOME TAX EXPENSE

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.



	GROUP 2023 \$000	GROUP 2022 \$000
Current tax expense		
Current period	1,954	1,501
Adjustment for prior periods	(1)	(121)
Total current tax expense	1,953	1,380
Deferred tax expense		
Origination and reversal of temporary differences	264	637
Adjustment for prior periods	3	(4)
Total deferred tax expense	267	633
Total income tax expense	2,220	2,013
Reconciliation of effective tax rate		
Profit for the year	6,893	(34,208)
Tax at 28%	1,930	(9,578)
Group loss offset		-
Permanent Differences	279	11,582
Change in recognised temporary differences	(143)	(31)
Under/(over) provided in prior periods	41	160
• Subvention payment made in respect of prior period	118	(181)
• Expenses not deductible	(5)	61
Total income tax expense	2,220	2,013
Effective Tax Rate	29%	61%
Imputation credits available for use in subsequent periods	1,758	1,656

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

	GROUP 2023 \$000	GROUP 2022 \$000
Call deposits	-	10
Cash and cash equivalents	3,177	5,092
Cash and cash equivalents in the statement of financial position and statement of cashflows	3,177	5,102

8. TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses.

	GROUP 2023 \$000	GROUP 2022 \$000
Trade receivables	2,285	1,991
Less allowance for expected credit losses	(98)	(100)
Prepayments	207	107
Related party receivables	8	117
GST Receivable	126	-
Accrued revenue	499	404
	3,027	2,519

Trade receivables are non-interest bearing and are generally on terms of 30 days. For terms and conditions relating to related party receivables, refer to note 17.

The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance. The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. To measure expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The status of trade receivables at the reporting date is as follows:

	GROUP 2023 \$000	GROUP 2022 \$000
Not past due	2,051	1,776
Past due 30-60 days	27	32
Past due 61-90 days	-	-
Past due more than 90 days	207	183
Total	2,285	1,991

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Certain items of property, plant and equipment that had been revalued to fair value on or prior to 1 July 2005, the date of transition to NZ IFRS are measured on the basis of deemed cost, being the revalued amount at the date of transition.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Income.

When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Depreciation rates of major classes of assets have been estimated as follows:

(a) Buildings

- | | |
|--------------------------------|------------------------|
| - Electricity Invercargill Ltd | 1%-15% Straight Line |
| - Invercargill Airport Limited | 3%-19.2% Straight Line |

(b) Furniture and Fittings

- | | |
|--------------------------------|---|
| - Invercargill Airport Limited | 9.6%-30% Diminishing Value and 6%-67% Straight Line |
|--------------------------------|---|

(c) Plant

- | | |
|--------------------------------|---|
| - Invercargill Airport Limited | 8%-50% Diminishing Value and 5%-67% Straight Line |
|--------------------------------|---|

(d) Motor Vehicles

- | | |
|--------------------------------|--|
| - Invercargill Airport Limited | 10%-15.6% Diminishing Value and 7%-25% Straight Line |
|--------------------------------|--|

(e) Network Assets

- | | |
|------------------------------------|----------------------|
| - Electricity Invercargill Limited | 1%-50% Straight Line |
|------------------------------------|----------------------|

(f) Other Airport Assets

- | | |
|---|----------------------|
| - Runway, Apron and Taxiway
(Base-course and sub-base) | 3% Straight Line |
| - Top Surface (Runway) | 8.3% Straight Line |
| - Top Surface (Apron and Taxiway) | 6.7% Straight Line |
| - Roads, carparks, fencing and stop banks | 1%-30% Straight Line |

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Revaluation

Those asset classes that are revalued are valued on a valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Valuation

All assets are valued at historic cost, except the following:

- The electricity distribution network is valued at fair value. Fair value is determined on the basis of a periodic valuation, at a maximum of every five years based on discounted cash flow methodology.

Accounting For Revaluations

The Group accounts for revaluations of property, plant and equipment by class of asset.

The results of revaluing are credited or debited to an asset revaluation reserve for each asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Income.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that asset.

GROUP (\$000)	COST/ REVALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES	CARRYING AMOUNT	CURRENT YEAR ADDITIONS - COST	CURRENT YEAR DISPOSALS - COST	CURRENT YEAR DISPOSALS - DEPRECIATION	CURRENT YEAR DEPRECIATION	REVALUATION - SURPLUS	REVALUATION CORRECTION DEPRECIATION	COST/ REVALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES	CARRYING AMOUNT
2023	1 July 2022									30 June 2023		
Land	509	-	509	-	-	-	-	-	-	509	-	509
Gravel and Fencing	4,337	1,668	2,669	161	-	-	170	-	-	4,498	1,838	2,660
Buildings, Yards and Terminals	7,285	1,538	5,747	88	-	-	218	-	-	7,373	1,756	5,617
Network Assets	137,232	31,630	105,601	5,149	105	36	4,485	11,814	-	154,090	36,079	118,011
Plant and Equipment	2,770	2,336	434	130	9	9	97	-	-	2,891	2,424	467
Motor Vehicles	2,678	2,543	135	1,230	-	-	45	-	-	3,908	5,558	1,320
Furniture and Fittings	5,732	3,037	2,695	27	7	3	402	-	-	5,752	3,436	2,316
Runway, Taxiways and Apron	14,974	10,806	4,168	2,081	-	-	852	-	-	17,055	11,658	5,397
Total assets	175,517	53,558	121,959	8,866	121	48	6,269	11,814	-	196,076	59,779	136,297



GROUP (\$000)	COST/ REVALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES	CARRYING AMOUNT	CURRENT YEAR ADDITIONS - COST	CURRENT YEAR DISPOSALS - COST	CURRENT YEAR DISPOSALS - DEPRECIATION	CURRENT YEAR DEPRECIATION	REVALUATION - SURPLUS	REVALUATION CORRECTION DEPRECIATION	COST/ REVALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES	CARRYING AMOUNT
2022	1 July 2021									30 June 2022		
Land	509	-	509	-	-	-	-	-	-	509	-	509
Gravel and Fencing	4,289	1,502	2,787	48	-	-	166	-	-	4,337	1,668	2,669
Buildings, Yards and Terminals	7,285	1,321	5,964	-	-	-	217	-	-	7,285	1,538	5,747
Network Assets	129,263	27,109	102,154	8,089	121	30	4,551	-	-	137,231	31,630	105,601
Plant and Equipment	2,715	2,261	454	65	10	10	85	-	-	2,770	2,336	434
Motor Vehicles	2,610	2,538	72	108	40	26	31	-	-	2,678	2,543	135
Furniture and Fittings	5,660	2,604	3,056	72	-	-	433	-	-	5,732	3,037	2,695
Runway, Taxiways and Apron	14,974	9,977	4,997	-	-	-	829	-	-	14,974	10,806	4,168
Total assets	167,305	47,312	119,994	8,382	171	66	6,312	-	-	175,516	53,558	121,959



Revaluation:

The following classes of assets are carried at fair value and are categorised as Level 3 in the fair value hierarchy:

Network assets**Valuation**

The network assets of Electricity Invercargill Ltd were revalued to fair value using discounted cash flow methodology on 31 March 2023 by Ernst & Young, who is an independent valuer. This resulted in a favourable revaluation movement of \$11,814,000. The valuation is based on seven years forecast free cash flows and a calculated terminal value beyond the discrete cash flow period. The following valuation assumptions were adopted:

- The free cash flows was based on the Company's three year business plan and asset management plan adjusted for transactions that arise from expansionary growth in the network after the date of the valuation.
- Annual inflation based on forecast from the New Zealand Treasury
- The corporate tax rate used was 28%.
- The weighted average cost of capital (WACC) used was 6.1%.
- RAB multiple range of 1.05 times for the terminal value

Review of Asset Estimated Useful Life

During 2023, PowerNet Engineers reviewed and updated the estimated useful life of the Electricity Invercargill Ltd network assets. The review applied consistency across all of the Group network assets and aligned with Regulatory Asset reporting. The review of asset estimated useful life led to a change in the network asset depreciation rates applied within each asset category. This resulted in the range of depreciation rates applied across the network asset categories changing to 1.4%- 50% (2022: 2.0%-6.7%) The underground cable installed post 1985 and cables classified as PILC was most impacted by the change, with the estimated useful life increased from 45 years to 55 and 70 years, respectively. The new rates applied from 1 April 2022 across the network assets resulted to a decrease in the 2023 depreciation cost by \$225,000, with the average annual depreciation rate decreasing to 3.68% (2022: 3.91%).

10. INVESTMENT PROPERTY

All investment properties are related to Invercargill Airport Limited. Land is held by the Group for long term strategic purposes and is not held for resale.

Investment properties are land and buildings that are not occupied by the Group and is held for long term rental yield, where the Group intends to maximise the return on the land and buildings.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, the Group measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the Statement of Comprehensive Income.

	Group 2023 \$000	Group 2022 \$000
Balance at 1 July	5,505	5,170
Change in fair value	325	335
Balance at 30 June	5,830	5,505

Investment property comprises a number of commercial properties that are leased to third parties.

The Group's investment properties are valued annually at fair value effective 30 June. For 2023 and 2022, all investment properties were valued based on the income approach and comparable sales approach except for one property being less than 5% of the portfolio value. This property is planned to be demolished within the next year but no decision has been made on its replacement (2022: one of these properties is planned to be replaced within the next year and the other is planned to be replaced within the next two years). Hence the open market evidence valuation has been adjusted by management to be valued on a discounted cashflow basis of their

remaining expected earnings. The 2023 and 2022 valuations were performed by Robert Todd, an independent valuer from TelferYoung from CBRE. The valuer is an experienced valuer who holds a recognised and relevant professional qualification and has extensive market knowledge in the types of investment properties owned by the Group. Investment property is categorised as Level 3 in the fair value hierarchy.

11. EQUITY ACCOUNTED ASSOCIATES

Associate Companies	Principal activity	Country of Incorporation	Percentage Held by Group		Balance date
			2023	2022	
Lakeland Network Limited*	Electricity network owners	NZ	24.9%	24.9%	31 March
HWCP Management Limited	Property investment	NZ	49.9%	49.9%	30 June

The initial investment in HWCP Management Limited of \$200,000 has been reduced to nil after the share of losses have been recognised. The loss for the year ended 30 June 2023 of \$550,389 has not been recognised for the investment in HWCP Management Limited as Invercargill Property Limited's share of losses exceeds its interest in the associate.

The HWCP Management Limited associate has no contingent liabilities as at 30 June 2023 of nil (2022: nil).

Lakeland Network Limited has no contingent liabilities as at 31 March 2023 (2022:nil).

* In December 2021 Electricity Southland Ltd's name was changed to Lakeland Network Ltd.

	Group 2023 \$000	Group 2022 \$000
Balance at beginning of year	5,193	5,054
Total recognised revenues and expenses	94	139
Revaluation gain on network assets	928	-
Balance at end of year	6,215	5,193

The network assets of Lakeland Network Ltd were revalued using discounted cash flow methodology on 31 March 2023 by an independent valuer. This resulted in a favourable gain, with the Group share of \$928,000 (net of deferred tax) recognised in the Statement of Comprehensive Income.

The information below reflects the amounts presented in the financial statements of each entity and not the Group's share. The information is therefore not adjusted for inter-company eliminations. 31 March figures are used for the Electricity Invercargill Limited associates as this is the balance date for the Group. It would be impracticable and the Group would incur undue costs to prepare additional financial statements at 30 June.

Summarised Statement of Financial Position

	Lakeland Network Ltd	
	100% 2023 \$000	100% 2022 \$000
Cash and cash equivalents	206	175
Other current assets	630	759
Total current assets	836	934
Non-current assets	52,238	40,807
Total assets	53,074	41,741
Current liabilities	1,917	2,188
Non-current liabilities	26,198	18,697
Total Liabilities	28,115	20,885
Net assets	24,959	20,856

Summarised Statement of Comprehensive Income includes:

	Lakeland Network Ltd	
	100%	100%
	2023	2022
	\$000	\$000
Operating revenue	4,956	4,024
Interest expense	(1,327)	(493)
Depreciation	(692)	(897)
Profit before tax from continuing activities	655	927
Income tax expense	(278)	(370)
Net profit after tax	377	557
Revaluation gain	3,726	-
Total comprehensive income	4,103	557

As disclosed in note 9, the Group's network assets were revalued to fair value using as Discounted cash flow Methodology by Ernst and Young, who is an independent valuer. This resulted in a fair value gain of \$3,726,000 which was recognised in the Statement of Comprehensive Income of Lakelands Network Ltd for the year ended 31 March 2023.

Reconciliation of the summarised financial information presented to the carrying amount of the interest in the associate:

	Lakeland Network Ltd	
	100%	100%
	2023	2022
	\$000	\$000
Closing net assets	24,959	20,856
Interest in associate	6,215	5,193

Summarised Statement of Financial Position

	HWCP Management Ltd	
	100%	100%
	2023	2022
	\$000	\$000
Cash and cash equivalents	25	61
Other current assets	16	1,358
Total current assets	41	1,419
Non-current assets	1,975	2,897
Total assets	2,016	169
Current liabilities	160	5,250
Non-current liabilities	4,060	-
Total Liabilities	4,220	5,250
Net assets	(2,204)	(1,103)

Summarised Statement of Comprehensive Income includes:

	HWCP Management Ltd	
	100%	100%
	2023	2022
	\$000	\$000
Interest expense	(274)	(315)
Depreciation	(1)	(1)
Profit before tax from continuing activities	(322)	(479)
Gain loss on sale of investment property	152	-
Impairment loss on investment property	(921)	-
Total comprehensive income	(1,101)	(479)

Reconciliation of the summarised financial information presented to the carrying amount of the interest in the associate:

	HWCP Management Ltd	
	100%	100%
	2023	2022
	\$000	\$000
Closing net assets	-	-
Interest in associate	-	-

Impairment loss on investment property

For the year ended 30 June 2023, a valuation assessment was obtained to determine the recoverable amount of the investment property. The 2023 valuations was performed by Robert Todd, an independent valuer from TelferYoung from CBRE. The valuer is an experienced valuer who holds a recognised and relevant professional qualification and has extensive market knowledge in the types of investment properties owned by the Company. The market based valuation determined the fair value of investment property to be \$1,975,000. Given the carrying value of investment property exceeded the recoverable amount, an impairment loss of \$920,987 was recorded in the Statement of Comprehensive Income for the year ended 30 June 2023.

12. EQUITY ACCOUNTED JOINT VENTURES

Joint Ventures	Principal activity	Country of Incorporation	Percentage Held by Group		Balance date
			2023	2022	
PowerNet Limited Group	Electricity network management	NZ	50.0%	50.0%	31 March
OtagoNet Joint Venture*	Electricity network owners	NZ	24.9%	24.9%	31 March
Roaring Forties Energy Limited Partnership**	Electricity generation	NZ	50.0%	50.0%	31 March
Invercargill Central Limited	Property Development	NZ	45.8%	49.7%	30 June

* The Group holds a 25% voting right over OtagoNet Joint Venture.

** Roaring Forties Energy Limited Partnership has a 50% interest in Southern Generation Limited Partnership.

	Group 2023	Group 2022
	\$000	\$000
Balance at beginning of year	97,802	132,084
Investments in joint ventures	-	8,575
Share of profit from joint ventures recognised in surplus or deficit the statement of comprehensive income	5,019	4,854
Revaluation gain on network assets	4,562	-
Impairment of joint venture*	(500)	(41,385)
Distributions from joint ventures	(6,565)	(6,326)
Balance at end of year	100,318	97,802

As disclosed on page 37, ICL recorded an impairment expense of \$103,710,365 with regards to the Company's investment property. As a result of this impairment, ICL's equity is in a negative position as at 30 June 2023. As such, Group's investment in ICL has been impaired to Nil for the year then ended.

The impairment losses arising in the prior period have been included in the profit or loss in the impairment of investment in joint venture line in the statement of comprehensive income.

The following information reflects the amounts presented in the financial statements of each entity and not the Group's share. The information is therefore not adjusted for intercompany eliminations. 31 March figures are used for the Electricity Invercargill Limited joint ventures as this is the balance date for the Group. It would be impracticable and the Group would incur undue costs to prepare additional financial statements at 30 June.

Summarised Statement of Financial Position

	PowerNet Limited Group	
	100%	100%
	2023	2022
	\$000	\$000
Cash and cash equivalents	463	616
Other current assets	23,024	21,366
Total current assets	23,487	21,982
Non-current assets	44,701	43,255
Total assets	68,188	65,237
Current liabilities	13,014	10,409
Non-current liabilities	49,546	49,212
Total Liabilities	62,560	59,621
Net assets	5,628	5,616

Summarised Statement of Comprehensive Income includes:

	PowerNet Limited Group	
	100%	100%
	2023	2022
	\$000	\$000
Operating revenue	92,499	84,672
Interest revenue	-	-
Interest expense	(3,595)	(2,413)
Depreciation	(3,599)	(3,592)
Profit before tax from continuing activities	1,300	3,073
Income tax expense	13	(783)
Total comprehensive income	1,313	2,290

Reconciliation of the summarised financial information presented to the carrying amount of the interest in the joint venture:

	PowerNet Limited Group	
	100%	100%
	2023	2022
	\$000	\$000
Closing net assets	5,628	5,616
Interest in joint venture	2,814	2,808

Summarised Statement of Financial Position

	OtagoNet Joint Venture	
	100%	100%
	2023	2022
	\$000	\$000
Cash and cash equivalents	82	994
Other current assets	3,129	3,793
Total current assets	3,211	4,787
Non-current assets	240,565	218,613
Total assets	243,776	223,400

Current liabilities	5,414	4,946
Non-current liabilities	-	693
Total Liabilities	5,414	5,639
Net assets	238,362	217,761

Summarised Statement of Comprehensive Income includes:

	OtagoNet Joint Venture	
	100%	100%
	2023	2022
	\$000	\$000
Operating revenue	29,004	31,572
Interest revenue	1	2
Interest expense	(24)	(39)
Depreciation	(9,093)	(8,133)
Profit before tax from continuing activities	6,178	10,235
Income tax expense	-	-
Revaluation of network assets	18,323	-
Total comprehensive income	24,501	10,235

Reconciliation of the summarised financial information presented to the carrying amount of the interest in the joint venture:

	OtagoNet Joint Venture	
	100%	100%
	2023	2022
	\$000	\$000
Closing net assets	238,362	217,761
Interest in joint venture	59,352	54,222

As disclosed in note 9, the Group's network assets were revalued to fair value using as Discounted cash flow methodology by Ernst and Young, who is an independent valuer. This resulted in a fair value gain of \$18,323,000 which was recognised in the Statement of Comprehensive Income for the year ended 30 June 2023 in OtagoNet Joint venture for the year 31 March 2023.

Summarised Statement of Financial Position

	Roaring Forties Energy Limited Partnership	
	100%	100%
	2023	2022
	\$000	\$000
Cash and cash equivalents	45	23
Other current assets	33	-
Total current assets	78	23
Non-current assets	80,197	84,235
Total assets	80,275	84,258
Current liabilities	55	19
Non-current liabilities	-	-
Total Liabilities	55	19
Net assets	80,220	84,239

Summarised Statement of Comprehensive Income includes:**Roaring Forties Energy
Limited Partnership**

	100%	100%
	2023	2022
	\$000	\$000
Operating revenue	6,788	5,616
Profit before tax from continuing activities	6,470	5,295
Income tax expense	-	-
Total comprehensive income	6,470	5,295

Reconciliation of the summarised financial information presented to the carrying amount of the interest in the joint venture:

**Roaring Forties Energy
Limited Partnership**

	100%	100%
	2023	2022
	\$000	\$000
Closing net assets	80,220	84,239
Interest in joint venture	40,110	42,120

Summarised Statement of Financial Position**Invercargill Central Limited**

	100%	100%
	2023	2022
	\$000	\$000
Cash and cash equivalents	432	665
Other current assets	1,355	927
Total current assets	1,787	1,592
Non-current assets*	70,383	144,205
Total assets	72,170	145,797
Current liabilities	4,705	7,050
Non-current liabilities	80,600	47,300
Total Liabilities	85,305	54,350
Net assets	(13,135)	91,447

Summarised Statement of Comprehensive Income includes:**Invercargill Central Limited**

	100%	100%
	2023	2022
	\$000	\$000
Operating revenue	4,855	-
Interest revenue	-	284
Interest expense	(2,350)	(455)
Depreciation	(947)	(25)
Profit before tax from continuing activities	(871)	(1,581)
Impairment of investment property*	(103,709)	-
Total comprehensive income	(104,582)	(1,581)

* Impairment of investment property

For the year ended 30 June 2023, an impairment assessment with regards to the investment property was completed. This is a recently constructed asset, occupied in stages over the year and is not yet wholly complete. There is no physical damage or obsolescence to the building and no change to the expected use of it. Over the long term rental income projections have improved, and Directors are looking at recapitalisation to lower the increasing interest rates. The view of the Directors is that the investment property has been built to hold over the long term for public benefit, and that if it were to be built now, would cost significantly more. A property valuation was compiled by CBRE, independent valuation experts, which indicated the fair value of ICL's investment property at 30 June 2023 to be \$69,800,000. The carrying value as at 30 June 2023 was \$173,509,208. Given the carrying value of the investment property exceeded its recoverable amount, an impairment expense of \$103,709,208 has been recognised for the year ended 30 June 2023.

- Valuation of investment property as complete less remaining costs to complete: \$69,800,000
- Valuation of investment property as complete: \$78,500,000
- Internal Rate of Return: 10.75%
- Terminal yield 7.75%
- Initial yield 7.30%

While the review of the Company's investment property assets indicated an impairment, Management considers the commercial yields generated by the investment property to be acceptable. In their report, CBRE found the quality of the design and finishes of the property are at the very upper end of retail complexes throughout New Zealand. Rewards of the high-quality build are expected to be reaped over the long term through realisation of strong income growth into the future. The tenants are currently trading well and affordability levels are good. Conclusions within the CBRE report are based on data and market sentiment as at date of valuation. Consumer and investor behaviour can rapidly change during periods of volatility.

Reconciliation of the summarised financial information presented to the carrying amount of the interest in the joint venture:

	Invercargill Central Limited	
	100%	100%
	2023	2022
	\$000	\$000
Closing net assets	(13,135)	91,447
Interest in joint venture	500	41,885
Impairment	*(500)	(41,385)
Adjusted interest in joint venture	-	500

13. TRADE AND OTHER PAYABLES

	Group	Group
	2023	2022
	\$000	\$000
Trade payables	158	254
Accrued expenses	1,294	1,821
Retentions	49	49
Amounts due to other related parties	2,219	1,860
GST payable	-	75
Income in advance	168	179
Total trade and other payables	3,888	4,238

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximate their fair value.

14. BORROWINGS

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

	Group 2023 \$000	Group 2022 \$000
Current		
Secured loans	43,019	22,746
Total current borrowings	43,019	22,746
Non-current		
Secured loans	48,200	68,200
Total non-current borrowings	48,200	68,200

Secured loans relate to the Local Government Funding Agency (LGFA) multi-option facility.

Secured loans of the Company are secured against assets, undertakings and uncalled capital of the Group. The effective interest rate for the multi-option note facility was 3.96% (2022: 2.94%) with hedging refer note 22.

The group will renew all loans maturing in the 2024 financial year with new facilities with LGFA. The following facilities will mature in the 2024 financial year:

- Long term borrowings held with LGFA for \$12.269 million maturing on 4 September 2023; and
- Long term borrowings held with LGFA for \$30 million maturing on 3 December 2023.

On a return of assets on liquidation or otherwise the assets of the Company available for distribution amongst its members shall be applied first in repaying the holders of the RPS the amounts paid up on the RPS, and the balance of such assets subject to any special rights which may be attached to any other class of shares shall be distributed in accordance with the Company's Constitution.

Borrower notes

Borrower notes are subordinated convertible debt instruments that the Company subscribes for an amount equal to 2.5% of the total long-term borrowings from LGFA. LGFA will redeem borrower notes when the Company's related borrowings are repaid or no longer owed to LGFA. At 30 June 2023 the Company had subscribed to \$1,955,000 (2022: \$1,705,000) of borrower notes.

15. DEFERRED TAX LIABILITIES/(ASSETS)

GROUP:	BALANCE	RECOGNISED IN PROFIT OR LOSS	RECOGNISED IN EQUITY	BALANCE	RECOGNISED IN PROFIT OR LOSS	RECOGNISED IN EQUITY	BALANCE
	30 JUNE 2022			30 JUNE 2022			30 JUNE 2023
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Property, plant and equipment	23,008	190	-	23,198	219	4,585	28,002
Investment property	356	33	-	389	7	-	396
Derivatives	(1,226)	-	1,389	163	-	251	414
Provisions	8	(3)	-	5	(18)	-	(13)
Other items	367	403	-	770	59	-	829
Tax losses	(88)	10	-	(78)	75	-	(3)
Total movements	22,425	633	1,389	24,447	342	4,836	29,625

16. EQUITY GROUP

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
	SHARE CAPITAL \$000	CASHFLOW HEDGING RESERVE \$000	REVALUATION RESERVE \$000	RETAINED EARNINGS \$000	TOTAL \$000	MINORITY INTEREST \$000	TOTAL \$000
Balance at 1 July 2021	65,793	(3,154)	35,623	57,900	156,162	1,784	154,378
Surplus/(deficit) after tax	-	-	-	(36,221)	(36,221)	14	(36,235)
Other comprehensive income							
Property, Plant and Equipment Revaluation gains/(losses) - pre tax	-	-	-	-	-	-	-
Transfer of revaluation reserve to retained earnings due to asset disposal	-	-	(25)	25	-	-	-
Effective portion of changes in fair value of cash flow hedges, net of tax	-	3,573	-	-	3,573	-	3,573
Distributions to Shareholders							
Dividends paid/declared	-	-	-	(4,886)	(4,886)	-	(4,886)
Contributions from Shareholders							
Shares issued and paid up	16,777	-	-	-	16,777	-	16,777
Balance at 30 June 2022	82,570	419	35,598	16,818	135,405	1,789	133,607
Balance at 1 July 2022	82,570	419	35,598	16,818	135,405	1,798	133,607
Surplus/(deficit) after tax	-	-	-	4,673	4,673	36	4,637
Other comprehensive income							
Property, Plant and Equipment Revaluation gains/(losses) - pre tax	-	-	12,710	9	12,719	-	12,719
Transfer of revaluation reserve to retained earnings due to asset disposal	-	649	-	-	649	-	649
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	-	-
Distributions to Shareholders							
Dividends paid/declared	-	-	-	(5,089)	(5,089)	-	(5,089)
Contributions from Shareholders							
Shares issued and paid up	-	-	-	-	-	-	-
Balance at 30 June 2023	82,570	1,068	48,308	16,411	148,357	1,834	146,523

The Company has 74,675,202 (2022: 74,675,202) ordinary shares that have been called and a further \$100,000,000 (2022: \$100,000,000) of ordinary shares that have been issued to the Invercargill City Council (67,427,000 for \$1 each and 5,211,680 for \$6.25 each but remain uncalled at balance date). All shares, whether called or uncalled, have equal voting rights and have no par value. The Company issued 16,777,000 ordinary shares at \$1.00 on 14 July 2021.

17. RELATED PARTY TRANSACTIONS

The Company is the sole shareholder of Electricity Invercargill Limited, Invercargill City Forests Limited (disestablished in August 2021), and Invercargill City Property Limited and holds a 97% stake in Invercargill Airport Limited. During the year, the following transactions took place with the group companies. All transactions with the subsidiaries have been eliminated upon consolidation.

	Group 2023 \$000	Group 2022 \$000
Ultimate parent:		
(A) INVERCARGILL CITY COUNCIL		
Revenue		
Provision of services	30	1,073
Expenditure		
Provision of services	587	434
Purchase of management services	170	152
Dividends from Subsidiary to Parent	5,089	4,886
Subvention payment	205	251
Loss offset	527	645
Outstanding at balance date by Parent and Group	-	-
Outstanding at balance date to Parent and Group	3	-
B) POWERNET LIMITED		
Revenue		
Provision of services	509	299
Expenditure		
Provision of goods and services	10,013	11,379
Outstanding at balance date by Parent and Group	2,009	1,886
Outstanding at balance date to Parent and Group	133	77
Advances provided to (repaid by)	(212)	(800)
(C) LAKELAND NETWORK LIMITED		
Revenue		
Provision of services	329	120
Expenditure		
Provision of goods and services	-	-
Outstanding at balance date by Parent and Group	-	-
Outstanding at balance date to Parent and Group	107	40
Advances provided to (repaid by)	1,429	1,633
(D) HWCP MANAGEMENT LIMITED		
Revenue		
Provision of services	273	315
Expenditure		
Provision of goods and services	-	-
Outstanding at balance date by Parent and Group	141	156
Outstanding at balance date to Parent and Group	646	2,449

There has been no related party transactions with Invercargill Central Limited.

No related party transactions have been written off or were forgiven during the 2023 year (2022: nil).

Key management personnel compensation comprises:

	Group 2023 \$000	Group 2022 \$000
Management fees	170	152
Short term employment benefits	267	216
Directors Fees	546	492

Short term employee benefits relate to:

- Invercargill City Holdings Limited consists of management fees.
- Invercargill Airport Limited consists of salaries and does not include any costs for the following: post employment benefits, other long term benefits and termination benefits as they are not provided for by Invercargill Airport Limited.
- Electricity Invercargill Limited group consists of salaries and other short-term benefits.

18. COMMITMENTS AND OPERATING LEASES

	Group 2023 \$000	Group 2022 \$000
Capital commitments		
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	1,633	1,887

Associates and Joint Venture commitments

At 30 June 2023, Invercargill Central Limited had entered into contractual commitments for the development of property, plant and equipment and investment property, and tenancy contributions amounting to \$180.8 million, of which \$173.2 million has been spent at balance date.

At 31 March 2023, Lakeland Network Ltd has capital commitment of \$568,000 (2022: \$3.14 million).

Other commitments

The Group has a conditional commitment as at 31 March 2023 of \$415,000 (2022: \$415,000). This relates to an agreement with Smart Co, for the Group to provide a subordinated loan to Smart Co once a number of terms have been met.

Operating leases as lessee

The Group does not have any operating leases where it is the lessee (2022: Nil).

Operating leases as lessor

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Income over a straight-line basis over the period of the lease.

The Group leases its investment property under operating leases. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Group 2023 \$000	Group 2022 \$000
Non-cancellable operating leases as lessor		
Not later than one year	613	307
Later than one year and not later than five years	1,304	668
Later than five years	177	40
Total non-cancellable operating leases	2,094	1,015

There are no restrictions placed on the Group by any of the leasing arrangements.

19. CONTINGENCIES

Contingent assets:

2023 Year: Nil

2022 Year: Nil

Contingent liabilities:

The Invercargill Central Limited Share Holders Agreement provides that if acting reasonably the Company determines that it requires further funding it may call on O'Donnell CBD Limited and Invercargill City Holdings Limited to fund a further \$16.5m.

The Invercargill City Holdings Limited subscription agreement with Invercargill Central Limited provides that, on similar terms to the Shareholders Agreement, Invercargill Central Limited may call on Invercargill City Holdings Limited to purchase a further \$4m in shares from Invercargill Central Limited.

During the 2020 year Invercargill Airport Limited received a \$500,000 grant from the Provincial Growth Fund. The grant was in recognition that Air New Zealand was to commence a 12 month pilot of scheduled jet services from Auckland to Invercargill on 25 August 2019 and Invercargill Airport Limited needed to rapidly deliver urgent airside and non-airside upgrades to handle the scheduled jet services.

A contingency for repayment exists for a 10 year term from 31 October 2019 if the Company either:

- Sells, disposes or transfers the asset, without the Ministry's prior written consent;
- or the asset will no longer be used for the purpose intended.

There are no other contingent liabilities or assets at 30 June 2023 (2022:Nil).

20. EVENTS AFTER THE BALANCE SHEET DATE

On 26 September 2023, the Directors of Invercargill City Property Limited signed a resolution to amended the terms of the loan agreement between Invercargill City Property Limited and HWCP Management Limited.

In 2017 HWCP Management Limited (the Borrower) and Invercargill City Property Limited (the Lender) entered into a loan agreement (the Agreement). The Agreement was for a facility of \$5,000,000 as varied in accordance with the terms of the Agreement. Currently the facility has been drawn by the Borrower in the amount of \$4,201,488 comprising loan and interest repayments as at 30 June 2023. This loan is recorded in the Group's financial statements at a fair value of \$645,891 as at the year then ended. The parties have agreed to vary the loan agreement on the terms set out below.

Clause 4.4 is deleted and replaced with the following new clause 4.4

4.4 The Borrower must pay to the lender either:

4.4.1 the funds available from the sale of land held by the Borrower (for the avoidance of doubt sale price less the costs of disposal); or 4.4.2 all amount owing under the Agreement in relation to the Facility on the Termination Date

Whichever is the lesser of those two amounts. Upon sale of the Borrower's assets the Lender agrees to forgive the balance of the amount owing (if any).

21. FINANCIAL INSTRUMENTS

Invercargill City Holdings Limited provides services to the businesses in the group and the shareholder, co-ordinates access to domestic financial markets and monitors and manages financial risks relating to the group.

Capital management

The group's capital includes share capital, reserves and retained earnings.

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising return to stakeholders through the optimisation of the debt and equity balance.

The objective of the group from the parent company's Statement of Intent is to provide reasonable returns to the shareholder, while acting generally as a responsible corporate citizen and in accordance with sound business practice, by having regard to the interests of the community.

The board monitors the performance of the subsidiary companies in the group, to meet the objectives while maintaining a strong capital base to sustain future development of the group's businesses.

The intentions of the parent company in respect of distributions for each three year period are disclosed in the annual Statement of Intent submitted to council in public.

Hedge Accounting

At the inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps.

Financial Instruments - Risk

The Group has exposure to the following risks from its use of financial instruments:

- **Credit risk**
- **Liquidity risk**
- **Market risk**

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has a series of policies to manage the risks associated with financial instruments. The Group is risk averse and seeks to minimise exposure from its treasury activities. The Group has established Company approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Credit risk

Credit risk is the risk that a counterparty will default on its obligation causing the Group to incur a financial loss.

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash, short-term investments, trade receivables, loans, foreign exchange transactions and other financial instruments. Cash and short-term investments are placed with banks with high credit ratings assigned by international credit-rating agencies, or other high credit quality financial institutions.

The Group has no significant concentrations of credit risk. The Group invests funds only in deposits with registered banks and local authority stock and its Investment policy limits the amount of credit exposure to any one institution or organisation.

The maximum exposure to credit risk at reporting date relates to bank balances of \$3.2 million (2022: \$5.1 million), trade receivables of \$2.285 million (2022: \$2.0 million) and advances to associates and joint ventures of \$13.2 million (2022: \$13.4 million).

The Group manages its exposure to credit risk from trade receivables by performing credit evaluations on all customers requiring credit whenever possible, and continuously monitoring the outstanding credit exposure to individual customers. The Group does not generally require or hold collateral against credit risk.

The Group is exposed to credit risk through loans to associates and joint ventures. Should there be events which lead to a change in the credit quality of the loans including but not limited to increases in interest rates it will be necessary to consider whether the loans are impaired or not. At 30 June 2023 no loans investments were considered to be impaired.

The Electricity Invercargill Limited group is exposed to a concentration of credit risk with regards to the amounts owing by energy retailers for line charges. However, these entities are considered to be high credit quality entities. Credit quality of financial assets: For counterparties with credit ratings the cash at bank and deposits are held in banks with credit ratings from BBB to AA-. Derivative financial instruments assets are transacted with banks with credit ratings of AA-. For counterparties without credit ratings the community and related party loans are with parties that have had no defaults in the past.

Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general the Group generates sufficient cash flows from its operating activities to meet its contractual obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls and meet capital expenditure requirements. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Group maintains a target level of investments that must mature within the next 12 months.

The Group manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below analyses the Group's financial assets and liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

The following table details the exposure to liquidity risk as at 30 June 2023:

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	MATURITY DATES			TOTAL
	\$000	\$000	< 1 YEAR \$000	1-3 YEARS \$000	> 3 YEARS \$000	\$000
Group 2023						
Financial Assets						
Cash and cash equivalents	3,177	3,177	3,177	-	-	3,177
Other financial asset	1,955	2,115	805	1,079	231	2,115
Trade and other receivables	2,285	2,285	2,285	-	-	2,285
	7,417	7,577	6,267	1,079	231	7,577
Financial Liabilities						
Trade and other payables	3,887	3,887	3,887	-	-	3,887
Advances	3,938	3,938	-	-	3,938	3,938
Borrowings - secured loans	91,219	97,120	44,947	42,868	9,305	97,120
	99,044	104,945	48,834	42,868	13,243	104,945

The following table details the exposure to liquidity risk as at 30 June 2022:

Group 2022	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	MATURITY DATES			TOTAL \$000
			< 1 YEAR \$000	1-3 YEARS \$000	> 3 YEARS \$000	
Financial Assets						
Cash and cash equivalents	5,102	5,102	5,102	-	-	5,102
Trade and other receivables	2,430	2,430	2,430	-	-	2,430
	7,532	7,532	7,532	-	-	7,532
Financial Liabilities						
Trade and other payables	4,027	4,027	4,027	-	-	4,027
Borrowings - secured loans	90,946	95,822	24,411	71,411	-	95,822
	94,973	99,849	28,438	71,411	-	99,849

The interest rates on the Group's borrowings are disclosed in note 14. The ultimate parent (ICC) being the holder of the redeemable preference shares has indicated that the shares will not be called for redemption in the next financial year. As the shares are callable the debt is classified as current in the statement of financial position.

The table below analyses the Group's derivative financial assets and liabilities that are settled on a net basis into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

The following table details the exposure to liquidity risk as at 30 June 2023:

Group 2023			MATURITY DATES			
	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	< 1 YEAR	1-3 YEARS	> 3 YEARS	TOTAL
	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets						
Derivative financial instruments	1,482	1,143	685	550	(92)	1,143
	1,482	1,143	685	550	(92)	1,143

The following table details the exposure to liquidity risk as at 30 June 2022:

Group 2022	MATURITY DATES					
	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	< 1 YEAR	1-3 YEARS	> 3 YEARS	TOTAL
	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets						
Derivative financial instruments	643	334	201	239	(106)	334
	643	334	201	239	(106)	334
Financial Liabilities						
Derivative financial instruments	61	253	253	-	-	253
	61	253	253	-	-	253
Net derivative financial liabilities	(582)	(81)	52	(239)	106	(81)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

Interest Rate Risk***Interest Rate Risk: Fair Value Interest Rate Risk***

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates expose the Group to fair value interest rate risk. The Group's Liability Management policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where the Group has borrowed at fixed rates.

The Group has interest bearing debt which is subject to interest rate variations in the market. The debt is raised from the Group's parent company, Invercargill City Holdings Limited's bank borrowing facility and then advanced onto the group companies.

The Group through the Parent uses interest rate swaps to manage its exposure to interest rate movements on its multi option facility borrowings.

The interest rates on the Company's borrowings are disclosed in note 14. The financial assets and liabilities are exposed to interest rate risk as follows:

Financial Assets

Cash and cash equivalents	Variable interest rates
Trade and other receivables	Non interest bearing
Dividends receivable	Non interest bearing
Capital work in progress	Non interest bearing
Derivative financial instruments (interest rate swaps)	Variable interest rates
Advances	Variable interest rates
Short term investments	Variable interest rates

Financial Liabilities

Trade and other payables	Non interest bearing
Dividends payable	Non interest bearing
Advances	Variable interest rates
Derivative financial instruments (interest rate swaps)	Variable interest rates
Borrowings - secured loans	Variable and fixed interest rates
Borrowings - redeemable preference shares	Non interest bearing

Interest Rate Risk: Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Company to cash flow interest rate risk.

The Group manages its cash flow interest rate risk on borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

The notional principal outstanding in regard to the interest rate swaps is as follows:

	Group 2023 \$000	Group 2022 \$000
	Liability	Liability
Maturity < 1 year	17,500	17,000
Maturity 1-2 years	10,000	17,500
Maturity 2-3 years	14,000	10,000
Maturity 3-4 years	8,000	14,000
Maturity 4-5 years	8,000	8,000
Maturity 5-6 years		8,000
Maturity 6-7 years	-	-
Maturity 7-10 years	-	-
	57,500	74,500

Effectiveness of Cash Flow Hedges

The matched terms method is used in applying hedges. In all cases the terms of both the hedge instrument and the underlying transaction are matched. All hedges are interest rate swaps.

	Company/Group 2023	2022
	%	%
Effectiveness	100	100

Sensitivity analysis on Financial Instruments

Borrowings: If interest rates on borrowings at 30 June 2023 had fluctuated by plus or minus 1.0% (2022: 1.0%) the effect would have been to decrease/increase the surplus after tax by \$107,062 (2022: \$227,870) as a result of higher/lower interest expense on floating rate borrowings.

Cash and cash equivalents included deposits at call which are at floating interest rates. Sensitivity to a 1.0% (2022:1.0%) movements in rates is immaterial as these cash deposits are very short term.

Derivative Asset: Cash Flow hedge

The derivatives are hedge accounted and managed by the company to be 100% effective and thus there is no sensitivity to the profit and loss to change in the interest rates.

Sensitivity to a movement in rates is as follows and affect the equity balance of the Group:

	Carrying amount	Equity change	
	Year 2023 \$000	+1.0% \$000	-1.0% \$000
Net Derivative financial asset/(Liability) - Cashflow Hedge	1,482	846	(875)
	Year 2022 \$000	+0.5% \$000	-0.5% \$000
Net Derivative financial asset/(Liability) - Cashflow Hedge	582	1,308	(1,360)

22. FAIR VALUE MEASUREMENT

Fair Value measurements recognised in the Statement of Comprehensive Income

The following classes of assets are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Group 2023				Group 2022			
	Level 1	Level 2	Level 3	Total NZ	Level 1	Level 2	Level 3	Total NZ
Fair Value Measurement	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Assets at Fair Value								
Derivatives	-	1,482	-	1,482	-	643	-	643
Network Assets	-	-	110,144	110,144	-	-	97,313	97,313
Investment Property	-	-	5,830	5,830	-	-	5,505	5,505
Advance to associate	-	-	844	844	-	-	2,293	2,293
Total Assets at Fair Value	-	1,482	116,818	118,300	-	643	105,111	105,754
Liabilities at Fair Value								
Derivatives	-	-	-	-	-	61	-	61
Total Liabilities at Fair Value	-	-	-	-	-	61	-	61

The Group carries interest rate swaps (derivative financial instruments) at fair value. These instruments are included in Level 2 of the fair value measurement hierarchy. Interest rate swaps are held with financial institutions with investment grade credit ratings. Interest rate derivative fair values are valued using swap model valuation techniques using present value calculations. The key inputs include interest rate curves and forward rate curves.

The Group's network assets are valued by external valuation on the basis of fair value using the discounted cash flow (DCF) method. The network assets are revalued every five years. The key inputs include discount rate, growth rate and future cash flows. The cash flow term for the valuation is three years.

Invercargill Airport Limited's investment properties are valued annually at fair value effective 30 June. For 2023 and 2022, all investment properties were valued based on the income approach and comparable sales approach except for one property being less than 5% of the portfolio value. This property is planned to be demolished within the next year but no decision has been made on its replacement (2022: one of these properties is planned to be replaced within the next year and the other is planned to be replaced within the next two years), hence the open market evidence valuation has been adjusted by management to be valued on a discounted cashflow basis of their remaining expected earnings. The key inputs include yield sensitivity being 8.35% for 2023 (2022: 8.75%).

The Group's advance to associate is valued on the basis of fair value using the discounted cashflow (DCF) method. The loan is revalued annually. The key inputs include a discount rate of 15.22% (2022: 12.44% and realisation of the remaining assets in 2029).

Statement of Service Performance

FOR THE YEAR ENDED JUNE 30, 2023

The performance targets established in the 2023 Statement of Corporate Intent for Invercargill City Holdings Limited (ICHL) and the results achieved for the year ended 30 June 2023:

Group Financial Performance Targets

	Group 2023 Target \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Gross Revenue	34,517	34,870	32,052
Expenditure	28,066	27,977	(66,260)
Net Profit (Loss)	6,451	6,893	(34,208)
Tax	(1,739)	(2,220)	(2,013)
Group Net Profit/(Loss) after tax	4,712	4,673	(36,221)
Dividend to Invercargill City Council	5,089	5,089	4,886
Shareholder Funds to Total Assets	57.24%	54.11%	52.62%

Shareholder Funds to Total Assets

ICHL reported a lower shareholder funds to total asset compared to budget due to ICHL recording an unanticipated impairment of the Group's investment in ICL as at 30 June 2023, refer to note 12 of the annual report for further information with regards to this transaction.

Return on Commercial Investments (ICHL, EIL, ICFL)

ICHL is currently reviewing the manner in which its returns are reported to Invercargill City Council. In the interim ICHL will report, for its commercial investments rates of return on equity:

Rate of Return (after tax) on Shareholders Funds	2.29%	3.6%	-27.57%
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Electricity Invercargill Limited

Network Reliability Performance:

The following results were calculated using information from the Company's non-financial systems, which due to the manual recording processes have inherent limitations relating to the completeness of interruption data and the accuracy of installation control point (ICP) numbers included in the SAIDI and SAIFI.

	Group 2023 Target \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
System Average Interruption Duration Index (SAIDI)			
The average total time in minutes each customer connected to the network is without supply.			
SAIDI (planned)	18.4	15.76	15.11
SAIDI (unplanned)	23.1	17.8	15.38
System Average Interruption Frequency Index (SAIFI)			
The average number of times each customer connected to the network is without supply.			
SAIFI (planned)	0.09	0.08	0.11
SAIFI (unplanned)	0.62	0.24	0.32

SAIDI and SAIFI for planned and unplanned interruptions are calculated using the methodology defined in the Electricity Distribution Services DPP3 Determination 2020. SAIFI is calculated per interruption against the total network ICPs. Planned SAIDI is calculated in categories dependent on minutes occurring within or outside interruption windows, number of ICPs affected and total network ICPs - buckets are then summed to

an assessed SAIDI value per interruption. Assessed SAIDI and SAIFI for unplanned interruptions include normalisation of major events for periods that exceed the DPP3 defined boundary values. The annual planned SAIFI and SAIDI figures are shown for comparison with targets, but planned SAIFI and SAIDI are assessed at the end of the five year DPP3 period. Electricity Invercargill Ltd has met the SAIDI and SAIFI target for the year and were well below the supply quality limits set by the Commerce Commission.

The Directors have reasonable assurance that the performance data of the Company is free from material misstatement and is a reliable measure of the network's performance.

Health and Safety

	Target 2023	Achievement 2023	2022
Total Recordable Injury Frequency Rate			
Contractors Target (TRIFR)	3.1	1.1	1.0

Electricity Invercargill Ltd contracts PowerNet Ltd to manage its Network assets and operations. Electricity Invercargill Ltd employ no staff, therefore the PowerNet Ltd Health and Safety Performance targets are relevant to the Group.

PowerNet Ltd safety performance (TRIFR) remained at 1.0 and Electricity Invercargill Ltd network continued to record zero injuries in the 2023 reporting year. These results were maintained despite the constantly increasing volume of critical works undertaken through the year.

The Board has a strong commitment to ensuring PowerNet's employees, contractors and the public remain safe and well. The Board monitors the health, safety and environment aspects of the Group's activities, principally through the Health, Safety and Environment Committee. Monthly reports to the Board provide information on accidents, near misses and incidents, together with monthly data on PowerNet's health, safety, and environment performance. Risks are further identified through regular monitoring, using internal and external audits, reporting of accidents and near misses and formal risk reviews.

Directors also focus on the management of critical safety risks by undertaking field observation visits using the Risk Mentor tool to ensure the controls identified in the critical control framework are being consistently applied on site.

Invercargill Airport Limited Financial

This year has been an important one for the Airport Company as it has now had a full year without significant impact from Covid, and whilst mask restrictions were in place for travellers in the early part of this year, they were not a major deterrent to travel and passenger numbers

through Invercargill Airport for this financial year have recovered strongly and exceeded all previous years. As a result, financial results showed an a pre-tax profit of \$1,648,000 before investment property revaluations compared to \$355,000 for the prior year.

Passenger Numbers

Passenger numbers were 375,412 for the year against the passenger target of 356,281. Overall passenger numbers is up 15% on the previous record (year ending June 2019). This growth drove a strong financial performance.

Non-Financial Safety

Zero lost time injuries for staff

ACHIEVED

There were no lost time injuries to staff related to the IAL workplace. IAL continues to advance safety in the workplace, reporting and addressing minor incidents and observations. Leaders within the business are ensuring the safety culture continues to grow positively.

Business continuity plan is reviewed, updated and implemented

ACHIEVED

The business continuity plan was updated by an external consultant, which was then presented to the Board at the October meeting. Further testing and implementation of features arising from that plan have been ongoing since that time to add further robustness to business continuity.

Completion rate for priority 1 (P1) safety and health actions achieved within the defined time periods

ACHIEVED

No Priority One incidents were recorded for the period.

Environmental

No notifiable environmental incidents on airport managed property

ACHIEVED

There were no notifiable environmental incidents on airport managed property in this period.

During demolition of hangar 2 there was discovery of historic ground contamination. Further work on this site has been paused while resolution of this contamination is adequately resolved.

Operations

Retain aerodrome certification via assessment from the Civil Aviation Authority

ACHIEVED

The Airport remains compliant with our CAA Rule 139 Certificate and expects a successful compliance audit in late 2023.

Infrastructure

No significant disruption to airport operations due to infrastructure failure

ACHIEVED

No significant disruption to airport operations in the reporting period, caused by infrastructure.

During this period IAL resurfaced 500 linear metres of the main runway. This work was undertaken during

routine overnight closures, which enabled it to be completed without any disruption to air traffic.

Sustainability

The Acert Level 1 accreditation is completed

PARTIALLY ACHIEVED

Level 1 accreditation documentation was completed and submitted. However, the formal accreditation was not received by 30 June 2023.

Invercargill Central Limited

Invercargill Central Limited is an investment that has been fully funded by injection of further equity into Invercargill City Holdings Limited by Invercargill City Council. ICL is a two level city centre shopping centre which commenced trading in July 2022 and is now nearing completion of construction stages. An impairment assessment completed by management indicated impairment of the investment property asset, as a result an impairment expense was recognised for the year ended 30 June 2023. Refer to Note 12 for further details with regards to the impairment of investment property. While the review of the Company's investment property assets indicated an impairment, Management considers the commercial yields generated by the investment property to be acceptable. In their report, CBRE found the quality of the design and finishes of the property are at the very upper end of retail complexes throughout New Zealand. Rewards of the high-quality build are expected to be reaped over the long term through realisation of strong income growth into the future. The tenants are currently trading well and affordability levels are good. Conclusions within the CBRE report are based on data and market sentiment as at date of valuation.

ICL Reporting Measures

Project costs and schedule- actively manage the supply chain for development so as to not incur increased costs as result of supply chain issues. No increase in budget costs for the delivery of the project.

ACHIEVED

There was a \$16m increase in budgeted costs from \$164.5m to \$180.5m. This identified in January 2022 and the project was managed within those parameters.

Stage one open and operating

ACHIEVED

Stage once completed during the 2023 financial year. Trading commenced July 2023.

Project completion dates for stage two to remain within required parameters.

ACHIEVED

Stage two was completed within the required parameters. Building was completed April 2023.

Opening of stage two and commencement of operations.

ACHIEVED

Operations commenced in 2022 with further retailers opened in 2023.

Roaring Forties Energy Limited Partnership

Investment monitoring - ICHL will monitor the

performance in the Southern Generation Limited Partnership

ACHIEVED

ICHL has monitored the performance of Southern Generation Limited Partnership throughout the 2023 financial year.

Parent Non-Financial Performance Targets

Corporate Governance

The ICHL Group will adopt strategies that are compatible with the strategic direction of its shareholder.

ACHIEVED

ICHL actively engaged with its subsidiaries and its shareholder to ensure strategic alignment with the Council's strategic priorities.

ICHL maintains contact with subsidiary company boards and remains aware of their strategic and business issues.

ACHIEVED

ICHL receives regular reports detailing financial and performance updates. ICHL meets with subsidiary boards regularly to review current performance and strategic focus areas.

ICHL keeps ICC informed of matters of substance affecting the group on a no surprises basis

ACHIEVED

ICHL made timely and balanced disclosure to ICC of all matters concerning it that a reasonable shareholder would expect to be made aware.

Sustainability

ICHL will promote and support ICHL Group companies' contribution to ICC's climate change initiatives.

ACHIEVED

ICHL supported progress across the group in moving towards measuring, report and reducing carbon emissions.

Dividends

ICHL expects a long term sustainable dividend flow to the shareholder, while maintaining an appropriate balance between dividends and reinvestment.

ACHIEVED

ICHL required its subsidiaries to provide projections of at least 10 years of capital requirements for at least asset replacement to enable it to monitor the balance between these competing demands. ICHL worked with its subsidiaries to achieve the most efficient use of staff resources, capital assets and working capital through innovative management and sound business practices.

Public Expectations

ICHL worked with its subsidiaries to ensure that they are mindful of the public scrutiny that comes with being a Council Controlled Organisation.

ACHIEVED

ICHL required its subsidiaries to commit to transparency and accountability to the public. This includes fulfilling the planning, reporting and disclosure requirements of the Local Government Act 2002 as it applies to CCOs, and the requirements of the Local Government Official Information and Meetings Act 1987 as it applies to CCOs, and any other company specific legislation. Ensured their company is fiscally disciplined with expenditure.

Audit Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Invercargill City Holdings Limited's group financial statements and statement of service performance for the year ended 30 June 2023

The Auditor-General is the auditor of Invercargill City Holdings Limited Group and its controlled entities (collectively referred to as 'the Group'). The Auditor-General has appointed me, Chris Genet, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the statement of service performance of the Group, on his behalf.

Opinion

We have audited:

- the financial statements of the Group on pages 10 to 48, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Group on pages 49 to 51.

In our opinion:

- the financial statements of the Group:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards; and
- the statement of service performance of the Group presents fairly, in all material respects, the Group's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Group's objectives for the year ended 30 June 2023.

Our audit was completed on 2 October 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the statement of service performance

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the statement of service performance for the Group.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of service performance, the Board of Directors is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and the statement of service performance.

For the performance targets reported in the statement of service performance, our procedures were limited to checking that the information agreed to the Group's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported statement of service performance within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify in our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 9, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

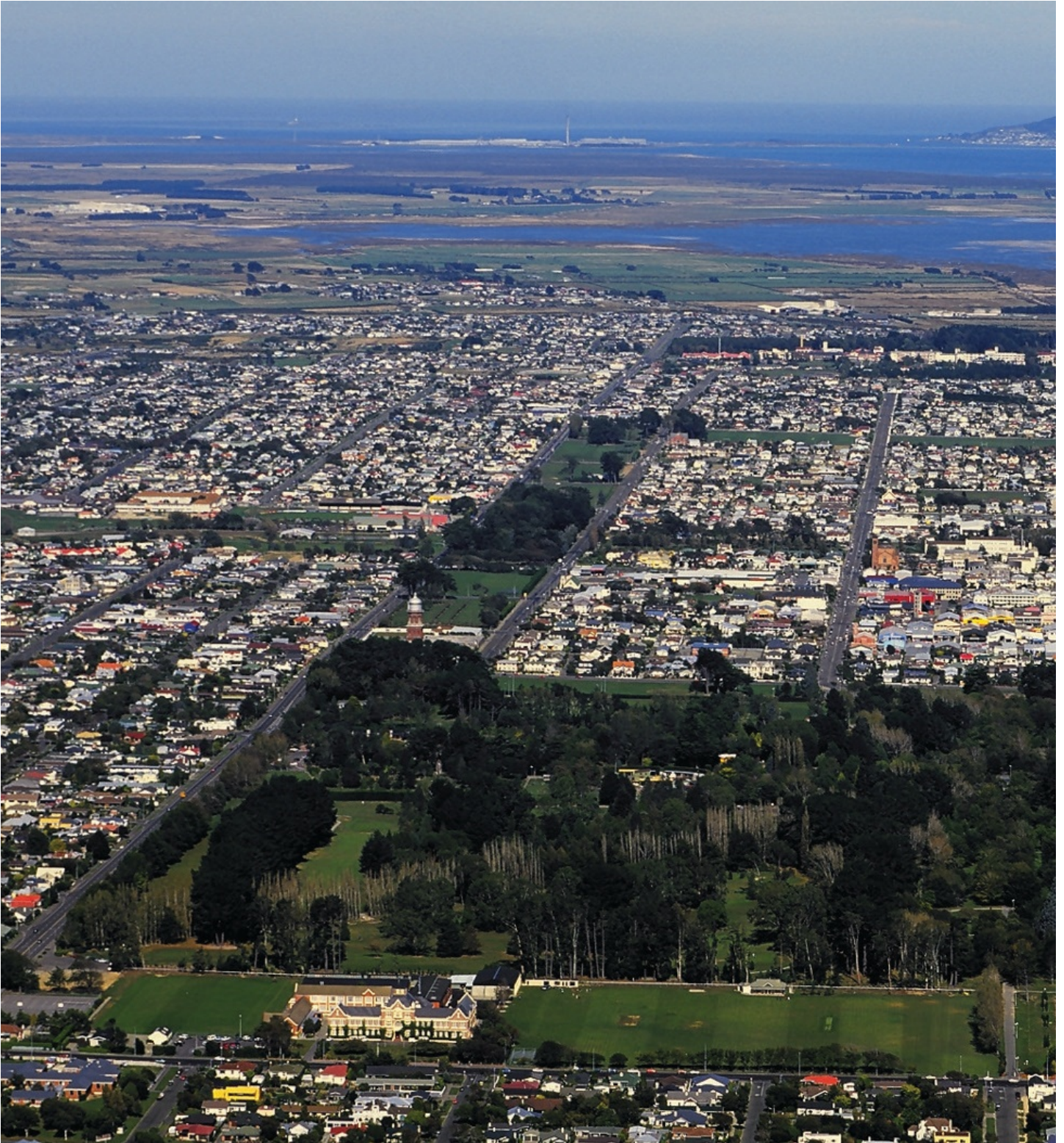
For the year ended 30 June 2023 and subsequently, a Director of the Board of Directors of the Group is a member of the Auditor-General's Audit and Risk Committee. The Auditor-General's Audit and Risk Committee is regulated by a Charter that specifies that it should not assume any management functions. There are appropriate safeguards to reduce any threat to auditor independence, as a member of the Auditor-General's Audit and Risk Committee (when acting in this capacity) has no involvement in, or influence over, the audit of the Group.

In addition to this audit, we have carried out other audit and assurance engagements, and regulatory training and advisory services for the group. These engagements, as described in note 3 on page 23, are compatible with those independence requirements.

Other than the audit, these engagements, and the relationship with the Auditor-General's Audit and Risk Committee, we have no relationship with or interests in the Group.



Chris Genet
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand



RECOGNITION FOR SIR TIM SHADBOLT

To:	Council
Meeting Date:	Tuesday 28 November 2023
From:	Andrew Cameron – General Manager Invercargill City Holdings Limited
Approved:	Michael Day - Chief Executive
Approved Date:	Thursday 23 November 2023
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

Sir Tim Shadbolt was a long serving Mayor of Invercargill City Council. During his tenure as Mayor, Sir Tim was recognised and undertook a range of activities to promote and support the development of Invercargill.

Since his term on Council ended consideration has been given to how best, if at all, recognise his service to the community.

This paper provides a possible method to provide that recognition.

Recommendations

That Council:

1. Receives the report "Recognition for Sir Tim Shadbolt".
2. Recommends that Sir Tim be recognised for his service to Invercargill by naming the Invercargill Airport terminal the "Sir Tim Shadbolt Terminal".
3. Notes that there will be ongoing discussions between Sir Tim and Invercargill Airport Limited board to implement this decision.

Background

In 2019 Sir Tim was awarded the citation of Knights Companion of the New Zealand Order of Merit. The Department of the Prime Minister and Cabinet recorded the following details of the basis for that award.

For services to local government and the community

Mr Tim Shadbolt is the longest serving Mayor in New Zealand and an inspirational leader for both Invercargill and the Southern Region.

Mr Shadbolt was first elected as Mayor of Waitemata City for six years. Then in 1993 he was elected to serve as Mayor of Invercargill City until 1995. He was re-elected in 1998 and is now serving his eighth term in office. He campaigned for the Zero Fees scheme at the Southland Institute of Technology, which encouraged youth to remain in the region or migrate South to study. This has led to an increase in the population and stimulated economic growth in Southland. Two major new facilities, Stadium Southland and S.I.T. Velodrome were built during his Mayoralty. The Splash Palace Aquatic Centre, the Invercargill Airport Terminal and the Civic Theatre have all been refurbished during his term in office. He has been a leading advocate for attracting overseas students, Sister Cities, Māori Land Rights, supporting the Tiwai Point Aluminium Smelter, the retention of Dunedin Hospital's Neurological Unit, and the recovery of Auckland Island Pigs for medical research. Mr Shadbolt has helped raise funds and performed in several feature films and reality television programmes, and along with regular newspaper columns and other published works, he has made a significant contribution to raising Invercargill's profile and serving its citizens.

At the 2022 Council elections Sir Tim was not returned as a Councillor ending his period of service to Invercargill at that time. It is considered unlikely that Sir Tim will return to his previous public life as a politician.

Council has for some time considered the options available to it to recognise the service of Sir Tim. An option has arisen for this to occur which requires the use of assets controlled by Invercargill Airport Limited (IAL). Council, through Invercargill City Holdings Limited holds 97.47% of the shares in IAL. The balance of the shares are held by Hokonui Research and Development Ltd (0.63%), Ōraka-Aparima Rūnaka Incorporated Society, (0.63%) Te Rūnaka o Awarua Charitable Trust (0.63%) and Waihōpai Rūnaka Holdings Ltd (0.63%).

Sir Tim was a director on IAL from 2013 to 2019. During Sir Tim's tenure as Mayor IAL undertook a significant runway extension in 2003, currently the third longest civilian runway in New Zealand, and the new terminal development, completed in 2016. In 2018 Air New Zealand commenced a jet service from IAL to Auckland, its longest domestic flight reflecting the importance of IAL as a gateway to Southland and a continuation of Sir Tim's promotion of Invercargill.

Council has had discussions with the IAL board regarding the possibility of recognising Sir Tim in some way at the airport. The discussions considered three options, renaming the:

- Invercargill Airport as Sir Tim Shadbolt Airport;
- Terminal as Sir Tim Shadbolt Terminal;
- Airport Avenue as Sir Tim Shadbolt Avenue.

Council's preferred position is the renaming of the terminal. As Council is leading this discussion, the chairs of the remaining shareholders were approached for their comments on the proposal. Council has received confirmation from two of the remaining shareholders that they approve this approach to recognition for Sir Tim.

The IAL Board has considered some concept designs to reflect the renaming of the terminal and to provide recognition for Sir Tim.

Sir Tim has been approached and is supportive of the concept. The concept discussed with Sir Tim broadly included:

- Naming on the exterior of the building, an internal 'Welcome to Sir Tim Shadbolt Airport Terminal'
- A location in the waiting area of the Sir Tim 'painting with mask', that is currently in the Civic Theatre; and
- A plaque outlining his service to the city.

Council will continue to work with Sir Tim and the IAL board to achieve the desired outcomes in the event that this recommendation is approved.

Issues and Options

Analysis

Council has discussed for some time an appropriate method to recognise the service of Sir Tim to Invercargill. Given the association of Sir Tim with promotion of Invercargill, service on the board of IAL and/or changes made to the Invercargill Airport during his tenure the naming of the airport terminal provides an opportunity to bring together all those aspects. As the gateway to Southland it also provides an appropriate level of recognition.

Significance

At this stage the cost, and who bears that cost is not known. It is unlikely that if Council bears the cost of these changes that it will be sufficient to trigger the significance and engagement policy.

Options

Council could approve the proposal to rename the IAL terminal. Alternatively Council could approve one of the other options considered, renaming the airport and/or Airport Avenue.

Council could elect to take no further action regarding the recognition of Sir Tim at the airport.

Council could take some other action to recognise Sir Tim.

Community Views

There are various views in the community on the issue of recognition for Sir Tim. There appears to be a general consensus that Sir Tim should receive some form of recognition for his years of service to Invercargill consistent with the award of the Knights Companion of the New Zealand Order of Merit.

Implications and Risks

Strategic Consistency

There are no strategic implications from this decision.

Financial Implications

The financial implications, if any, of this decision are unknown at this time.

Legal Implications

There are no material legal implications of this decision.

Climate Change

There are no climate change implications of this decision.

Risk

There is a risk that this decision will not be acceptable to all parties.

Next Steps

Council would need to continue the design and other discussions with Sir Tim and the IAL board.

Attachments (following)

Concept imagery for terminal considered by the Invercargill Airport Limited Board.

For departing passengers, we are proposing a large wall image adjacent to the check-in area, per [Figure 1](#).

Departing passengers spend more time in the terminal on average and are more likely to have time to look around and read.

We anticipate this area would carry some imagery of Sir Tim (with the current one being indicative only), plus include relevant biographical information to give some context to his name being given to the terminal.



Figure 1 Proposed Sir Tim Shadbolt imagery adjacent check in area

For arriving passengers we are proposing signage within the airside lobby.

All passengers, from both Stewart Island Flights and Air New Zealand, pass through this lobby when they are departing and arriving.

For arriving passengers this is their first entry point into the terminal and the location of the current 'arrivals' sign is very prominent. Switching this for the Sir Tim Shadbolt Terminal sign as proposed would be very clear to any arriving passengers. It is located overhead, so doesn't get obscured in a crowd as the wall signage does in this location.





Figure 2 Existing and proposed signage within airside wind lobby

PARKS AND RESERVES LAND PARCEL REVIEW UPDATE

To:	Council
Meeting Date:	Tuesday 28 November 2023
From:	Caroline Rain – Parks and Recreation Manager Chris Bowen – Open Spaces and Recreation Strategic Advisor
Approved:	Marcus Waters – Acting Group Manager – Community Spaces and Places.
Approved Date:	Thursday 23 November 2023
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

This report is a continuation of, and also provides an update of the work associated with a previous report presented to the Community Wellbeing Committee in August, the Parks Land Disposal Options.

Recommendations

That Council:

1. Receives the report "Parks and Reserves Land Parcel Review Update".
2. Notes the progress update of work associated with recommendations 2, 4-6 from the Land Disposal Options report. The land parcels this relates to are;
 - a. Awarua Bay Reserve.
 - b. Mocomoko Road Reserve.
 - c. Donovan Farm (part).
 - d. Waihopai Sports Field Association.
 - e. Part Bluff Hill Reserve.
3. Approve the following land parcels to commence public notification with the community through a land disposal process pursuant to the Reserves Act 1977 (the Act) requirements, noting feedback sought first through the Bluff Community Board:
 - a. Rockdale Park.
 - b. Conway Crescent Playground.
 - c. Newfield Park (part).
 - d. Elizabeth Street Reserve.
 - e. Vernon Street Reserve (Part).
 - f. McMillian Street Reserve.
 - g. Bluff Camping Ground.
 - h. JG Ward Reserve.
 - i. 38 Suir Street Reserve.

Background

On May 16 2023 at a Long-Term Plan Land Disposal Options discussion, Councillors requested that underutilised, or non-strategic land parcels be presented at the committee meeting for consideration, as land that could be released from Council ownership.

At the August 2023 Community Wellbeing Committee, papers were presented from the Parks and Recreation Division which proposed priority work, some which requested a full resolution from Council to proceed.

Parks Land Disposal Options for Consideration

This paper contained the following next steps:

- Staff to proceed with the land disposal process as per the Council's Land Disposal Policy and the Act process where required.
- Staff to deliver a paper outlining the outcomes of the public submission and detailing the next stage of the land disposal process.

Council's Land Disposal Policy States "Council will then be required to call for submissions on any proposed revocation of the reserve status of the land, as required under the Reserves Act 1977."

Updates on Progress

Awarua and Mokokoko

Due to a high level of interest from mana whenua and increased public engagement on these two parcels of land, a community meeting was held to further detail the process and legislative requirement. The public notification period for this period was extended from the one month minimum, to two months, and the final public submission date closed on 27 October 2023.

Community meetings have been scheduled with the adjacent land owners and a progress paper is planned for the Community Wellbeing Committee in January 2024.

Donovan Farm (Part)

In line with the next steps outlined in the Masterplan and Management Plan paper delivered to the Community Wellbeing Committee in August 2023, the Donovan Masterplan process has progressed as a priority with adjusted milestones to align with the Long-Term Plan 2024 consultation milestones.

Specific updates for the Donovan Park Masterplan process are:

- Public notification for Council to gather information for the Donovan Park Masterplan through community consultation, September 30 2023 – December 15 2023.
- Let's Talk Page in Social Media campaign.
- Elected members discussion facilitated on 20 September 2023.
- Presentation to Youth Council on 11 October 2023.
- Support services has been engaged to support the fast tracking of this Masterplan.

- Internal workshop occurred 12 October 2023, which allowed staff and managers across Infrastructure, Three Waters, Property, Strategy and Policy, Resource Management Planning and Parks and Recreation to outline priorities for this reserve.
- Community consultation with, A&P Society, Te Tapu o Tāne, Craftys Restaurant, Waikiwi Rugby Club and other users such as The YMCA.
- Stakeholders and Agencies presentation and discussion held 18 October 2023 with Department of Conservation, Environment Southland, Active Southland, Great South, Holiday Park, CCS Disabled Southland and many more.
- Public Drop in session held at New World and Farmers Market on the weekend with the intent of increasing engagement.
- Engagement signage design and print for installation on site in Donovan Park.

Emerging Themes

There are common emerging themes which need to be tested and finalised, however early in this process they are (in no specific order):

- Supporting and diversifying the field sports recreation opportunity, including infrastructure requirements.
- Identifying land for potential alternate use, include potential sale.
- Nursery and cultivation expansion and diversification, including food resilience sites.
- Protection of history, telling the stories of Farm, Equestrian etc.
- Education and Advocacy potential.
- Safe, informal recreation, e.g. walking should be preserved.
- Environmental protection and development.
- Greater facilities to support a longer visitor experience.

Draft Masterplan and transition to Management Plan is scheduled to occur early in 2024.

Donovan Park Management Plan 2024 is scheduled to be presented to the commissioner, which can include foreseen developments, in late 2024.

Waihopai Sports Field and Part Bluff Hill

Recent valuations of these land parcels have been confirmed and Council staff are initiating the next stage of the Land Disposal Process.

The next milestone for these two parcels of land is specific update papers planned for the Community Wellbeing Committee in February 2024.

Remaining land parcels

The remaining land parcels are a priority to progress and Council staff have been authorised by resolution of Council on 22 August 2023 to progress these land parcels through Councils Land Disposal Policy.

The following is a summary update for each of these parcels of land in priority order.

Reserve Name	Address	Type	Timeframe	Hectares
Rockdale Park (excluding playground)	401 Centre Street	Strategic	12 months	6.06
Conway Crescent playground	1-83,83 Conway Crescent	Non-strategic	12 months	0.3533
Part Vernon Street Reserve	37 Vernon Street	Non-strategic	6-12 months	0.2558

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McMillan Street Reserve	400 McQuarrie Street	Non-strategic	12-18 months	2.02
Part Newfield Park	83 Wilfrid Street	Strategic	12-18 months	1.3
Elizabeth Street Reserve	29 Elizabeth Street	Non-strategic	6-12 months	0.0986
Bluff Camping Ground	21 Gregory Street, Bluff	Non-strategic	12-18 months	0.3987
38 Suir Street	38 Suir Street, Bluff	Non-strategic	12-18 months	0.0769
JG Ward Reserve	309 Gore Street, Bluff	Strategic	12-18 months	1.5967
			Total	12.16

Part of Surrey Park and Teviot Street Reserve

These two sections of land were considered to be classified as strategic, described as land which has high recreational value, environmental and cultural value and that has room for growth and future sustainable development for the community.

Neither parcel of land aligned strongly to the required criteria below which identified the land as potential for disposal through Councils Land Disposal Process.

1. Alternate purpose greater than the current use of the land.
2. The land is not owned (but managed) by the Council/ acquisition of land.
3. Aligning with others to enable stronger community outcomes.
4. User needs are misaligned.
5. Ensuring financial sustainability and more value for money.
6. Property market position.
7. Cultural significance to tangata whenua.
8. Environmental impact of disposal.

Part of Surrey Park

An increase in sports and recreation activation has been identified being displayed across Surrey Park. The Regional Spaces and Places Sports Field Strategy comments that further consolidation of sporting recreational activities and this land parcel is foreseen as being utilised.

This land parcel was purchased in 2015 from the Ministry of Education. Since 2000, Council had been requesting that the land adjacent to the Surrey Park Reserve previously used for Surrey Park School (which was closed in 1999) be offered back to the Council as an extension to the Reserve. The land was considered important to allow for more open spaces to replace that which had been taken by the major development of the Stadium and Velodrome, and from expressions of interest from other recreational users wanting to relocate to Surrey Park. The land was amalgamated into the adjoining Council owned reserve title being Part Lot 2 DP 2285.

Teviot Street Reserve

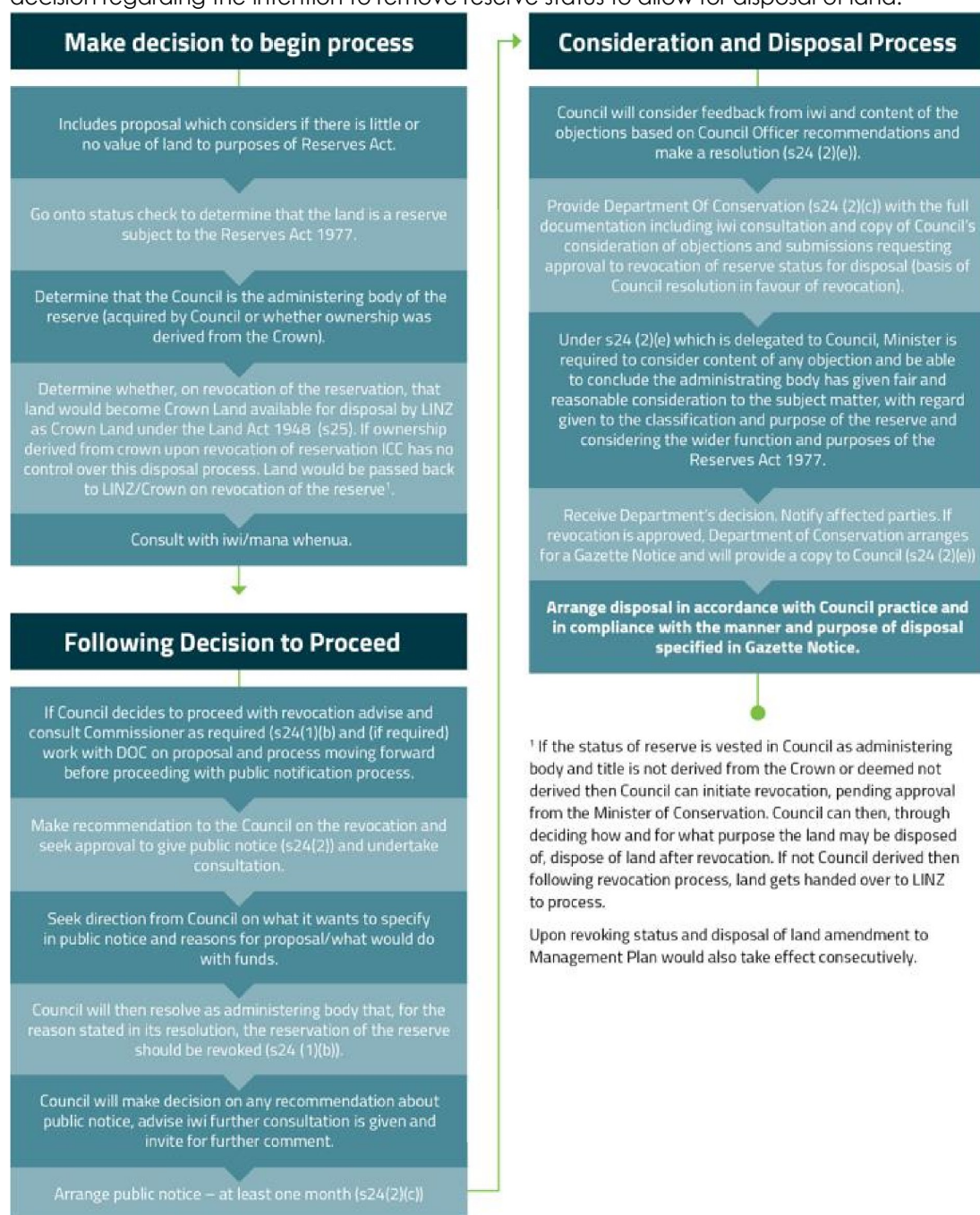
Due to the large volume of submission from the public against a previous land disposal option at this proposed location in 2015, this site was removed from the list. Those submissions outlined the successful activation which aligns to the user needs and is also cost efficient to maintain.

Therefore the reserve was removed off the list and continued monitoring of use will occur.

Process

Parks Land Disposal Policy Process

Initiating the land disposal process, does not specifically mean that the land will be sold. The first step is a public consultation process, where the public have the opportunity to provide submissions with respect to the land parcel being proposed for sale. Submissions will be reported back to Council following the completion of the public notification period for a final decision regarding the intention to remove reserve status to allow for disposal of land.



Significance

Whilst this work is very significant to the output of the Parks and Recreation Division. The proposed decision is not considered significant in terms of Council's Significance and Engagement Policy.

Community Views

Engagement

Parks Land Disposal Options

Engagement with Mana Whenua is a priority for Council and extensive engagement through both the Te Ao Marama Inc, while also communicating directly through the Rūnaka.

Consultation is important and required as part of land disposal process. The community will also have their say in stage one of the consultation period where Council staff are providing a decision paper to Council to revoke reserve land, and also during the revocation process. There is the option to consult on disposal of relevant parcels of land through the Long-Term Plan process.

Implications and Risks

Strategic Consistency

The proposed approaches align with Council's approach to managing the activity as outlined within the 2021 – 2031 Long-Term Plan and the 2024 Activity Management Plan.

Financial Implications

Parks Land Disposal Options

Process Costs

Costs for public notification will be incurred by Council, however, money received through the sale of land can be used towards covering those costs and also be contributed towards future reserve management.

Revenue Received from Sale of Land

Proceeds from sale of lands acquired by the Crown, will be dealt with through Land Information New Zealand (LINZ). LINZ processes the sale of land on behalf of the Crown once Council completes the revocation process (following Council proposal to Minister of Conservation and approval from the Minister). Council does not receive the revenue received from the sale of Crown derived land.

Proceeds from sale of lands acquired by Council, will be processed internally and Council staff will work with LINZ to formalise new land parcels (through subdivision) and assign new land classification, (through the District Plan). Council receives the revenue received from the sale

of land and as outlined by the Act, this revenue must be reinvested within Parks and Reserves for the future management of the remaining reserves.

Legal Implications

The Act processes will be followed. Each piece of Reserve Land can have unique factors that will require tailored legal advice depending on the situation and on how Council came to own the land. Specific, tailored Legal advice will be provided during the process as needed.

Risk

Risk	Management and Mitigation
Not meeting the legislative timeframe outlined within the Act.	Council will work with other parties to ensure the process is no lengthier than it needs to be. Any unforeseen changes which may affect the timeframe will be paused until a solution is decided.
Setting a precedence for others.	Complying with the Act.
Political Risk.	Ensuring the Act legislation is being met.
Unforeseen costs.	Costs to be incurred by Council's budget. Any costs covered through procurement to be managed through a contract and if there are any variables they are managed appropriately.

Next Steps

1. Land Parcels associated with recommendation 1, to continue to follow the land disposal process. Initially this will be to start and then continue public engagement through the Long-Term Plan Consultation document in early 2024.
2. Council Staff to continue to progress work associated with recommendation 3a-3e.
3. Present at the December 2023 Bluff Community Board to ensure that the Board informs the process and engagement requirements associated with recommendations 3g-3i.

RESPONSE TO OMBUDSMAN REPORT OPEN FOR BUSINESS

To: Council

Meeting Date: Tuesday 28 November 2023

From: Michael Morris - Manager Governance and Legal

Approved: Michael Day - Chief Executive

Approved Date: Thursday 23 November 2023

Open Agenda: Yes

Public Excluded Agenda: No

Purpose and Summary

This report sets out the first part of Council's response to the Ombudsman report "Open for Business"¹ (The Report).

Recommendations

That Council:

1. Receives the report titled "Response to Ombudsman Report Open for Business"
2. Endorses the approach for workshops set out in this report.

Background

In late October 2023 the Chief Ombudsman released his report into the practices of councils around meetings/workshops and the Local Government Official Information and Meetings Act 1987.

The Ombudsman based this review on a close study of a number of representative councils and from work he has done in this area.

Council was not one of the selected councils, but has been through a full review of our Local Government Official Information and Meetings Act 1987 (LGOIMA) practices very recently.²

¹ *Open For Business*, Te Kaitiaki Mana Tangata Aotearoa/ The Ombudsman New Zealand, Wellington, October 2023

² Ombudsman Investigation into Invercargill City Council dated November 2020

The Ombudsman has made a number of recommendations that will impact how Council operates in terms of workshops/briefings and other events classed as not a "meeting" for the purpose of LGOIMA.

Summary of the Open for Business Report

The Report is broken into five key topic areas where he explores current practices and makes a number of recommendations.

These are: *Leadership and Culture, Meetings, Workshops, Accessibility and Organisation Structure, Staffing and Capability.*

Looking at each of these in turn:

Leadership and Culture

In this section, the Ombudsman looked at how the leaders at council, the Chief Executive (CE) and their senior leadership team (Executive Leadership Team) lead and developed the culture of council. In this category he also included the elected members and Mayor.

In this he is looking to see if the CE made clear, regular statements to all staff about the importance of official information and the need to be open to our public. He also made the point that there must be a clear delineation between operational matters and those that impact governance, the realm of elected members. The Ombudsman notes that while there are operational matters elected members need to be aware of to help inform policy decisions they should not cross over the line and direct operational outcomes.

This heading also looked at council's websites and how easy it was to find agendas, meeting schedules and official information portals, at best the ombudsman said these should be an easy, locatable and identifiable one click away from the front page of the council website.

The Ombudsman, at the end of each section had a heading of "What councils should do now".

Meetings

Under this heading the Ombudsman explored meetings practise and set out what is a meeting for LGOIMA and what best practice looked like around agendas, advertising and minutes capturing.

The Ombudsman noted that agendas are due two clear working days before a meeting is the last resort and where possible agendas should be published with as much time as possible to enable members of the public to fully inform themselves as to what is happening, this is especially important where the matters are complex or controversial and detailed.

This includes in the minutes arena, a recommendation that we capture all those who vote for and against, not only when division has been called for or for only those who ask for their vote to be recorded.

The Ombudsman also has made comment that the minutes need to capture the debate to show what he has called the "decision making audit trail". The idea behind that is each

decision made by Council, the process Council got to the decision is clear and anyone not at the meeting can see how the decision was made and for someone looking back in 20 years' time can also understand the decision.

While he still promotes less is best it is with a caveat that it means clarity and succinctness is important rather than sacrificing elements of the decision process.

One of the key reasons the Ombudsman promotes this is that minutes recording the decision making process shows to the public in an open manner how Council got to where it got to.

Workshops

This heading has attracted the most interest in the report from media and other organisations.

Implicit in it was the belief by many in the public that council workshops are where the decisions are actually made, and all that the formal meeting is, is a rubber stamp showpiece.

The Ombudsman was satisfied that none of the councils made decisions in a workshop he was very clear that the current approach to a "meeting" and a workshop/briefing had to change.

In his report the Ombudsman said *"workshops, briefings and informal meetings mean any organised or scheduled meeting attended by Council staff and elected members which fall outside of the definition of "meeting" in section 45(1) of the LGOIMA.*

This is a very broad definition and would capture all current workshops and briefings given to our Councillors and Councillor only time where the CE and other staff are required to be present.

The Ombudsman does approve the use of workshops to "narrow down" issues and to allow staff to provide a more detailed explanation of issues to help Councillors understand the background and the need for a decision.

The Ombudsman is very clear that workshops³ should be open to the public as the default and staff then are required to rebut that presumption where grounds under Section 6 and 7 of the LGOIMA apply. If there are no reasons, then the workshop should be in public. As we also know, the elected members can disagree and refuse to receive a paper in public excluded, and in theory can also do so when considering the request for the workshop to be public excluded.

Another clear recommendation was around keeping records of the workshop, this is beyond the requirement we have a note of who attended and a general record of what was discussed, the recommendation is that these minutes record what was discussed, the questions asked and record what happened at the workshop.

The Ombudsman expands on this that while the LGNZ advice⁴ is that there is a written record of each workshop that includes times, date, location and duration of the workshop, the people present and the general subject matter covered⁵- this is inadequate in his view. The date, location (etc.) and the general subject matter are what are needed for public notice of the workshop and further to that there needs to be a record made during the workshop that sets out details of the discussion that contribute to a clear concise and complete audit trail.

³ For the purpose of my paper I will call everything a workshop where it is not a meeting

⁴ In the LGNZ template Standing Orders

⁵ Which is our current practice

Accessibility

This heading is looking to ensure that Council Chambers and places meetings held in are accessible to everybody.

Under this category the Ombudsman is looking at ensuring all people can attend a Council meeting with dignity and have ease of access to the Chamber. While we meet this requirement we are at risk in the event of an evacuation of the building when disabled members of the public are in attendance. This does need to be considered but otherwise is outside of scope of what I have responsibility for.

The Ombudsman would also like agendas to be searchable by key words on the website rather than be in a locked PDF system (as we currently use). While we have hyperlinks the Ombudsman is seeing much better search-ability to allow people to find matters that are of interest to them in our agendas.

He is also keen for councils to use formats that enable blind and low vision readers to user read aloud applications.

Organisation structure, staffing and capability

Under this heading the Ombudsman is looking at the capability of councils to carry out this work.

The key is that there are enough staff and staff in leadership positions who understand the LGOIMA provisions and promote/uphold them.

The Ombudsman is also concerned that many councils rely on a small handful of staff to run the LGOIMA aspects for council meaning there are risks when these staff are on leave, sick or leave council.

Also under this heading is training to report writers to ensure that they provide the correct information and understand what it is they are trying to do.

Changes being made

As can be seen there are a large number of issues that the Ombudsman has addressed in the Report.

We are confident that minutes for Council meetings are currently capturing the required level of detail for the audit trail of decision making to be met.

The section of the Report that will require the biggest change is the approach around workshops.

A meeting has a definition given to it by LGOIMA, which means that everything that is outside of that Definition is therefore not a meeting⁶. The Ombudsman has an approach that every

⁶ See Section 45(1) LGOIMA

time information is being shared by staff with Council (or a Committee of Council) this will trigger the requirements the Ombudsman has set out for a "Workshop".

The title of the event is not relevant it is the presence of staff and the sharing of information with Council that is the trigger.

Council is already well down the path of having workshops being open to the public and on the livestream, the vast majority of the Long-term Plan workshops have been held in open session this year.

Council now needs to formalise this process and to ensure that all future workshops/ briefings (all called workshops in this report) now have a formal process to be set up.

The start point going forward will be that all workshops will be open to the public unless there is good reason under LGOIMA to withhold the information.

Staff when requesting a workshop will be required to complete a one page document which covers this information. Council will be asked to confirm in accordance with Section 48 of LGOIMA acceptance that the workshop is in public excluded.

All workshops will be advertised on our website at least a month in advance and advertised in the Southland Times as we do for meetings.

Short notice workshops will be advertised with as much notice as possible (including on the website) and in the Southland Times as soon as possible as is the requirement for a meeting in this situation under LGOIMA.

A record will be kept of the workshop, including PowerPoint or other presentation materials and a record of what was discussed. These will not be minutes as per a meeting but will have similar hallmarks and show a summary of the presentation and the discussion that took place.

The presentation will be added to the website, in advance where possible, and can be subject to proactive release as appropriate.

The Executive Leadership Team will continue to work through the other recommendations made in the Report.

Attachments

There no attachments, if you would like a copy of the Ombudsman's report please contact the governance team.

LGNZ SPECIAL GENERAL MEETING - FUTURE FOR LOCAL GOVERNMENT RESPONSE

To: Council

Meeting Date: Tuesday 28 November 2023

From: Michael Morris - Manager Governance and Legal

Approved: Michael Day - Chief Executive

Approved Date: Monday 27 November 2023

Open Agenda: Yes

Public Excluded Agenda: No

Purpose and Summary

To present to Council the report from LGNZ on positions taken regarding the Future for Local Government response, to appoint a delegate to vote at the LGNZ Special General meeting and any subsequent meetings required to be held on 11 December 2023 and to provide direction on how to vote at the meeting.

Recommendations

That Council:

1. Receives the report titled "LGNZ Special General Meeting - Future for Local Government Response".
2. Nominates Mayor Clark to be the delegate to attend the Special General Meeting and any additional meetings called by LGNZ regarding the Future for Local Government topic.
3. Nominates Cr XXX (up to four) to be the alternate delegate for the Special General Meeting and any additional meetings.
4. Confirm that the Chief Executive is to attend as an observer.
5. Confirm that the Delegate is to attend the meeting by Zoom on 11 December 2023.
6. To instruct the Delegate to vote in favour of / vote against / abstain for the proposed resolution at the upcoming Local Government Special General Meeting to endorse *The Future by Local Government – A consensus outcome paper* as LGNZ's agreed basis for engagement and advocacy with central government on local government system reform.

Background

On 16 June 2023 the Future for Local Government Final report (The report) was released.

This report contained a number of recommendations on what local government needs looking forward to the next thirty years.

Since the release of the report LGNZ has been coordinating an industry wide response to the report to present to the incoming Minister and Government.

On 3 November 2023 a session was held by LGNZ to help develop its response. The response is focused around trying to build consensus where it is possible and to find majority views where that is needed or possible.

A Special General Meeting on 11 December 2023 was called for each council to vote on the proposed response and positions by LGNZ.

The Agenda and discussion paper was released late on Friday 24 November 2023.

Issues and Options

Analysis

The LGNZ positions are set out in the attached *The Future by Local Government - a Consensus paper based on Choosing Localism*.

That report has picked up on five key proposals to proceed with from the Future For Local Government Report.

These are:

1. Build a new system of government that's fit for purpose;
2. Rebalance the country's tax take between central and local government;
3. Create stronger, more authentic relationships between local government and iwi, hāpu and Māori;
4. Align central, regional and local government; and
5. Strengthen local democracy and leadership.

Significance

While the report is of significance, looking at the future of local government, it does not trigger the Policy in relation to Significance and Engagement.

Community Views

This is the local government sector response to the report rather than a community driven response.

Implications and Risks

Strategic Consistency

This is an opportunity to take part in the LGNZ response on behalf of councils. It does not mean that Council cannot have a different view.

Financial Implications

There are no immediate financial implications in relation to this report.

Legal Implications

There are no legal implications for Council in this report.

Climate Change

There are no immediate Climate Change impacts from this report given the meeting is by Zoom.

Risk

Council should be represented at the Special General Meeting to ensure that its voice and vote is counted amongst the members of LGNZ. There is a risk that LGNZ will adopt a position that does not reflect ICC's position, and it is important that all votes are recorded in a democratic country.

Next Steps

Once the delegate is nominated travel arrangements will be made.

Attachments

Attachment 1- The Future by Local Government- a Consensus paper based on Choosing Localism (A5064746)

Attachment 2 - SGM Agenda (A5064747)

Attachment 3 - SGM Meeting Paper (A5064745)



A5064746

THE FUTURE BY LOCAL GOVERNMENT

// A consensus outcome paper based on Choosing Localism

// NOVEMBER 2023





It's time for a brighter future

Local government sees growing momentum for change and wants to drive that shift. The status quo faces huge funding pressure, with councils navigating difficult decisions as they deliver for communities while fulfilling unfunded mandates from central government. Current funding models are unsustainable; debt is increasing but so are infrastructure deficits.

Over the past three years, an independent panel identified ways to transform the local government system, with the Review into the Future for Local Government releasing its final report in June 2023. In July 2023, LGNZ's AGM resolved to develop a consensus position or positions on this report, to create a powerful advocacy platform. Together we've developed this consensus outcome paper through a series of in-person meetings and engagement. It sets parameters for conversations with the new Government and future governments.

To better serve our communities, the whole system of government needs to change, not just local government. An integrated system, with local government as a key strategic partner, would transform Aotearoa New Zealand's democratic landscape. Central government would focus on national direction, regulation and responses, while local government grows local delivery on the ground. Public money would be shared in a way that increases efficiency, delivering better outcomes for the communities we all serve. This would supercharge local government's ability to deliver the social, economic, environmental and cultural needs our communities are demanding at place – ultimately delivering future-proofed infrastructure and a more prosperous country.

Choosing localism sits at the heart of this work. To choose localism means central and local governments commit to working together and entrust communities with a greater role in decision making. It also means allowing communities and councils to try different things, specifically tailored to their region, sub-region or place. When done well this pays huge dividends, as demonstrated around the world. Progress would not be instant but span across years and decades. The changes also rely on LGNZ's work to lift the capability of local government, and on a commitment from central government to genuinely support local government in addressing the challenges our communities face.

Local government wants communities to succeed through empowered local leadership, genuine partnership and locally led delivery. These proposals would drive towards that:

1. Build a new system of government that's fit for purpose;
2. Rebalance the country's tax take between central and local government;
3. Create stronger, more authentic relationships between local government and iwi, hāpu and Māori;
4. Align central, regional and local government priorities; and
5. Strengthen local democracy and leadership.

This paper sets out the outcomes from a consensus building process that local government can stand behind.



What are we aiming for?

Our vision

This vision articulates where local government wants to go and what we are ultimately trying to achieve:

Thriving, resilient communities throughout Aotearoa New Zealand.

What does this mean?

- Every New Zealander belongs to a community that's sustainable, safe, resilient to the impacts of our changing climate, prosperous, full of opportunities for all, and inclusive.
- New Zealand is a network of communities where people feel connected to each other and their place.
- Local government is the key driver of this vision because it's the only part of government that has specific responsibility for our communities and their wellbeing – social, economic, environmental and cultural.
- Communities are fundamental to the future and role of local government.

Our purpose

Our purpose articulates why local government exists and what we are here to do:

To help communities succeed through empowered local leadership, genuine partnership and locally led delivery.

What does this mean?

- Councils are led by strong, capable and well-supported leaders who have the mandate to make good, long-term decisions for their local communities.
- Councils work in genuine, authentic ways with central government, iwi and hapū, NGOs and the community to identify specific local and regional issues and design appropriate solutions.
- Councils work with their communities and partners to deliver services that meet the unique needs of the various groups in their rohe.



Our way forward

1. Build a new system of government that's fit for purpose

We need a fit-for-purpose system of government that meets communities' unique, local needs while addressing the complex challenges facing New Zealand. To do both, we must collectively determine which services and activities are best delivered locally, regionally and centrally – and how best to fund them. The *form* of a future local government system should follow these *functions*.

While we need clarity on function first, after that local government is up for the conversation on form – and wants to lead it. There's an opportunity to transform the system as long as this is driven locally, with different places able to come up with their own solutions. Reorganisation might be right for some areas but not for others: one size doesn't fit all.

These are essential elements of the transformed system:

- Power is devolved to local communities where that makes sense;
- A four-year term of local government
- Infrastructure investment that's fit for the future
- Continuous learning and system improvement;
- Performance measurement and accountability;
- System stewardship is enhanced, including improving how local government honours and gives effect to Te Tiriti o Waitangi; and
- Opportunities to test out different governance and delivery approaches. This means recognising different areas need to be able to come up with their own solutions and approaches.

As well as working together to design and build a new system of local government, central and local government must build a more effective working relationship. However, establishing a dedicated Crown agency – as proposed by the FFLG Panel – is not the best way forward. Rather than creating a new layer of bureaucracy, existing institutions could fulfil this role.

Specific actions

- Provide dedicated funding that allows local government to transition to a future system; and
- Agree to including the Minister of Local Government in Cabinet to make it clear local government is a strategic partner.



Areas for central and local government to work together on

In the short term (12 months)

- Create a joint working group with cross party support to develop a roadmap for change, with commitment from Treasury and the Department of Prime Minister and Cabinet to invest in local government system changes;
- Rationalise the scope and requirements on councils in their financial planning, particularly for long-term plans, to reduce cost and enable councils to focus on the aspects that make the most difference for communities and their accountability to them.
- Amend the Local Government Act to set the local government term at four years from the 2025 elections.

In the medium term (two-three years)

- Determine, via the joint working group, which services and activities are best delivered locally, regionally and centrally, with the objective of devolving more powers to a local level;
- Undertake experimental approaches in different regions to test out different governance and delivery approaches, potentially through city and regional deals;
- Establish a transition unit, or similar, to support capability development in local government while we build a system that is fit for purpose;
- Support local government leaders by investing in adaptive leadership capability so they can lead effectively through a period of system renewal, with a focus on innovation, experimentation and partnership;
- Improve local government data collection and introduce benchmarking to support performance measurement and a focus on continuous learning and improvement;

In the long term (three-seven years)

- Have determined, in consultation with communities, what structures and funding models are needed; and
- Design the necessary legislative and regulatory framework.

2. Rebalance the country's tax take between central and local government

Local government needs sufficient funding to deliver locally led solutions to the big issues facing our communities.

The current funding model for local government is unsustainable. It means local government cannot address the range of complex issues facing our communities, including providing infrastructure to support growth and dealing with climate change mitigation and adaptation.

A successful, sustainable system of local government requires a new approach to funding, where central government and local government commit to working together to agree a way forward. The



flow of money between central and local government needs to be rebalanced so we can deliver more efficiently for communities rather than competing with each other for funds.

With the status quo increasingly under strain, inaction is an inefficient and counterproductive choice. Solving the funding challenge will create greater prosperity and better economic outcomes. It also opens the door to place-based solutions like city and regional deals.

Specific actions

- Increase central government investment in local government through:
 - returning revenue equivalent to GST charged on rates; and
 - paying rates on Crown property.
- Incentivise regional economic growth by returning a proportion of all GST to its point of origin.
- Cabinet specifically considers the funding implications of proposed policy decisions for local government, and fund or negotiate the costs that councils are mandated to meet by central government policies.
- Allow a toolbox approach to funding so that, where appropriate, local government can set and determine local taxes such as local fuel tax, bed tax, and congestion charging.

Areas for central and local government to work together on

- Develop sustainable funding models for infrastructure investment; and
- Develop funding arrangements for climate change mitigation and adaptation.

3. Create stronger, more authentic relationships between local government and iwi, hapū and Māori

Any fit-for-purpose system of local government will honour and give effect to a Tiriti-based partnership between local government and iwi, hapū and Māori. Many councils have well-established relationships with iwi and hapū, which are delivering broader benefits for their communities. Other councils are in the early stages; they need capacity and capability support to grow these relationships.

To create stronger, more authentic relationships, all councils need to work in partnership with iwi, hapū and Māori within their respective rohe and takiwā, and ensure te ao Māori, mātauranga Māori and tikanga are an everyday part of local government.

- To support and strengthen these relationships, we need a new legislative framework for Te Tiriti-related provisions in the Local Government Act 2002. We also need to address the funding and capacity challenges facing both local government and iwi, hapū and Māori.



Specific actions

- Introduce new provisions in the Local Government Act 2002 that explicitly recognise local government as a partner to Te Tiriti o Waitangi and te ao Māori values;
- Introduce a statutory requirement for councils and iwi, hapū and Māori to develop partnership frameworks to give effect to Te Tiriti o Waitangi provisions; and
- Introduce a statutory requirement for councils to prioritise and invest in developing and strengthening local government capability and capacity in the areas of Te Tiriti o Waitangi, te ao Māori values, mātauranga Māori, and tikanga to improve local government as a Te Tiriti o Waitangi partner.

Areas for central and local government to work together on

- Undertake a comprehensive review (jointly by central government, local government and iwi/hapū) of requirements for engaging with iwi, hapū and Māori across all legislation that impacts local government to find opportunities to streamline or align those requirements.

4. Align central, regional and local government priorities

We want to work with central government to develop a process for determining shared priorities at a regional level and aligning these with the priorities of central government. This could include these steps:

1. Councils determine their priorities, in partnership with hapū/iwi and local communities, and identify which priorities cannot be implemented with existing revenue;
2. All councils in a region agree their shared local priorities and develop a 'regional package';
3. Central government and regions negotiate the priorities included in the regional package, including roles and responsibilities, funding, accountabilities and any partnerships with NGOs or the private sector; and
4. Councils and central government finalise their Plans based on the agreements reached.

Areas for central and local government to work together on

Ensure that (through statutory provisions or other means):

- Central government and local government commit to aligning wellbeing priorities and agreeing place-based investment plans;
- Budgets and planning documents, other local/regional strategies, and central government plans and strategies are aligned and cohesive;
- Intergenerational accountability is embedded through an outcomes framework; and
- Budgets and planning documents and place-based investment plans are tracked and measured to assess progress and effectiveness.



5. Strengthen local democracy and leadership

Local government wants its communities to actively participate in local democracy. But voter turnout has been decreasing and engagement meets the needs of some groups better than others. Local government elections need the same degree of focus and promotion as general elections.

A more engaged society leads to better solutions and decisions. Local government is committed to developing and investing in democratic innovations, including participatory and deliberative democracy processes. But further changes are needed to strengthen local democracy.

Specific actions

- Amend Part 6 of the Local Government Act 2002 to support and encourage greater use of participatory and deliberative democracy processes (such as citizens' assemblies or using a representative sample of the population to respond to a particular question) that can be easily tailored to meet communities' unique needs and circumstances;
- Task the Electoral Commission with investigating options for online or electronic voting, so that the way people vote is fit for the future. New modes of voting could be tested in local body elections;
- Invest in civics education, particularly in secondary schools, to encourage greater participation in local decision making.
- Have the Electoral Commission run and invest in the promotion of all elections to the same standard as central government elections. That should include design and oversight, standard setting, promotion of elections (while allowing local councils to customise campaigns to suit local needs), specific initiatives to encourage diversity of candidates, determination of the election method, and conduct of the election process.



SGM AGENDA

When you join the zoom meeting, you will be held in a virtual waiting room while we verify you are registered. It would be helpful if you joined the zoom meeting 10 minutes early.

Item	Paper/notes
Karakia	
Welcome	
Apologies	
Voting procedures	The consensus outcome paper has been developed through extensive engagement with you, including two in-person workshop-style meetings as well as significant online engagement, overseen by the Advisory Group. To honour that process, the SGM will take a yes/no vote on the consensus outcome paper, without amendments. The vote will be an open and transparent, with each council asked in turn to verbally state its vote. While this approach befits the process to date, it also creates a significant cost saving by not using our usual app voting provider.
Future by Local Government position	<ul style="list-style-type: none"> SGM Paper on the Future by Local Government The Future by Local Government: A consensus outcome paper based on Choosing Localism (this is an appendix to the paper above)
Karakia	



A5064745

SPECIAL GENERAL MEETING PAPER

// Background on the Future **by** Local Government

// NOVEMBER 2023





Purpose

1. To adopt **The Future by Local Government – A consensus outcome paper** as Local Government New Zealand's (LGNZ's) agreed parameters for further advocacy and engagement with central government.

Executive summary

2. The Future for Local Government Review (FFLG) was initiated in 2021 in response to a request from local government. It was designed to address the collective impacts of reform programmes on the function and role of local government, address new and increasing challenges faced by local government, and renew and better equip local governance for the future.
3. The independent FFLG Panel engaged extensively with local government over its two-year duration and did broad and extensive research on models and effective local governance arrangements around the world. Its final report closely reflected LGNZ's submission on a previously released draft.
4. When the final FFLG report was released, councils were clear they wanted to drive change themselves rather than central government imposing change.
5. To this end, LGNZ's 2023 AGM agreed to develop a consensus position or positions on the final FFLG report. And on that basis, LGNZ facilitated an inclusive process for members to reach consensus with each other. This has resulted in the consensus outcome paper titled **The Future by Local Government** (attachment A). This future-focused policy paper, if adopted, would provide LGNZ with parameters for engagement with the incoming government.
6. To realise the changes set out in the consensus outcome paper, central government needs to act.
7. This will only happen if local government is united in seeking change and is prepared to play a constructive role in making it happen. Adoption of the position statement would send this signal.
8. Failure to adopt the consensus outcome paper could result in little action or unilateral reform by central government – both of which take local government out of the driving seat.

Motion

That LGNZ adopt **The Future by Local Government** (attachment A) and use this as the basis for engagement and advocacy with central government on local government system reform.



Context

Establishment of the Future for Local Government Review

9. In April 2021, in response to calls from LGNZ and the wider local government community, an independent review of local government was announced by the government.
10. This was an immediate response to significant policy reform driven by the previous government across water services, resource management, climate change and the health system, all of which centralised decision making and altered the role of local government. But it was also in response to other significant challenges facing local government, such as climate change, infrastructure decay and significant funding pressures.
11. Specifically, there had also been a long history of advocacy around the need for system reform addressing aspects such as funding and participation.
12. The overall purpose of the Review was to identify how our system of local democracy and governance needed to evolve over the next 30 years, to improve the wellbeing of New Zealand communities and the environment, better partner with central government, and actively embody Treaty partnership.
13. The scope of the Review comprised what local government does (roles, functions, partnerships), how it does it (including representation and governance), and how it pays for it.

Local government engagement with the Future for Local Government Review

14. Since the Review launched in April 2021, LGNZ has engaged extensively with members to understand what is important to them.
15. We held multiple workshops and discussions with councils to gather feedback and engage them in this work, including:
 - a. National workshops for elected members and council staff on some of the draft report's key themes. These included separate sessions on strengthening local democracy, the future structure of local government, and councils' non-negotiables for future change. Each of these three workshops were attended by 60-100 mayors, chairs, elected members, chief executives and council officers.
 - b. Hosting the Review Panel at LGNZ Sector meetings. Each of the Rural and Provincial, Metro and Regional Sectors had an opportunity to provide feedback and ask questions about the draft report and the Panel's future direction. We also held



discussions with both the Te Maruata Rōpū Whakahaere and wider whānui to receive their feedback on the draft report.

- c. National workshops on each of the Panel's five priority question areas and key shifts, which were well attended by mayors, chairs, elected members, chief executives and council officers. Up to 200 members attended some of the sessions. These workshops informed our Vision for the Future paper that we shared with the Panel in May 2022.
- d. Scenario workshops based on three possible futures for local government, with our Rural and Provincial, Metropolitan, and Regional Sectors, and Young Elected Members' Network.
- e. Sessions on the Future for Local Government were also held with Te Maruata and the Community Boards Executive Committee.
- f. Supporting an independent group of sector representatives to develop a vision for what an integrated public service could look like, and the kinds of change to local government's roles, functions and structures needed to support better outcomes for communities.

The Future for Local Government Review final report

- 16. The FFLG Panel released its final report in June 2023. This report made 17 key recommendations including new funding and financing tools, changes to the Local Government Act to explicitly recognise local government as a Te Tiriti partner, different structures, and tools to rebuild trust and confidence in local democracy.
- 17. The final report's recommendations were intended as a package to deliver lasting changes to the system as a whole.
- 18. The Panel's report says that while there is a real need to transfer resources and level up funding between central and local government, this must come with a commitment to do things differently and change the system to be more responsive to local needs.
- 19. Many of the recommendations in the final report aligned strongly with what councils raised in their submissions and during engagement with LGNZ.
- 20. Nineteen of LGNZ's recommendations were included in some form. And 10 out of the 17 final recommendations match the recommendations that LGNZ made in its submission on the draft report.



The consensus process to develop the position statement

21. Councils were clear that they wanted to drive change themselves rather than central government imposing change. In response to this, members at LGNZ's AGM in July 2023 agreed to take a consensus position or positions on the FFLG report to enable councils to have a strong platform from which to advocate to the incoming government.
22. LGNZ's National Council created an Advisory Group to help guide this process. There was a nomination process, and National Council was mindful of type of council, geographic spread, range of perspectives and diversity when selecting the group. The group is:
 - LGNZ President – Mayor Sam Broughton
 - Te Maruata representatives – Councillor Moko Tauariki, Mayor Faylene Tunui
 - Young Elected Members representative – Councillor Alex Crackett
 - CBEC representative – Co-Chair Sarah Lucas
 - Six other elected members – Mayor Anita Baker, Mayor Max Baxter, Mayor Tim Cadogan, Deputy Mayor Angela O'Leary, Chair Peter Scott and Mayor Andrew Tripe.
 - Three chief executive representatives – Taituarā President (role shared by Barbara McKerrow and Jo Miller), Steve Ruru and Alex Parmley.
23. LGNZ ran two in-person events to help build consensus. The first event on 18 September had 150 attendees and worked through all 17 of the FFLG Panel's recommendations to identify where members might find consensus. It produced thousands of post-it notes, which indicated people's views and all of this data was shared with all elected members after the event.
24. The first event ruled some areas in and already agreed and ruled some out. It also identified four focus areas where it might be possible to reach consensus.
25. The second event on 2 November concentrated on these four areas – Funding, System transformation, Te Tiriti, and Wellbeing & working with central government.
26. Between the first and second events, LGNZ also ran online engagement through a new platform that allowed people to see how their opinions fit with other people's and make comments. In total 164 people engaged with the online platform, though not every person answered every question. People from 19 councils participated.
27. Supporting all of this engagement was a range of email communication, including designed emails to all elected members, promotion in *Keeping it Local*, personal emails from the LGNZ President, and personal emails from the LGNZ CE.
28. Off the back of all of this engagement, the LGNZ team and the Advisory Group have produced **The Future by Local Government**, which reflects the conversations that members have had and the outcomes that has been reached through the consensus building process.
29. The consensus outcome paper will set the direction for advocacy material developed for a central government audience. This tailored material will seek to motivate central



government to engage with us and emphasise the value local government brings to meeting their aspirations.

Analysis and advice

30. While local government can act independently to implement some of the actions we are recommending, central government action is essential for comprehensive implementation of many of the issues covered in the consensus outcome paper.
31. Any major reform of the local government system presents risk for central government. The issues and opportunities covered in the consensus outcome paper would require significant focus and could expose any government to criticism. This is why it is so important for local government to be clear how it sees a future system best evolve.
32. Both major political parties have yet to publicly respond to the substance of the FFLG report and have signalled a desire to understand the views of local government on the recommendations and the way forward. This strongly suggests that the next and future governments would only engage on reform on the scale set out in the consensus outcome paper if local government was clear and united on what it wanted. Local government might also be expected to demonstrate a commitment to be constructively engaged during the process of negotiating and implementing any agreements around reform.
33. A clear set of preferred outcomes adopted by local government, to form the basis for ongoing engagement with central government, is therefore a prerequisite for action.
34. An adopted consensus outcome paper will also help to set the parameters for local government in discussions with the Government, noting that ongoing engagement with local government would be critical throughout that process.
35. Failure to adopt the consensus outcome paper could have several unintended consequences, all of which are inefficient and ultimately counterproductive to the aspirations of both local and central government. These potential outcomes include:
 - Unilateral action by central government on those aspects of the report that it saw as desirable;
 - Other central government reforms driving change of the local government system (eg water services and resource management reform);
 - The incoming government dismissing the previous FFLG report and starting the process anew, resulting in significant delays and duplication of previous consultation with local government;
 - Little intentional change in the local government system, with current challenges exacerbated and the impact of local government weakened, to the detriment of communities; and/or
 - Lost opportunities to deliver better across the whole system of government – central, regional and local – for our communities.



Next steps

36. If adopted, LGNZ will use the adopted consensus outcome paper to engage with the incoming government and find agreement on comprehensive reform of the local government system. Continuing strong and transparent member engagement would be an essential part of this process.
37. The consensus outcome paper would set the direction for advocacy material developed for a central government audience. This tailored material would seek to motivate central government to engage with us and emphasise the value local government brings to meeting their aspirations.

Attachments

Attachment A: The Future by Local Government: A consensus outcome paper based on Choosing Localism