

2024-2034



Our Roadmap. Our People.  
**Long-term Plan**



Tā tātau mahere whenua, ō tātau tākata





He Ngākau  
Aroha



# Contents

## Te rārangi ūpoko

### Mayor's comment

Page 5

### Chief Executive's comment

Page 6

### Roadmap to Renewal

Page 10

### Our City in 2034

Page 12

### What is in the Long-term Plan?

Page 19

### Our key decisions

Page 21

### Our plans for infrastructure and finances

Page 39

### Independent Auditors Report

Page 49

### Who we are

Page 53

### What we do

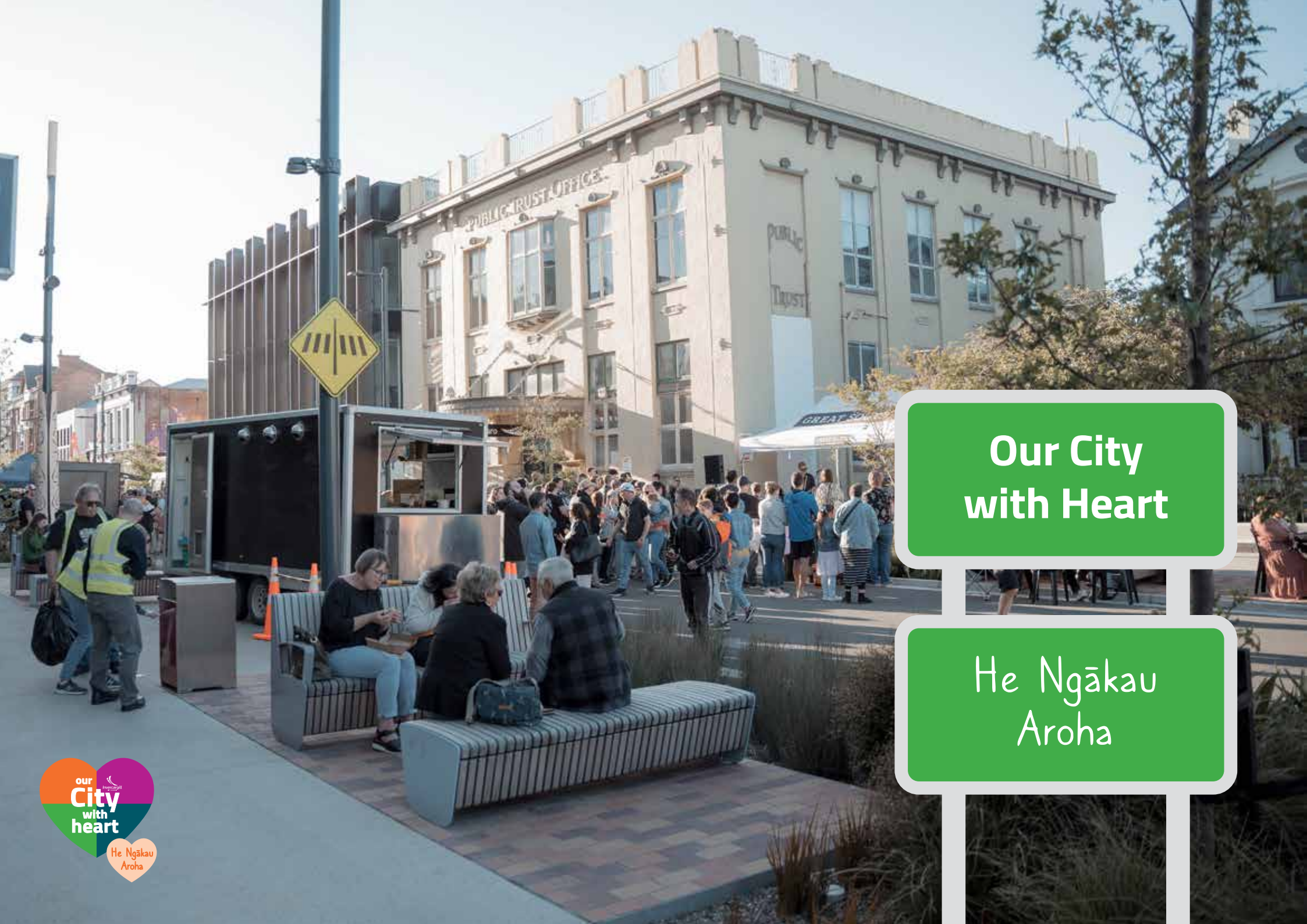
Page 73

### How we pay for it

Page 177

### Our Strategies and Policies

Page 215



**Our City  
with Heart**

He Ngākau  
Aroha





# Mayor's comment

## Ngā kōrero a te Koromatua

At Invercargill City Council, we want everyone to be proud to call our city home.

That's why Council has invested to create Our City with Heart – He Ngākau Aroha. Our Long-term plan shows what we will do to achieve that vision throughout the next 10 years. The first stage of our city centre revitalisation is complete, and key areas in the CBD such as Esk and Don streets have been transformed. The path has been laid for the second stage, at Wachner Place and lower Esk St, to get under way soon. We're also keen to focus on improving safety within the city centre, and this can be seen in our commitment to invest in a new, modern CCTV network. Te Unua - Museum of Southland is our most significant infrastructure project under way, and I am pleased to report it is progressing well. We have paused work on Rugby Park while we consider a future solution for sports, and complete planning on other future projects like an art gallery in the city centre, an additional swimming pool and improvements to Elizabeth Park.

Over the next decade, we look forward to seeing increased innovation and partnerships that support and champion business development within our community. The hauora (health) of our environment is essential to the wellbeing of us all. Our infrastructure strategy focuses on providing what our city needs to thrive – both now, and into the future. A crucial part of that puzzle is improving our water infrastructure,

to ensure we meet increased standards set out by Central Government. This is going to require significant investment, and we will be working with Government as part of Local Water Done Well, on the right approach for our community. This will follow on the back of our Branxholme Pipeline Upgrade, which began in mid-2022 and is expected to be completed at the end of this year. This project will replace our city's pipeline network with a resilient system that will enable the communities of Invercargill and Bluff to continue accessing clean, safe drinking water for years to come.

We know the cost of living is increasing and has increased pressure on households significantly. We have worked hard to prioritise and include the projects the city needs, while managing rates and their impact on your back pocket carefully. We have been fortunate to inherit a strong financial position thanks to the prudent management of Councils' past, and we are focused on continuing this legacy – for the benefit of our people today, and the generations who follow.



**Nobby Clark**  
Mayor of Invercargill





# Chief Executive's comment

## Ngā kōrero a te tāhūhū rangapū

The Council has achieved some major improvements for the city over the last few years and is poised to make more over the next ten, including the opening of Te Unua – Museum of Southland. These achievements are all the more noteworthy given the challenging economic environment we operate within.

To support the Council in delivering their community outcomes my executive team has three priorities over the early years of this Long-term plan.

The first is to continue the journey the team is on to operate every day with a culture of performance. You will see in this plan, updated and improved key performance indicators which we will publicly report against each quarter. These are underpinned by a team wide approach to understanding what success looks like and ensuring we have the data and evidence needed to track progress and support Council to make effective decisions. Central to this are much needed improvements to our IT systems and software which will provide more efficient and connected services to the community.

Improved technology, along with improved processes will help us work together as One Council, which is our second priority. This will bring together our whole team and all the diverse services we offer to ensure that no matter where you live in the District or which services you are accessing you can expect the same level of service every time.

Our third priority is to work together with Central Government and our regional partners to achieve financial stability. Local Government provides so many services essential to quality of life yet receives a continuously shrinking share of the national resources. Only 8% of public funding is received by Local Government in comparison to Central Government – the lowest in the OECD. This creates huge challenges of affordability for local communities which will only increase as the level of funding needed for infrastructure replacement increases.

This has been a very challenging environment to deliver this Long-term plan within. Volatility in inflation, insurance, interest rates and asset revaluations have all been at level not recently seen in New Zealand. I'm proud of the mahi of my team in identifying efficiencies and engaging with the community to find the right balance for our city and I look forward to working with Council to bring this plan to fruition.

**Michael Day**  
Chief Executive

# Our Roadmap, Our People

Te tātou mahere whenua, ō tātou tākata

Our Roadmap continues to form the core of our strategy over the next 10 years as we work to create our city with heart.



## Our city with heart He Ngākau Aroha

**Council's vision** is to create a city with heart, both in our city centre and through collaboration across the community. Council's focus for the 2024-2034 Long-term Plan will continue to be on the city centre, encompassing activation to create vibrancy.

## Waihōpai To leave in good order

**Council's mission** over the next ten years is to leave the city in good order for the next generation. One of the translations of the Māori name for our City – Waihōpai – is to leave in good order.

### Our plan addresses six strategic challenges facing the city:

- Meeting the changing needs of our rangatahi as part of our wider population, which is growing older and more diverse
- Delivering city centre renewal
- Enabling the housing, health, security and social infrastructure our city needs to grow
- Navigating increasingly complex environmental challenges including climate change, land contamination and earthquake risks.
- Maintaining community affordability in a time of economic volatility - Core infrastructure, major projects and levels of service will be delivered with financial prudence and efficiency
- Ensuring Council leadership and delivery is credible and effective, building community trust and engagement.

See the Roadmap to  
Renewal on pages 10-11

# Our Roadmap, Our People

Te tātou mahere whenua, ō tātou tākata



## Community outcomes

### Social Wellbeing

**One Community – Our youth, older people, different neighbourhoods and communities' basic needs are met, and they feel valued and proud to live here.**

#### We will know success when:

- Drinking water quality meets standards to support human health
- The roading network is designed and managed to support ease of use
- The roading network is designed and managed to reduce risk of death and injury
- Council is responsive to the community in order to:
  - provide a safe, reliable supply of water, ensuring reticulated properties receive a continuous supply and providing sufficient water flow and pressure for fire fighting
  - effectively manage the stormwater and sewerage network to support environmental health and efficient use of resources
  - effectively manage the roading network to support safety and efficiency
  - reduce the impact of waste on the environment
  - effectively manage the parks and reserves
  - ensure property is effectively managed
  - ensure elderly housing is effectively managed
- Parks and Reserves, Venues, Libraries, Pools, Arts and Culture, and Heritage services are well utilised
- Pools support wellbeing through providing safe, quality and appropriate premises and services
- Pools service is reliable and available
- Public transport is well utilised to support community wellbeing
- Public transport supports wellbeing through enabling people to move around the city
- Elderly persons housing is well utilised to support community wellbeing
- Council effectively manages the elderly persons housing to provide efficient and effective value
- The community is supported to understand and participate in the democratic process
- Corporate services are reliable and available
- Property is reliable and available to the community.





## Cultural Wellbeing

**A vibrant, safe city centre which meets our people's diverse cultural needs.**

**We will know success when<sup>1</sup>:**

- Parks and Reserves support community leisure, recreation and wellbeing
- Libraries collections support wellbeing through providing quality resources
- City venues support wellbeing through enabling culturally and socially enriching experiences
- The community is supported to deliver and participate in events and other activities which enhance wellbeing
- The District's heritage is valued and preserved
- Property is effectively managed to provide safe appropriate spaces for the community.



## Economic Wellbeing

**A future focused economy delivered through innovation and partnership and supported by appropriate infrastructure.**

**We will know success when:**

- Council is responsive to the community to ensure regulatory processes are effectively managed to support appropriate development and economic activity
- Regulatory processes are effectively managed to support appropriate development
- Investment property is well utilised in order to deliver returns to the community.

<sup>1</sup>Some community outcomes support more than one type of wellbeing. They are listed only once.

<sup>2</sup>Outside the Statement of Service Performance.



## Environmental Wellbeing

**A healthy, resilient environment where the city is well positioned to navigate climate change.**

**We will know success when:**

- Council monitors and effectively manages the water, stormwater and sewerage network to support environmental health and efficient use of resources
- The effective use of resources is supported to reduce the impact of waste on the environment
- Council levels of Greenhouse Gas emissions declining or offset over time<sup>2</sup>.

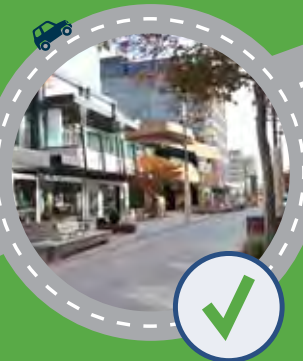


# Proposed Roadmap

## Te Uaki Ara

### Te Unua Museum of Southland 2021 – 2027

\$65 million of a \$74.1 million project  
\$14 million delivered to date\*



#### City Centre Streets 2021 – 2023

\$21 million Delivered



#### Anderson House 2021

\$1.4 million Delivered



#### Surrey Park Grandstand renewal 2023 - 2025

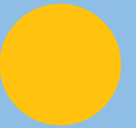
\$1.8 million project  
Project commences soon



#### Bluff Boat Ramp renewal 2023 - 2025

\$2.5 million project  
\$1 million delivered to date\*

# Planning for the future



We have some important and exciting projects on the horizon, which we have earmarked funds for, including:

### A new arts facility in the city centre

While Te Unua Museum of Southland will provide a home for our heritage, culture and stories, we still want to ensure that art has a place in the city centre. We have taken the Arts and Creativity Invercargill project off the roadmap to make room for a new project. We are looking at the possibility of using the Old Bank building or another city centre location. We'll start planning this next year so make sure to get involved in the conversation if art is your thing.

### The right home for sports of the future

We're completing the upgrades to make Rugby Park and Surrey Park safe by 2025. We need to look to the future and decide together what we want from our sports facilities. Alongside this we need to scope what we want from an additional pool at Splash Palace to meet the needs of our ageing and increasingly diverse population.



### CCTV 2023 - 2027

\$2.3 million project  
Project commences soon



### City Streets Upgrade 2024 - 2027

\$15.5 million project,  
with current forecast  
spend of \$4.6 million for Esk  
Street West  
Project commences soon



### City Centre Masterplan Urban Play Place 2025 - 2028

\$6.5 million project  
Project commences soon



### Water Tower 2032 - 2033

\$5.4 million project



### Additional Pool at Splash Palace 2033 - 2034

\$18.8 million project

**Note:** Rugby Park maintenance is currently paused. Council will review their decision in 2027.

\*Projects delivered up till 31 March 2024

### Safe swimming option for Bluff

Bluffies have told us that they want a swimming pontoon or similar solution as a safer alternative for tamariki (children) to swim. We'll be talking with the community later in 2024 about what this could look like and where it could be located.

### Elizabeth Park

We're planning for a review of what improvements are needed to this awesome park in South City.

For more information  
on our projects see  
[letstalk.icc.govt.nz](http://letstalk.icc.govt.nz)



# Our city in 2034

## Tō tātou taone i 2034

Invercargill is growing and becoming more diverse. New industries are setting up their operations. Key projects laid out in our 2021 roadmap are coming to fruition. How we respond now to economic challenges and Government policy and regulatory change will help set the path for the City's future.

The heart of the city is being transformed. Significant investments have been made into Invercargill Central by Council's holding company and its partners. Major new investments in the city centre include SIT campus Te Rau O Te Huia, the HWR Tower, Langlands Hotel and forthcoming Distinction Hotel.

Council is supporting the investment in the city centre through additional streetscape upgrades at Wachner Place and through CCTV and urban play.

The community are using their new city centre for a wide range of community events and activities, many of which are supported by Council.

GDP will increase by \$14 million annually as a result of city centre investment until 2030<sup>1</sup>.

As these developments are completed between 2024 and 2028, the city centre will be revitalised.

1. NZIER report "Invercargill CBD regeneration", May 2023, p17

# Our population is growing

At 30 June 2023, the estimated population was approximately 57,900 people<sup>2</sup>. By 2034, between 61,900 and 62,900 people will live here, dependent in part on the future of Tiwai and new industry development<sup>3</sup>.

The number of households in Invercargill will continue to increase, but household size will decrease slightly due to our aging population. By 2034, almost a quarter of residents in the city will be over 65<sup>2,3</sup>. As people age, the services they need will change. Council is considering this as part of planning for activities including Pools, where the planned additional pool may have different services such as hydrotherapy,

and in the way we support elderly persons housing and development of smaller dwellings in the city.

While the city's infrastructure still provides room to grow, extension of the network may be required dependent on where new industrial and residential development takes place.

2. Stats NZ Tatauranga Aotearoa Infoshare data, retrieved 24 January 2024 (<https://infoshare.stats.govt.nz/Default.aspx>)
3. Infometrics report "Southland Region forecasting scenarios for Beyond 2025 Southland", June 2023



# Our population will continue to become more diverse

Our Māori population will grow from 19% to 25% by 2034.  
Our Asian population will grow from 8% to 13%.

Council will continue to work with our Mana Whenua partners and Maata Waka, to include Māori in decision making and support visibility of Māori culture within the city. Council will explore new ways of engaging, to ensure the views of all communities within the city are represented and that people experience the same level of service wherever they live in the city.

The challenges faced by our rangatahi, the city's young people, are changing. Council services and the way we engage with the community is changing in response.



# Navigating economic challenges and uncertainty

Higher levels of inflation, economic change and uncertainty are expected over the next ten years.

Changes in the cost of living are impacting the community and the cost of doing business for Council. This is expected to continue through the early years of the plan. There are higher levels of uncertainty about economic conditions and financial markets than in the immediate past. Volatility in the global economy may affect one or more of Invercargill's key export industries.

Economic diversification is expected to build a more resilient economy. However,

employment growth in new industries such as aquaculture, data storage and green hydrogen is not expected to be significant enough to offset any decline in agriculture. International education numbers at SIT are expected to return to pre-Covid levels by 2028, dependent on Government policy.

Council is investing in new technology to support efficiency and will continue to focus on efficiency savings through this period.



PHOTO: GREAT SOUTH  
Sam Deuchrass

# Climate change and the environment

Climate change will continue to impact over the next ten years. More frequent and higher intensity rainfall events are expected. In the longer term sea level rise is expected.

Council is working with Environment Southland, Te Ao Mārama and the other local Councils to develop a regional climate change strategy, focused on mitigation, adaptation and communication.

Council has a range of projects which have already or have the potential to lower the carbon emissions of Council's activities. This includes installation of a wood energy boiler at Splash Palace, LED street lights, hybrid vehicles and electric equipment used for parks maintenance. We are also planting trees. Well before 2034 we will have hit our target to plant a new tree for every resident in the city. We will be investing in a range of projects to cut carbon emissions.

We are working with Environment Southland to understand more about the landscape, including what future rainfall patterns and sea level rise will mean for the city. This will help us make effective investment decisions on replacement and upgrades of assets.

We are planning upgrades to our wastewater plants in order to meet increasing environmental standards and investing to develop an alternative water supply to ensure future supply of clean healthy water. We are also investing to understanding more about historic pollution risks to the city, including at New River Estuary and Ocean Beach from the closed landfill and closed industrial sites.





# Local Government and the regulatory environment

The challenges Local Government are facing are changing, with more being required to be delivered with fewer resources.

The way we deliver water, stormwater and sewerage services will change, in order to provide a structure which enables the higher level of capital investment required.

Over the next 10 years the structure of Local Government is expected to continue to change as Government policy on issues such as resource management, spatial planning, governance and funding evolve.



# Working together for our future

## Mahi tahi tātou mō tō tātou anamata

We know that collaboration will be an increasingly important part of the way Council operates.

As part of our process for making decisions on our strategic projects, we developed the following principles which we will continue to be guided by:

- Invercargill focus with a Southland consciousness
- Active listening, honesty with each other and respect
- Shared ownership – share the challenge and solution process
- We will be prepared to rethink solutions
- Collaboration – tātou ā tātou

Strategic framework  
to support our  
decision making



# What is in the Long-term Plan?

## He aha te Mahere Tūroa?

The Long-term Plan (LTP or 10 Year Plan) sets out how Invercargill City Council will deliver projects, programmes and services over the next 10 years.

The LTP provides an opportunity for Council to take a long-term view of our activities and their impact on the city and community.

It identifies our vision and the outcomes we want for our community, how we will move from where we are now to where we want to be, and how we will deal with the challenges along the way. It also highlights key issues the city is facing and the strategies intended to address these.

### Guide on what the Plan contains

#### Outlook for Invercargill

The introduction section includes an introduction to the city and an overview of the key trends we are seeing and Council's planned response.

#### Decisions on key issues

After a one month submission period and hearings, your feedback helped us make decisions and plans on key issues such as funding for elderly housing, our carbon emission reduction initiatives and options for glass recycling.

Our Roadmap includes other projects such as the upgrade of the CCTV network to help create a safer city centre and the implementation of urban play in the city centre following the completion of Wachner Place and City Streets Upgrade, continuing our vision to build a city with heart. Work on Rugby Park has been paused until further scoping is completed.

We have also budgeted to plan a number of important and exciting projects such as a new art gallery within the city centre, a safe swimming option for Bluff and review options for improvements for Elizabeth Park.

#### Our Plans for Infrastructure and Finance

Take a look at what we are planning to ensure our infrastructure for roads and transport, water, stormwater and sewage, continues to meet the needs of the community for the next 30 years and see how we intend to pay for this.

#### Who we are

Meet our Elected Representatives (page 54) and see the Council (page 55), and Management Structure (page 56). Also find out what our Council Controlled Organisations are and what services and activities they provide.

#### What we do

Council has seven Groups of Activities – this section outlines how we plan to manage, deliver and fund individual activities.

The seven groups are:

- Water
- Stormwater
- Sewerage
- Roding
- Solid Waste Management
- Leisure, Recreation and Wellbeing Services, which includes:

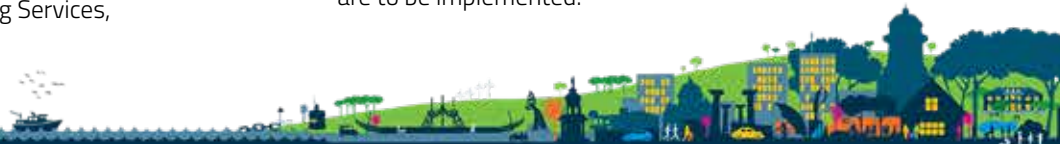
- Parks and Reserves
- Libraries
- Aquatic Services
- Arts, Culture and Heritage Services
- Venues and Events Services
- Public Transport
- Elderly Persons Housing
- Corporate and Regulatory Services, which includes:
  - Democratic Process
  - Regulatory Services (including Animal Services, Building Services, Compliance, Environmental Health and Resource Management)
  - Corporate Services
  - Property Services
  - Investments

#### How we pay for it

Find out how we plan to pay for our projects, programmes and services (or activities) by viewing our financial statements and rating policies.

#### Strategies, Plans and Policies

See Council strategies, plans and policies which inform the community of Council's position on particular matters, support the decision making of elected members and provide staff with clear direction on how decisions are to be implemented.







**Our key decisions**

**Ngā whakataunga matua**





# Decisions on key issues

## Ngā whakataunga matua

Council consulted on the Long-term plan between 29 February and 2 April 2024.

We asked the public about seven key areas:

- Funding Elderly Persons Housing
- Climate Change - Investing in emissions reduction
- Introducing separation for glass recycling
- Other plans to support social, cultural, economic and environmental wellbeing
- Our Roadmap to Renewal programme, plans for Three Waters and our Infrastructure Strategy
- Our plans for rates and the Financial Strategy
- Our proposed changes to the Rating Policy and other policies
- Our proposals to change the way we rate

People also shared their views on a range of other topics, which Council considered.





# Elderly Persons Housing

We have started a programme to renew and, where necessary, replace our housing units.

We want to ensure this important service continues to be available as our population ages. We also know by having quality options available for older people this increases the number of other houses available for families. We have completed heatpump installations for all 216 of our units and are half way through a programme to provide double glazing to increase energy efficiency. Four new build units in Stirrat St have just been completed. To continue this work we need to change how housing is funded. Previously, rent from the tenants pays all the costs of maintenance of housing. To build replacement houses faster we would need to pay some of the cost from general rates.



# What we proposed

## To matou tono

The following options were consulted on:

### Option One

Provide some funding from general rates to help replace aging houses faster.

- Additional \$7.7 million capital expenditure
- 0.08% rates increase in 2024/2025 with additional annual increases adding to a total 0.61% by 2030/2031
- Level of service increase
- Debt increase
- Cost to ratepayer - Total \$1.2m yearly from 2025/2026 onwards
- Average rates increase = \$47.23 (year) - \$0.91 (week)

### Option Two

Maintain the current funding policy and reduce the speed of replacement of houses.

- Rating impact - No impact on rates
- No level of service increase
- Debt increase

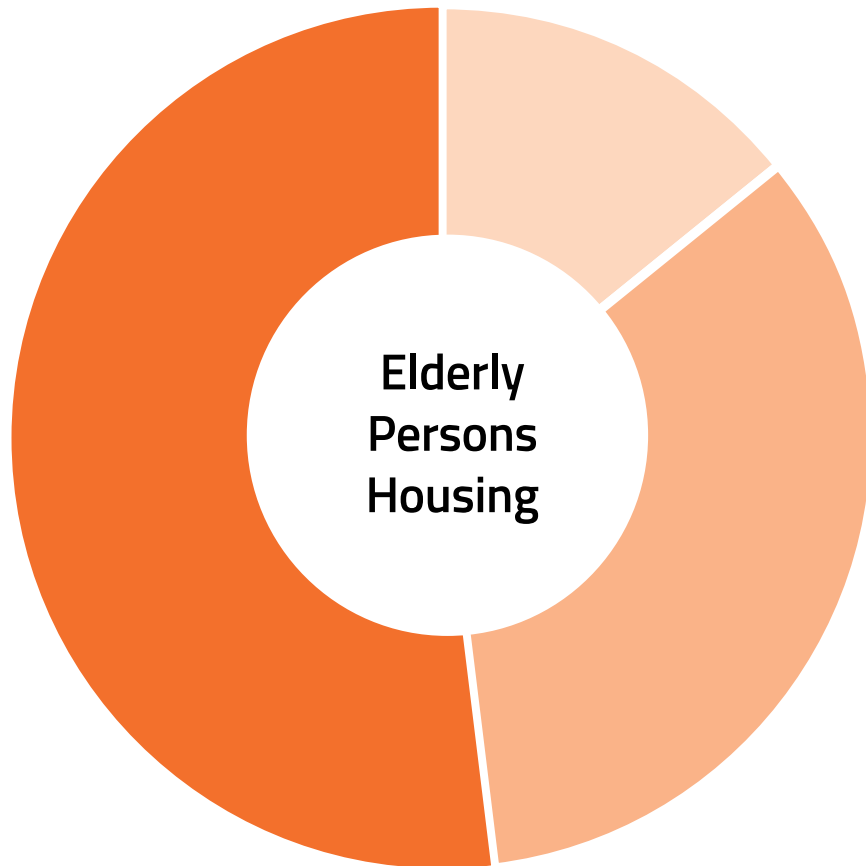




# What you told us

## Ā koutou kōrero

One hundred and forty two (142) people submitted on the elderly persons housing issue.



**52%** of 142 submissions on this topic were in favour of Option one.



**34%** believed Council should invest in Option two.

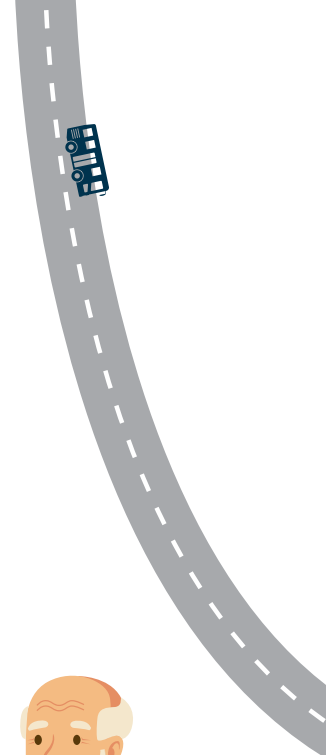


**14%** believed Council should do nothing.

Many submitters agreed with Council that housing was an important issue but there was disagreement on the best approach for Council to take.

Some noted the social importance of housing for vulnerable elderly people and as a result supported Council investing rates funding. A few submitters wanted Council to focus on inclusive accessible design and do more to make quality housing available to a broader group in the community, including considering papa kianga housing.

Others such as the Chamber of Commerce and other submitters believed that this was not a core issue for Council and on balance managing costs across Council was more important. Some submitters thought that if Council was going to act on housing, focusing on the District Plan regulations and forging partnerships with private sector developers would be a better approach.



# Our decision

## Te whakataunga

Council has opted to proceed with its preferred option by allocating an additional \$7.7 million in capital expenditure to replace aging housing. The budget allocated for this initiative, as consulted, will enable Council to undertake further maintenance on existing elderly housing units and develop a small number of additional units. While social housing provision primarily falls under the responsibility of the Central Government, this initiative aligns with the Council's social wellbeing framework and aims to support elderly citizens facing challenges in finding suitable housing in the current market.





# Climate Change – Investment in Emissions Reduction

We have worked with Environment Southland and Te Ao Mārama to develop a draft Regional Climate Change strategy. This shows how we will work together to reduce carbon emissions and to adapt to climate change as a region.

We have been working on a range of ways to reduce our emissions, including converting the Splash Palace boiler from lignite to wood pellets, converting small parks maintenance equipment to electric, switching our street lights to LED, changing our vehicle fleet to hybrid and planting more trees. For this LTP we are proposing setting targets for the first time, with the goal of reducing our emissions by a further 5% by 2027. We are planning for the impacts of climate change – increased flooding, drought and sea level rise. Examples of this include investment in larger stormwater pipes, the Stead St stopbank upgrades and installation of rain gardens, to reduce flow

into the stormwater system during heavy rain in Esk and Don St, as well as utilising newly available data for our Sandy Point Masterplan. We need to understand more about future impacts of climate change to help us make key decisions about infrastructure and update our District Plan hazard management approaches. We are working with Environment Southland, who have developed a plan to ensure we'll have the information we all need to support decision making over the next few years. We wanted to know what you think about the proposed Regional Climate Change Strategy and our plans to support its implementation.



# What we proposed

To matou tono

The following options were consulted on:

## Option One

**Allocation of \$200,000 a year for Council to use to implement carbon emission reduction initiatives.**

- Level of Service increase
- Equivalent to 0.28% of rates increase
- Increase in debt \$0.91 (week)

## Option Two

**No change to the current approach of ad-hoc carbon reduction initiatives from existing budgets, noting that many of the easier reduction initiatives have already been implemented so this may slow progress.**

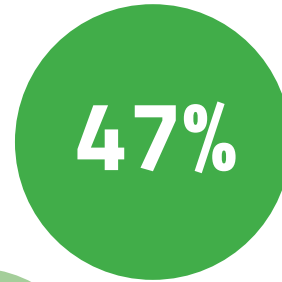
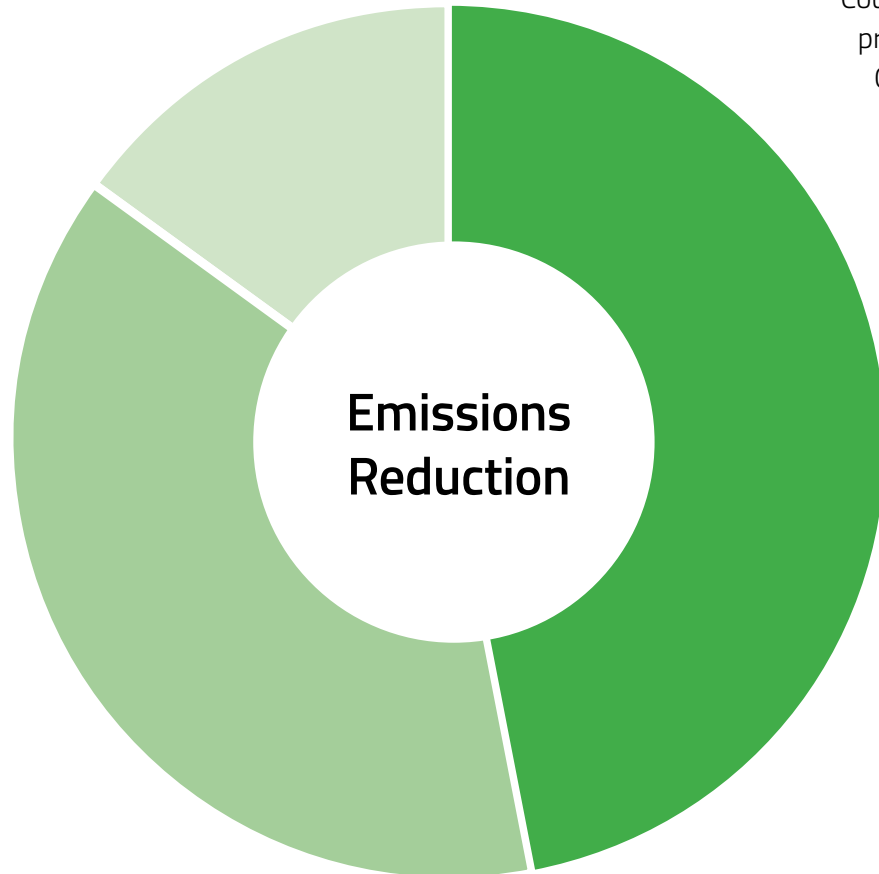
- No change to the level of service
- No impact on rates
- No impact on debt



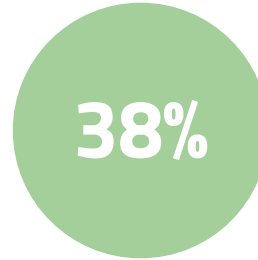
# What you told us

## Ā koutou kōrero

One hundred and thirty six (136) people submitted on the emissions reduction issue.



**47%** of 136 submissions on this topic were in favour of Option one.



**38%** believed Council should proceed with Option two.



**15%** believed Council should do nothing.

Those who supported the investment believed it was important that Council show leadership or suggested specific areas for consideration such as changes to lower emissions vehicles or more support for cycling. A few thought the proposals have not gone far enough and significantly more should be invested.

Of those who were opposed to investment most thought that it was not required, either because the issue did not warrant it, that the investment would not be well spent or because it would be better to focus on adaptation to climate change. Some submitters were concerned about the need to spend on this when the cost of living was rising.



# Our decision

## Te whakataunga

Council's preferred approach for emissions reduction was to establish an annual operational fund of \$200,000, designated for internal initiatives aimed at reducing the Council's in-house emissions.

In response to community feedback, Council decided to reduce the operational fund to \$100,000, acknowledging Council's ongoing evolution in addressing climate change.

This adjustment will still enable Council to progress promising projects to reduce emissions which may not otherwise have been possible. The lower level of funding available may mean that targets to reduce emissions are achieved at a slower pace.





# New glass recycling bin

The options were:

## Option One

This option would mean a new bin for every property that currently receives recycling services. As well as new bins, the cost of the service will need to cover the new trucks needed to collect waste from these bins. Council anticipates under this new system about 90% of glass would be able to be reused within aggregate products, such as road surface, and there will be a reduction in contamination. There will be improvements in health and safety for people processing the waste and improved sustainability from less waste being sent overseas.

The average annual targeted rate for this service will increase by \$29.72 in 2025/2026 to \$271.73 (GST excluded). This represents a 0.84% increase in the total rates in 2025/2026.

Level of Service increase.

## Option Two

We would provide eight new bottle banks around the city (six in Invercargill and two in Bluff) for those who want to continue to recycle glass.

Glass picked up from houses would need to be placed into red bins and would go to landfill. We anticipate under this option most glass would end up in landfill, which would increase collection costs and significantly impact Council's waste reduction targets. Council may need to review this decision if the Ministry for the Environment require a blue bin glass system in the future.

The average targeted rate would increase by \$12.57 in 2025/2026 to \$254.58 (GST excluded).

This represents a 0.34% increase in the total rates in 2025/2026.

Level of service reduction.

# What we proposed

To matou tonu

The following options were consulted on:

## Option One

**Preferred Option - Introduce a new 140 litre fortnightly blue glass recycling bin collection service**

- \$1.65 million investment into purchase of additional bins for glass collection in 2024/2025
- \$0.65 million ongoing operational costs from 2025/2026
- Level of service increase from 2025/2026
- Level of debt increase.

## Option Two

**Current Recycling System – supported by Bottle banks**

- Level of debt increase
- \$47,821 investment in new bottle banks
- \$276,635 annual operational costs increase.

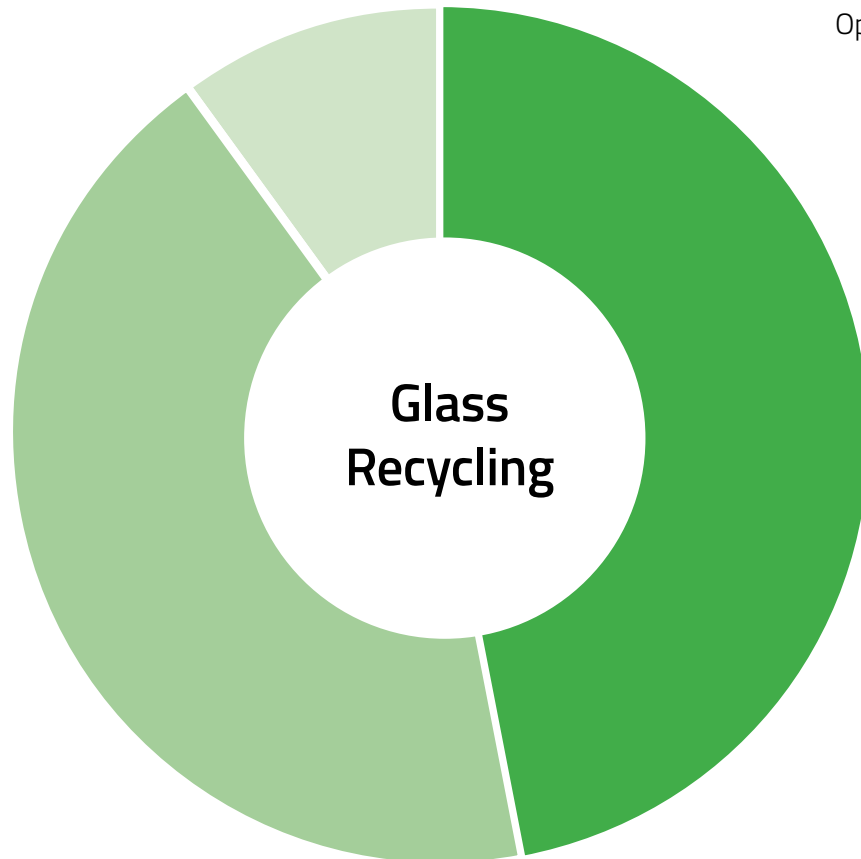




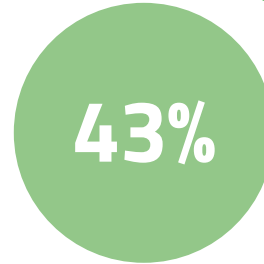
# What you told us

## Ā koutou kōrero

One hundred and thirty six (136) people submitted on the glass recycling issue.



47% of 136 submissions on this topic were in favour of Option one.



43% believed Council should invest in Option two.



10% believed Council should do nothing.

Some people wanted more flexibility in how often red and yellow bins are picked up with some wanting greater frequency and some less. Some wanted the option to opt out. Others believed that the red bin size should be increased as a more immediate priority. Some raised a preference for green bins for compostable waste.

Those who were opposed to a new bin were opposed to the cost, opposed to complicated multiple bins, or believed they did not personally have enough glass recycling to warrant it or believed green waste was more important. Some were concerned that good use is not now being made of glass collected as it was and this was unlikely to change.

Some submitters thought that bottle banks were a step backwards and that few people would make the effort to take their glass there, with the result of more ending up in landfill. Others believed an incentive was needed. Some mentioned the Australian system of payment for returned bottles/cans.



# Our decision

## Te whakataunga

After considering all the issues, the Council decided not to proceed with the proposed glass recycling options due to uncertainty about the best option for the region. Instead, they requested WasteNet to explore more glass recycling options during contract renewal within three years.



# Our other plans to support social, cultural, economic and environmental wellbeing

## What you told us

Some people wanted Council to focus on the basics, get that right and focus on keeping rates down.

Buses were raised by many submitters including young people. People were supportive of the extension of the service at the start and end of the day. There were many suggestions for improvement of the route or service, including new routes either within town or connecting other areas in Southland or improvements to bus stops. A new route to and from the airport was mentioned by a number of submitters.

The low mow pilot and/or high levels of grass or weeds was an important issue to many.

Many submitters raised ideas for different options for play, including playground equipment, games and other ideas. These will be considered by the team as part of the development of a Play Strategy for the city.

Some submitters wanted to explore new ways of sports working together in the city.

Some submitters were concerned about potential plans to sell some parks and reserves land. A smaller number thought this could be a good idea if it could keep rate increases down.

Some submitters raised issues at Elizabeth Park and/or were supportive of Council creating a strategy for this park or wanted work to commence earlier.

The new changing rooms at Splash Palace were supported by some submitters with a number mentioning that this would reduce the time they needed to wait with their families to change. A smaller number were opposed on grounds of cost.

Heritage NZ submitted on the importance of maintaining heritage values.

A number of submitters were supportive of investment in the Welcoming Communities programme to support Invercargill retaining more people who move to the city. Where there was opposition this was linked to believing this was better done by the many charities operating in this area.

## Our Decision

It was decided the introduction of a longer day for the bus service should wait until after a further review.

The increase in grants funding for heritage was reduced and the funding increase to Great South for regional development was reduced.

The Low Mow pilot has ended early in response to community feedback.

# Our Roadmap to Renewal programme, plans for three waters and our Infrastructure Strategy

## What you told us

Urban play was mentioned by a few submitters. Some submitters argued that it was not essential but a “nice to have” and that there were enough play areas in other parts of the city.

A few submitters mentioned the city centre investment and believed more projects like ICL should be supported. Several were proud the direction the city was moving in.

Art was an important issue to many submitters. Some submitters were concerned that Arts and Creativity Invercargill had been removed from the Roadmap and that this could risk a future arts project. Other submitters did not support further investment in arts as a “nice to have”. Some preferred that arts return to the Museum site in the park.

A few submitters questioned the need for another pool, including where it would physically be located.

A few submitters raised the possibility of a combined facility for different sports at Rugby Park or questioned why Council was supporting this project.

A number of submitters were supportive of Council’s projects in Bluff, with many supporting prioritising delivery of a safe swimming solution.

## Our Decision

Council determined to stop work on Rugby Park following completion of the currently contracted work in order to give time for work on the scoping study for a new multi-use solution to be developed.



# Core Infrastructure and the Infrastructure Strategy

## What you told us

A number of submitters said that the city is benefiting from the investment which has been made over the years in infrastructure and that it was important to maintain investment in this area.

Many supported the Council's planned water infrastructure programme; others were concerned about whether it was necessary. Some were concerned that more needed to be done to improve environmental outcomes, including in the estuary.

Some submitters raised the issue of cycling, with the majority wanting more investment in cycle paths to connect the city and other measures to promote safe cycling. This was a priority to Youth Council.

Safety was a priority for many, including outside schools and for people with disabilities.

Some submitters raised concern about footpath maintenance. Some areas of focus included Bluff and South Invercargill.

Some submitters raised that more investment was needed to be made in road maintenance to reduce the number of potholes. A number of submitters raised the condition of state highways including the road to Bluff. A few submitters raised sealing of gravel roads.

## Our Decision

No significant changes to the core infrastructure programme and the strategy were made in response to submissions, although a school safety initiative was prioritised within existing budgets in response to the safety issues raised. Some changes were made in order to make savings, including the delay of non-critical work of painting the Doon St reservoir roof.

A change was made to the funding of depreciation reducing funding of all categories of assets by 5% in 2024/2025.



# Our plans for rates and the Financial Strategy

## What you told us

Some submitters were concerned about the levels of rates, particularly in relation to challenges with the cost of living.

A number of submitters were concerned about the increase in debt and what the plan would be to repay this debt. Others noted that they believed this was a fair way to spread the cost across today's and future generations.

A request was made to change the farming rating differentials and Uniform Annual General Charge.

## Our Decision

As a result of economic conditions a number of changes were made to the financial strategy, including to the inflation and interest rates assumptions and to the approach to depreciation.

No change was made to the Uniform Annual General Charge and Farming Rating Differentials.





**Our plans for  
Infrastructure  
and Finances**

Te mahere  
hanganga me te  
mahere pūtea

**For our strategic community projects, see  
the Roadmap to Renewal on pages 10-11.**



# Our plans for infrastructure and finance

## Te mahere hananga me te mahere pūtea

Our plan for the next 10 years is to:

- Increase spending where required to maintain levels of service.
- Increase levels of service where necessary to meet changing regulatory requirements and where we've heard from the community you expect more.
- Undertake essential capital works to improve the resilience of our Three Waters network and lift standards to meet Central Government requirements.
- Fund the programme by increasing rates and increasing borrowing to a manageable level, including increasing the debt ceiling.
- Plan for delivery of the major projects you want to see by seeking grants and dividends, partnerships and some increases in user pays.
- Our planned capital expenditure for 2024/2025, the first year of the Long-term Plan, is \$82.5 million.
- Over the 10 years of the plan we forecast spending \$841.8 million on capital.
- Our planned operational expenditure for 2024/2025 is \$108.2 million (excluding depreciation).
- Over 10 years of the plan we forecast spending \$1.3 billion on operations (excluding depreciation).
- The average rates increase for 2024/2025 will be 9.88%\*.
- Over the 10 years of the plan it will increase each year between 3.50% and 9.88%\*.
- Council will run an unbalanced budget in 2024/2025 and 2025/2026 as a result of reducing the amount of depreciation funded by rates in order to maintain rates affordability. Depreciation will be incrementally increased and the budget will return to balance from 2026/2027.

\*Excludes rating base growth and rates penalties





# Our plans for infrastructure

## Te mahere hananga

We have an ambitious capital programme to deliver over the next 30 years. (See pages 7-11 for more information about our Roadmap to Renewal projects and Page 44 for information on our plans for water).

We are investing to improve the information we have about our assets and are working closely with our contractors to ensure we deliver the work the community needs. Nevertheless, we know we still have some way to go to improve delivery. We have forecast our spending to carefully align with what we believe we can deliver. We are focusing investment on our most critical assets.

Some less critical work will need to be delayed in order to manage expenditure. Any delays in delivery of the capital programme could result in increased maintenance costs.

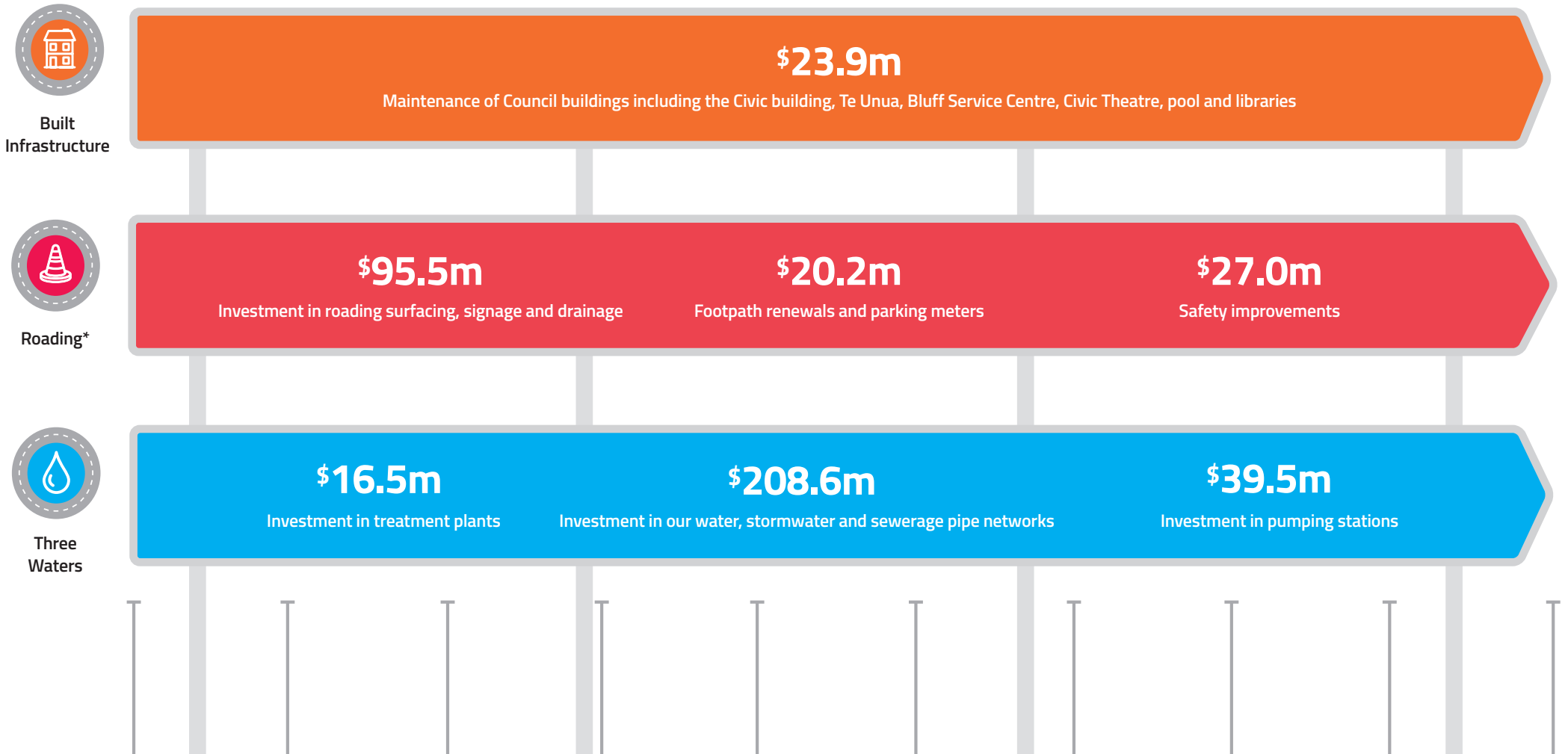
Replacement of failing assets will be managed through reprioritisation of the capital programme. The level of service will not be significantly impacted. Funding in later years is planned to increase to cover higher levels of renewals. Any significant delays in capital expenditure will have the impact of improving our expected net debt position as less borrowing will be required, which will also reduce our interest costs. There is still room to increase the debt ceiling further in future years to deal with any peaks in capital work should debt be determined to be the best way to fund.

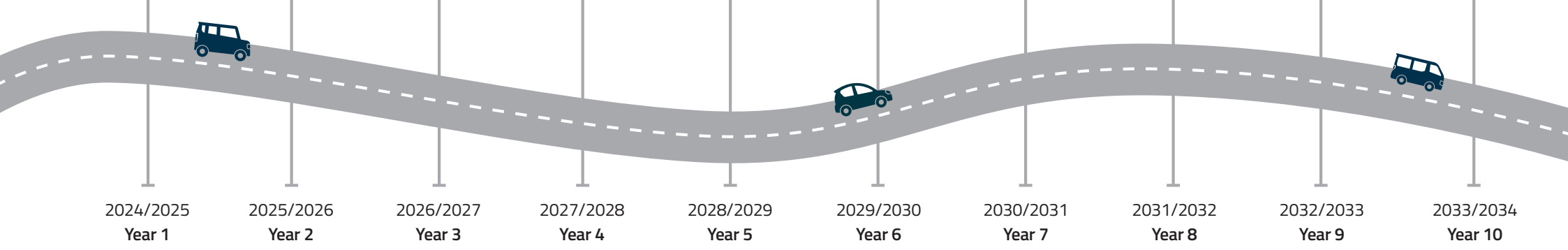
# Key activities

## Ngā ngohe matua

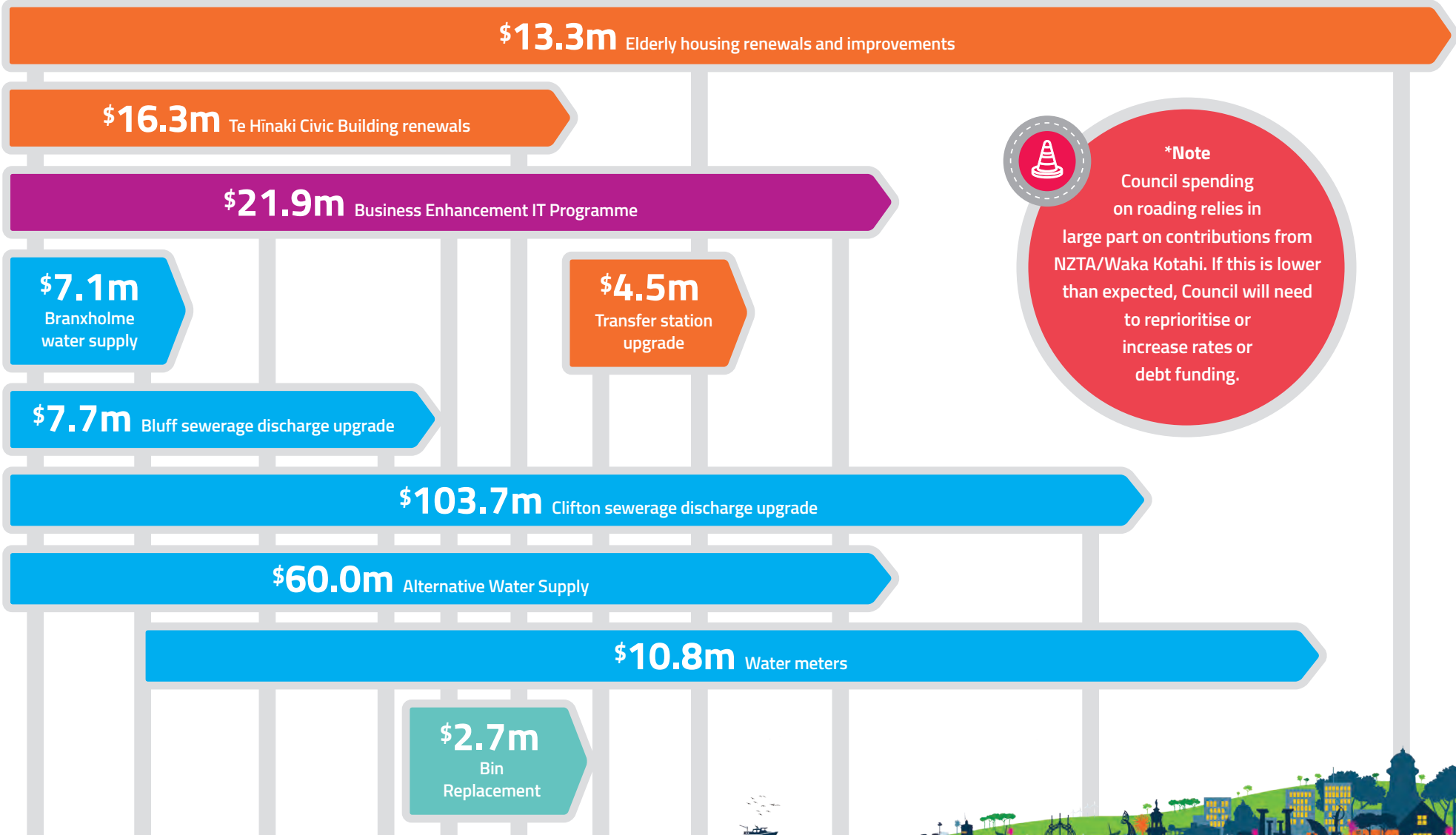
Council's approach to investment in infrastructure is to invest at the level required to maintain levels of service and to focus investment on critical areas. A full list of capital projects is available by activity area in the "What We Do" section.

### Capital Programme





Other Projects



**\*Note**  
Council spending on roading relies in large part on contributions from NZTA/Waka Kotahi. If this is lower than expected, Council will need to reprioritise or increase rates or debt funding.



# Three Waters

## Kā Wai e Toru

Water is essential to life. Our Council is committed to taking care of the Three Waters assets – water, sewerage and stormwater - which keep the heart of the city pumping.

Invercargill City Council was established in 1871. While we have just celebrated our 150th anniversary, this means that many of our core infrastructure assets, like pipes, are coming to the end of their useful life. This is something affecting communities all around the country - how we respond now is crucial. We have proceeded with our planning on the basis that irrespective of who delivers the service, you, our community, needs to understand the challenge in front of us. We have budgeted for 10 years of activity and presented all the decisions ahead of the community in our Infrastructure Strategy.

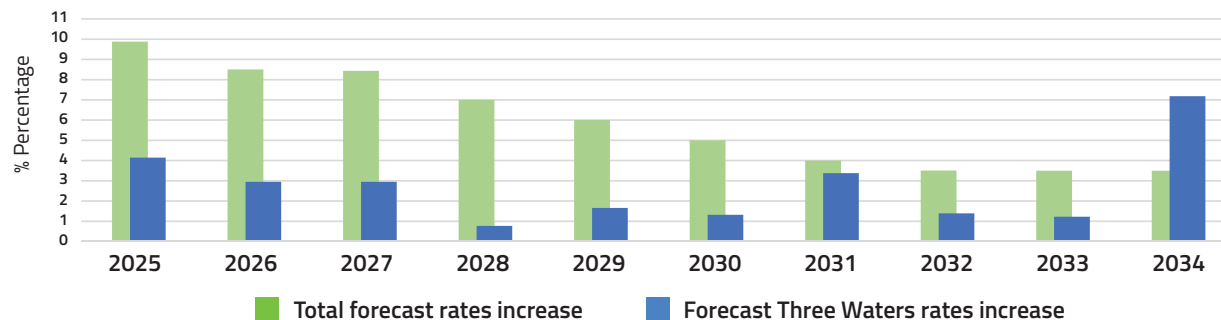
We have invested in improved information about our assets and improving our management approach. Now, and over the next 30 years, we will need to invest more to replace and upgrade important parts of the system. This is going to mean rates rises to pay for this essential work.

In response to the change in Government, we plan to explore whether a new Council Controlled Organisation to hold our Three Waters assets and deliver improvements would make sense. This could be part of the Invercargill City Holdings Group or may be part of a broader group.

### Here's some key things that are important for you to know about our plans:

- We are focusing on replacing critical assets and will work others harder, maintaining them for longer to manage the investment needed.
- Our assets are becoming more and more expensive to replace as a result of rising prices and new regulatory requirements. How we save for and repay debt needed to pay for these renewals is a key part of our financial strategy.
- We are focusing on how we deliver an alternative water supply for the city. We need to undertake more testing to check the reliability of the supply in the aquifer we have found. Then there will be significant investment of an estimated \$60.0 million required to access, treat and supply the water to the city.
- We are working with Central Government and our Iwi partners around how we plan for the changes that are likely to be required to the way we discharge wastewater. The funding we have put aside for wastewater discharge, includes \$103.7 million for Clifton and \$7.7 million for Bluff, is some of the largest in our programme and further investment may be required.

### Average rates revenue % increase of Three Waters activities



**Note:** the majority of water services are paid for through targeted rates. The rates rise you will see will depend on which services – water, sewerage and stormwater – you receive. Fees for commercial users of water will also need to rise.

# What's our plan for income?

## Te mahere whai pūtea?

Our financial strategy lays out how we will fund our assets and activities. We've made a number of changes this LTP with the goal of striking the right balance between rates and other sources of funding and spreading the costs fairly now and into the future.

### Managing costs

We've worked hard to ensure we're investing the right amount in the assets the city needs while keeping costs down. We've achieved this through prioritising our critical infrastructure and stretching out replacement schedules for some other types of infrastructure.

### Using the right type of funding

We've adjusted the way we're funding depreciation (putting money aside every year to pay for replacement of assets, as they age). Inflation has caused a big increase in the value of our assets which makes replacing them more expensive.

We're planning to fund from rates 75 - 100% of most types of depreciation in this plan, which means more costs will need to be met further in the future. We believe we have the balance right on this as we intend to keep some assets working longer before we replace them.

We have planned for a higher level of debt over the next 10 years. Council uses what is called a debt ceiling to manage

the risk of taking debt on. The debt ceiling is the maximum amount of debt we will hold at any one point compared to revenue. In recent years we have kept our debt below 150% of revenue (the legal limit for Local Government is 280%). We propose raising this to 180% for 2024/2025 to 2027/2028 and 200% between 2028/2029 and 2031/2032 when we plan to be funding the highest level of infrastructure projects. Thereafter the debt ceiling will decrease to 190%.

### Raising more revenue

One way to reduce the amount of rates we need to raise is to increase other sources of revenue.

We've consulted on a range of increases to fees and charges to better balance the cost of providing services between ratepayers and the users of services. Some of the more significant increases we are planning are increases to commercial water rates and trade waste levies.

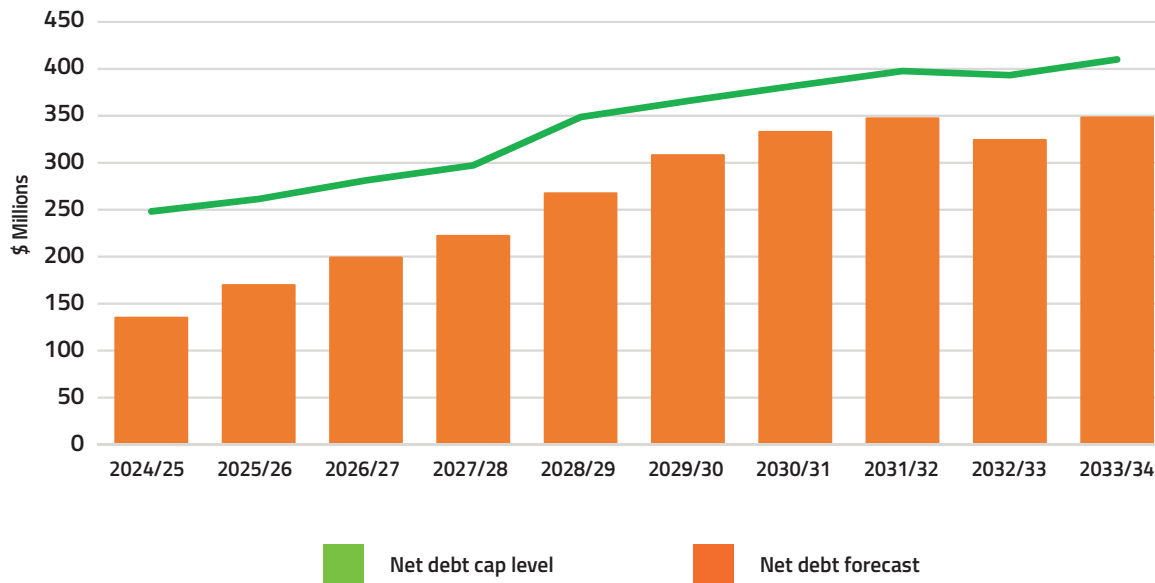
Council's Holding Company (ICHL) owns a number of important assets for the city. We have asked the Holding Company to make sure we are balancing holding strategic assets and getting a good financial return. As a result of planned sales we are expecting an additional \$4 million special dividend each year for the 10 years of the plan, increasing the annual dividend to at least \$9.5 million.

We are planning to sell some under-utilised land to make it available to the community for other purposes and to reduce maintenance costs. We forecast raising \$14 million from land sales – this is a conservative estimate and we hope to achieve more.

### Rates

The amount of rates you will pay depends on the value of your property and the services you will receive.

## Total net debt 2024 - 2034



# What's our plan for net debt?

## Te mahere moni tārewa?

Using debt is one way to spread the costs of assets that will benefit the community for many years between the people living here now and those who will be here in the future.

To help fund our major projects like Te Unua - Museum of Southland and our infrastructure programme we need to take on more debt. The chart shows our plan for taking on more debt, increasing and then reducing our debt ceiling again. In putting together this plan we have focused on maintaining some debt head room if the Holding Company (ICHL) needs it and maintaining our AA+ credit rating, which keeps the cost of borrowing down.

### What is net debt?

Net debt = Total borrowings less cash investments

# What does it mean for you and your rates?

He aha ngā whakaritenga māu, me ōu reiti?

The average rates increase for the first year of the plan is 9.88%\*.

Every property will have different rates dependent on the value of the property and the services received. The city property revaluation shows that there have been considerable increases in value across the city, with some suburbs and types of property particularly impacted.

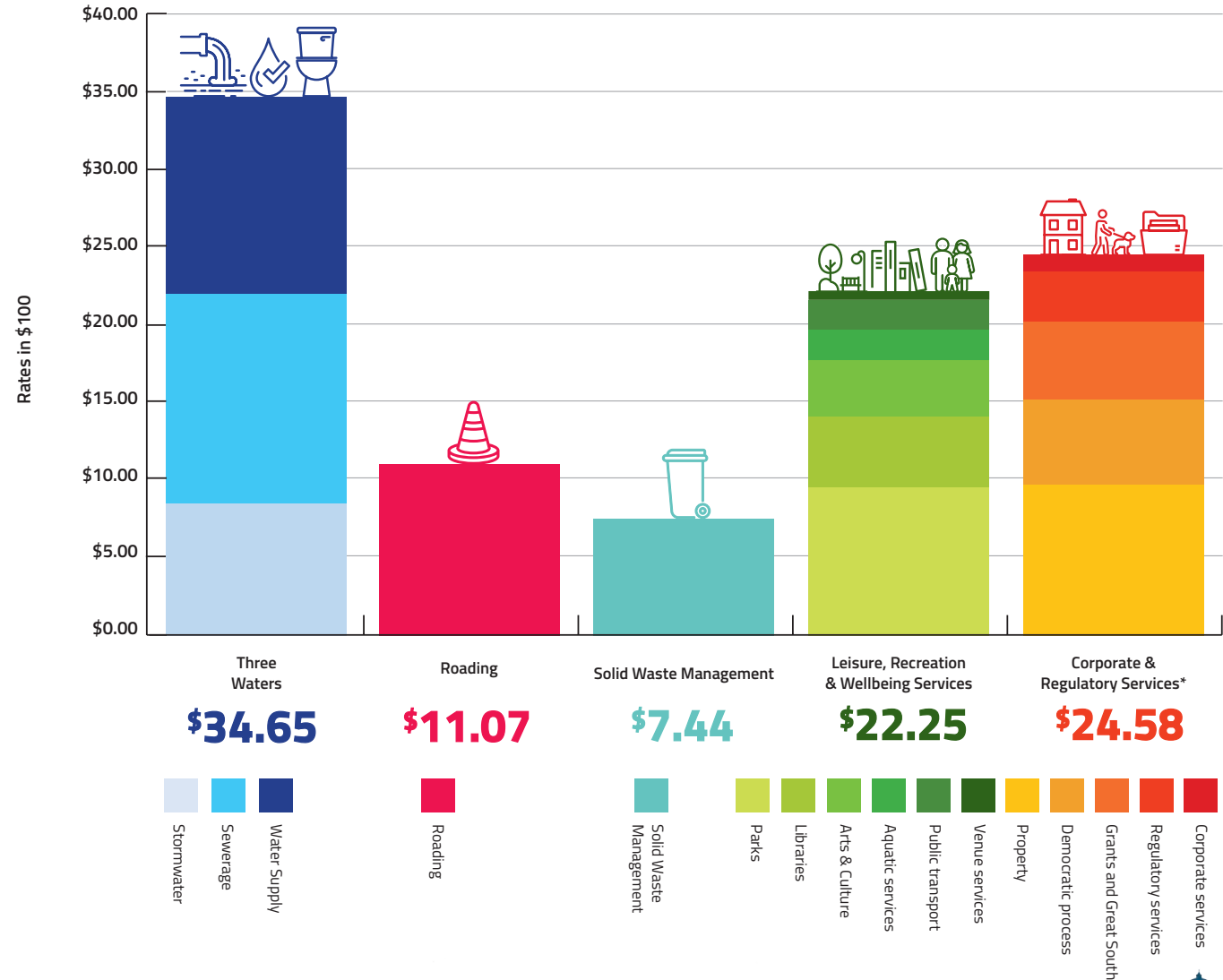
We use these revaluations to calculate the "slice of the pie" of the rates that each property pays.

There have been some changes to the rating policy, including the differentials which have slightly changed the balance of payment between different types of ratepayers.

\*Excludes rating base growth and rates penalties

## Where will your rates go?

Where, on average every \$100 of rates will be spent in the first year of the Plan.



# Average rates changes

## Te Aka panoni reiti

The average charge for each property type are shown below. However, properties within each type will have different ratings based on their value and services received.



### Residential

Average increase

**9.25%**

**2023 Valuation**  
**\$454,911**

Proposed Other Rates 2024/25: **\$1,993**

Proposed Three Waters Rates 2024/25: **\$1,056**

Proposed Total Rates 2024/25: **\$3,049**



### Lifestyle

Average increase

**13.49%**

**2023 Valuation**  
**\$756,854**

Proposed Other Rates 2024/25: **\$2,658**

Proposed Three Waters Rates 2024/25: **\$138**

Proposed Total Rates 2024/25: **\$2,796**



### Commercial/ Industrial

Average increase

**14.96%**

**2023 Valuation**  
**\$1,306,597**

Proposed Other Rates 2024/25: **\$4,976**

Proposed Three Waters Rates 2024/25: **\$3,039**

Proposed Total Rates 2024/25: **\$8,015**



### Farming/ Agriculture

Average increase

**6.29%**

**2023 Valuation**  
**\$1,328,371**

Proposed Other Rates 2024/25: **\$2,814**

Proposed Three Waters Rates 2024/25: **\$18**

Proposed Total Rates 2024/25: **\$2,832**





# Auditor's Opinion

## Ngā kōrero a te kaitātari kaute

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

### Independent Auditor's Report on Invercargill City Council's 2024-34 Long-term Plan

I am the Auditor-General's appointed auditor for Invercargill City Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 27 June 2024.

#### Opinion

In our opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and co-ordination of the Council's resources; and
  - accountability of the Council to the community; and

- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 269 to 274 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

In accordance with clause 45 of Schedule 1AA of the Local Government Act 2002, the consultation document on the Council's plan did not contain a report from the Auditor-General. The consultation document is therefore unaudited. Our opinion on the plan does not provide assurance on the consultation document or the information that supports it. This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

### Emphasis of matter

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

### Uncertainty over the delivery of the infrastructure capital programme

Pages 222 and 235 outline that the Council is proposing a significant increase in its infrastructure capital programme over the next 10 years. Although the Council has endeavoured to budget for a programme that is deliverable, there is uncertainty over whether the Council can deliver the projects it has planned. There is also uncertainty whether the infrastructure construction industry will be able to meet local government demand in the coming years. If the Council is unable to deliver on the planned programme, projects may need to be delayed which could affect cost and intended levels of service.

### Basis of opinion

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

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;

- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.



## Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

## Independence and quality management

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour; and
- quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 Quality Management for Firms that Perform Audits or Reviews of Financial

Statements, or Other Assurance or Related Services Engagements (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Other than our work in carrying out all legally required external audits, and an assurance report on certain matters in respect of the Council's Debenture Trust Deed, we have no relationship with or interests in the Council or any of its subsidiaries.

### Chris Genet



### Audit New Zealand

On behalf of the Auditor-General,  
Christchurch, New Zealand







Who we are

Ko wai mātou

# Elected Representatives

## Te koromatua me nga kaikaunihera

The Invercargill City Council is chosen by the Invercargill public in elections held every three years. The last election was held in October 2022; the next will be in 2025.



**Ria Bond**  
Councillor



**Trish Boyle**  
Councillor



**Steve Broad**  
Councillor



**Mayor**  
**Nobby Clark**



**Allan Arnold**  
Councillor



**Tom Campbell**  
Councillor



**Alex Crackett**  
Councillor



**Grant Dermody**  
Councillor



**Peter Kett**  
Councillor



**Darren Ludlow**  
Councillor



**Ian Pottinger**  
Councillor



**Lesley Soper**  
Councillor

### What is Council and what does it do?

The Council consists of the Mayor and 12 Councillors and its role is to provide and maintain services and amenities for the public of Invercargill. The Council is chosen by electors (the Invercargill public) to govern the City's affairs, such as making decisions on spending, priorities and policies.



**Barry Stewart**  
Councillor



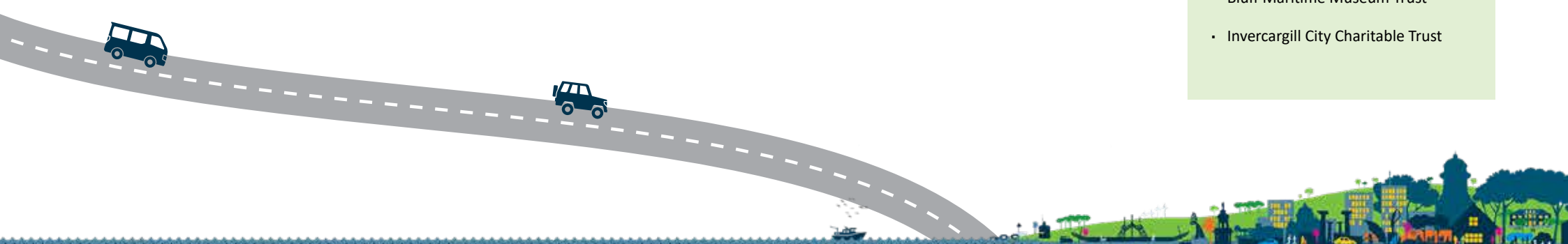
**Evelyn Cook**  
Waihōpai Rūnaka Representative



**Pania Coote**  
Te Rūnanga o Awarua Representative

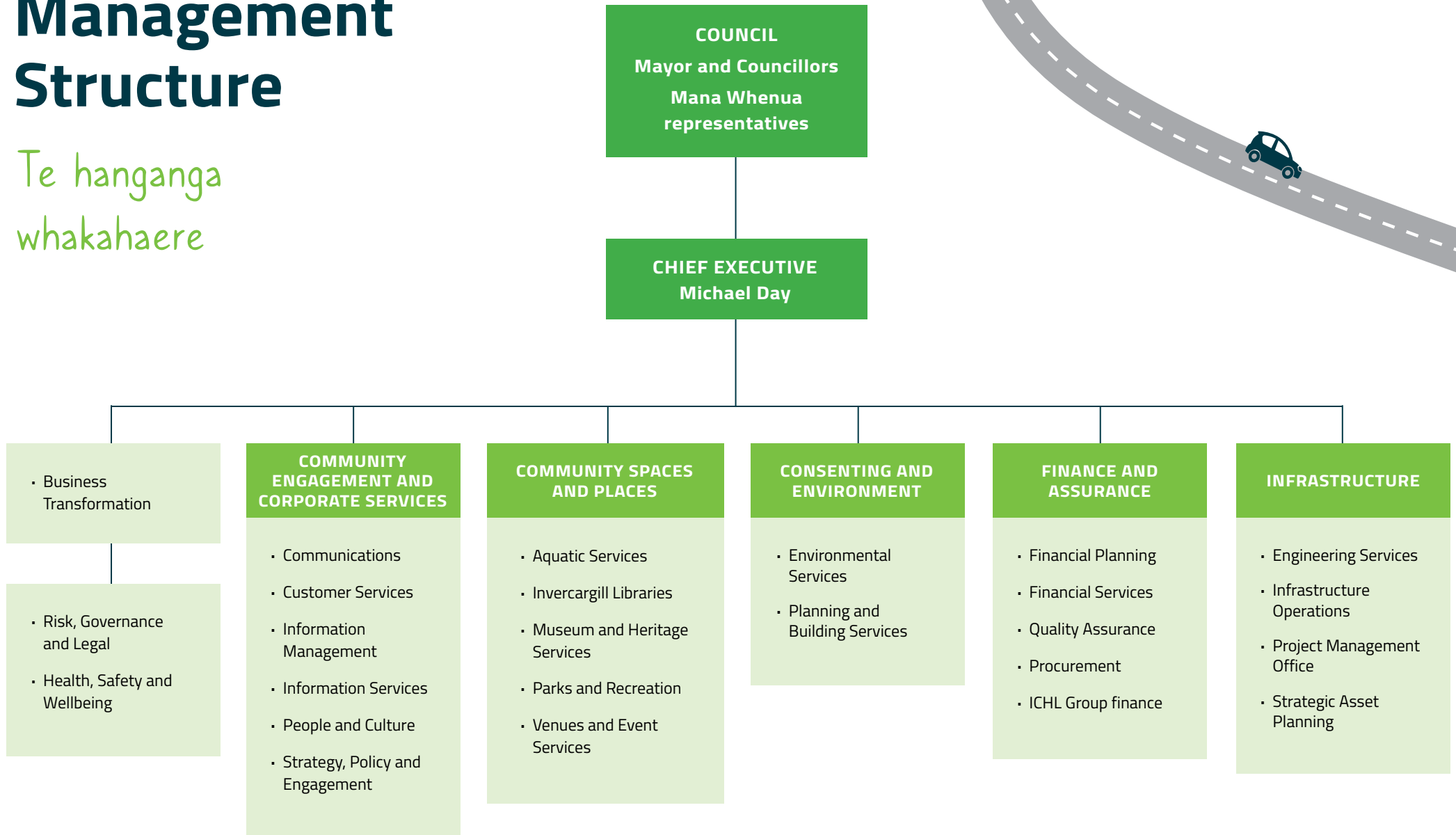
# Council Structure

Te hanganga kaunihera



# Management Structure

Te hanganga  
whakahaere





# Our partnership with Mana Whenua

## Te horo ki Mana Whenua

Invercargill City Council recognises the role of Ngāi Tahu Kāi Tahu as Takata Whenua, represented by Waihōpai Rūnaka and Te Rūnanga o Awarua. We work in partnership with Iwi in the Waihōpai takiwā through the two Rūnaka, which are identified Mana Whenua in our rohe.

Waihōpai Rūnaka and Te Rūnanga o Awarua have voting rights on committees of Council and are represented at Council.

Council supports and works closely with Te Ao Mārama Inc. to ensure that the culture and traditions of Takata Whenua in relation to their ancestral land, water, wāhi tapu, values, flora and fauna, and other taoka are represented.

Some recent partnership projects include the water and wastewater Primary Infrastructure Consenting Programme Governance Group, the community project Connected Murihiku and the City Centre Governance Group, which includes Mana Whenua representation, and has resulted in a cultural narrative being developed for the city.

Council is committed to ensuring that the impact on Māori, both Takata Whenua and Maata Waka, of decisions, proposals and projects is considered in line with our Significance and Engagement Policy.



# Our ongoing collaboration within local government

## Mahi tahi tātou me kāwanatanga ā-kāinga

Southland's councils and their neighbouring Otago local authorities have a history of collaboration and engagement on initiatives that cover a wide spectrum of services and business activities. The Councils will continue to look at, and for, opportunities for effectiveness and efficiency gains throughout the range of activities and outcomes that they are expected to deliver for their communities and businesses.

The economies of scale and the cost-effectiveness of working jointly or collaboratively, and avoiding duplication, provide the rationale for the sharing of ideas and effort.

Areas the councils are currently working together on include:

- climate change
- regional spatial planning
- responding to Government reform

Existing shared services arrangements (formal and informal) that have been operating for several years are set out in the table on the right:

	TANGATA WHENUA (MĀORI) ENGAGEMENT	EMERGENCY MANAGEMENT	REGIONAL PLANNING, STRATEGY, & DEVELOPMENT	TRANSPORT PLANNING	LIBRARIES	COMPUTER SERVICES	CLIMATE CHANGE	BUILDING CONTROL
Gore District Council	✓	✓	✓		✓		✓	✓
Southland District Council	✓	✓	✓		✓	✓	✓	✓
Invercargill City Council	✓	✓	✓		✓	✓	✓	✓
Environment Southland	✓	✓	✓	✓		✓	✓	
Otago Regional Council	✓			✓				
Queenstown Lakes District Council	✓				✓			
Clutha District Council	✓				✓	✓		✓

The recommendations in the He piki tūranga, he piki kotuku The future for local government report alongside the Beyond 2025 Southland – Regional Long Term Plan provide further platforms for conversation on these opportunities.

The Council through this Long-term Plan commits to continuing its involvement in investigating and joining collaborative processes and shared projects with its neighbouring councils where there are advantages and efficiencies in doing so for the council and the community.



# Council Controlled Organisations

## Ngā rōpū a te kaunihera

Council has four Council controlled organisations, for which we are required to provide key information for the Long-term Plan, including policies and objectives relating to those organisations, the nature and scope of the activities and key performance targets and measures.

Council has the following Council Controlled Organisations:

- Invercargill City Holdings Limited
- Invercargill City Charitable Trust
- Southland Regional Development Agency Limited (Great South)
- Bluff Maritime Museum Trust

Schedule 10, clause 4 of the Local Government Act requires that policies and objectives relating to those organisations, the nature and scope of the activities and key performance targets and measures against which they are to be judged are included in the Long-term Plan.



# Invercargill City Holdings Limited (ICHL)

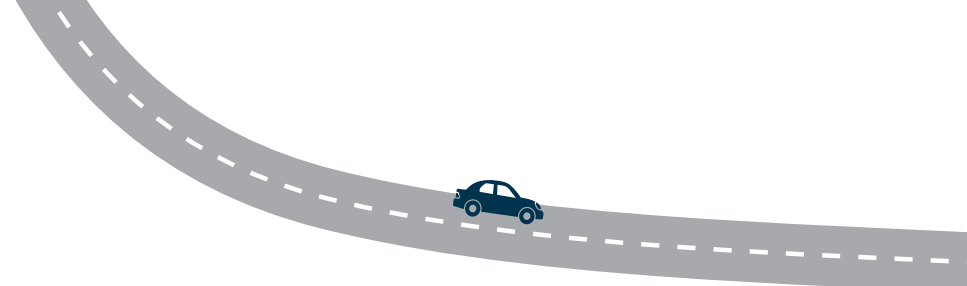
ICHL supports Invercargill City Council's economic wellbeing outcome by ensuring the trading companies are operating efficiently to provide maximum returns, made as a dividend, back to ratepayers of Invercargill. Section 59 of the Local Government Act 2002 sets out the principal objectives of Council Controlled Organisations.

ICHL has the following specific objectives:

- To ensure that ICHL and its subsidiaries work together with ICC to form an agreed strategic objective for the group.
- To ensure that ICHL and its subsidiaries activities and strategy are aligned with the strategic objectives agreed with ICC.
- To ensure that the strategic investments of ICHL are managed in a manner that optimises returns to its shareholder while achieving the desired strategic objectives associated with those investments.
- To ensure that the commercial investments of ICHL provide returns to its shareholder ICC that are sustainable and consistent with the agreed objectives and risk appetite of ICHL.
- To ensure that any projects or investments where ICHL has been requested by its shareholder, ICC, to either undertake or supervise those projects or investments they are undertaken in a commercially prudent manner to achieve the strategic outcomes of those projects or investments agreed with ICC.
- To keep ICC informed of matters of substance affecting the group on a no-surprises basis.
- To monitor the performance of each subsidiary against their stated performance objectives and ensure they have proper governance procedures in place.
- To promote rigorous health and safety management and reporting within the group.
- To ensure that regular reporting of results occurs to ICC.
- To act generally as a responsible corporate citizen.



# Invercargill City Holdings Limited



The following table details the extent of ownership and the main services provided by Invercargill City Holdings Limited and its subsidiaries.

ORGANISATION	OWNERSHIP	NATURE AND SCOPE OF ACTIVITIES
Invercargill City Holdings Limited	100%	Input into the Statements of Intent of subsidiaries Performance monitoring of subsidiaries Provide sustainable and consistent returns to its shareholder (Invercargill City Council) Management of Investment in Invercargill Central Limited
<b>Subsidiaries of Invercargill City Holdings Limited</b>		
Electricity Invercargill Limited	100%	Operate a successful electricity distribution network and metering service in the Invercargill and Bluff areas Invest in the infrastructure, electrical and energy sectors
Invercargill Airport Limited	97.47%	Provision of airport services at the Invercargill Airport
Invercargill City Property Limited	100%	Owens shareholding in HWCP Management Limited who owns land in the inner city block

The following rates of return on equity funds are forecast:

ORGANISATION	% AFTER TAX 2024/2025
Invercargill City Holdings Limited	18.53
	% After Tax 2025/2026
	3.5
	% After Tax 2026/2027
	2.88
	BASELINE
% After Tax 2023/2024	
	3.73

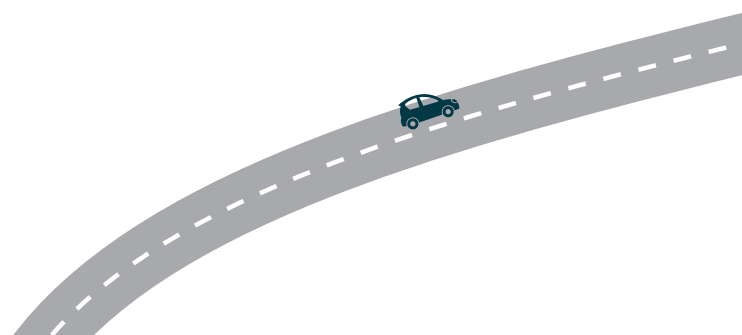
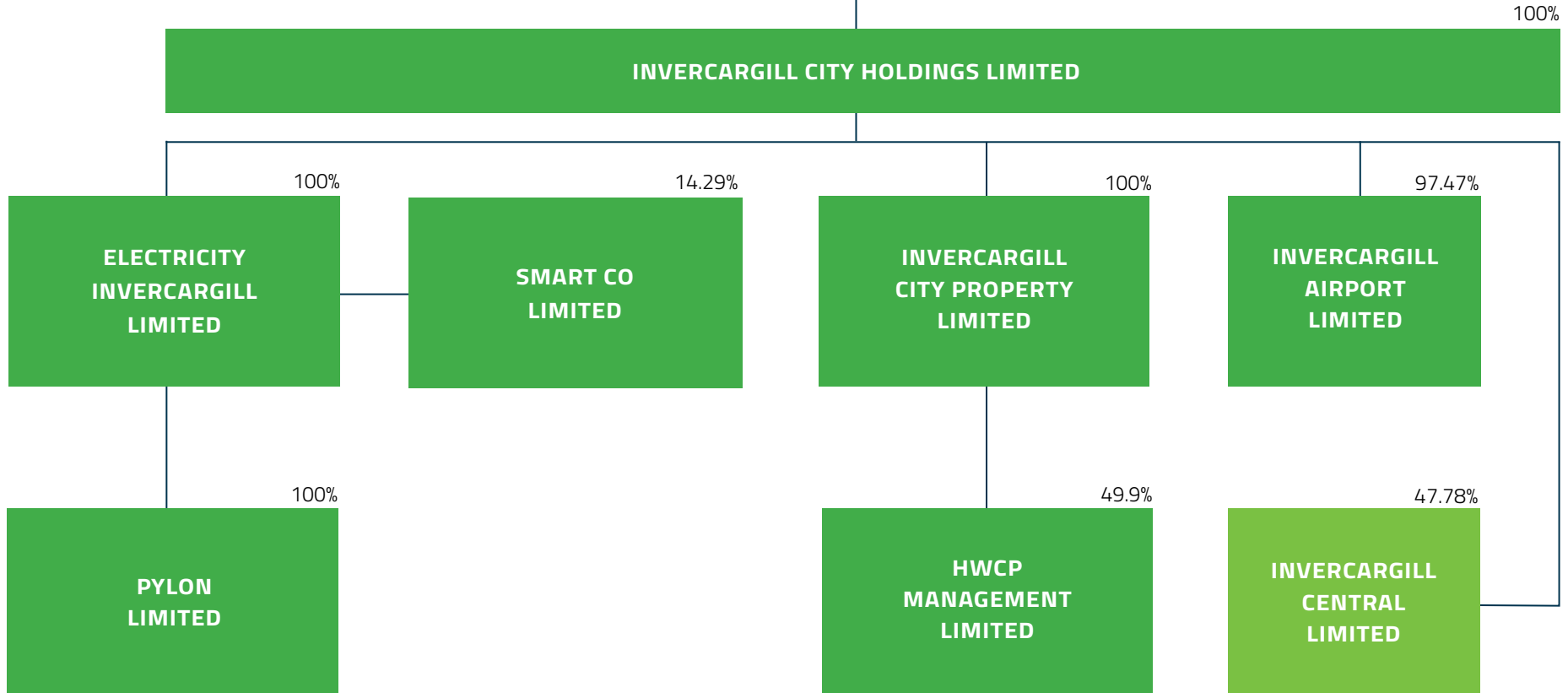
Certain shares the Council holds in ICHL are “unpaid”. This means that the issue price for the shares has not yet been paid. This issue price will become payable if called by Invercargill City Holdings Limited.





**PARENT BODY**

Entity Preparing - Financial Statements



# Electricity Invercargill Limited (EIL)

EIL owns and operates the electricity network in Invercargill which includes 663km of predominantly underground cables. The Company is a wholly owned subsidiary of ICHL. The EIL Group consists of EIL, its wholly owned subsidiary Pylon Limited, its interest in joint venture entities PowerNet Limited, OtagoNet Joint Venture and its interest in associate entity, Lakeland Network Limited.

The Group intends to divest of its interest in below entities during the 2025 financial year:

- OtagoNet and Lakeland Network, which operate electricity distribution networks in Otago and Central Otago,
- PowerNet Limited.

## Key Performance Indicators

The below tables include EIL's key performance indicators for the three years ended 2027

OBJECTIVE	PERFORMANCE TARGET			
Network reliability	System Average Interruption Duration Index (SAIDI) The average total time in minutes each customer connected to the network is without supply:			
	SAIFI	2025	2026	2027
	Planned	0.08	0.08	0.08
	Unplanned	0.29	0.29	0.29
	System Average Interruption Frequency Index (SAIFI) The average number of times each customer connected to the network is without supply:			
	SAIFI	2025	2026	2027
Health and safety	Planned	16.00	16.00	16.00
	Unplanned	13.70	13.60	13.60
	System Average Interruption Frequency Index (SAIFI) The average number of times each customer connected to the network is without supply:			
TRIFR	2025	2026	2027	
	3.1	3.1	3.1	



PHOTO PowerNet

# Invercargill Airport Limited (IAL)

IAL provides all airport related services for Invercargill and is the gateway to the City and the wider Southland region. IAL is 97.47% owned by Invercargill City Holdings Limited and the other 2.53% shareholders are the four local Rūnanga.

## Key Performance Indicators

The below tables include IAL's key performance indicators:

OBJECTIVE	PERFORMANCE TARGET		
Safety	Zero lost time injuries for staff		
	Reduce bird strikes to aircraft to below 2 per quarter		
	Priority 1 (P1) safety and health actions are completed within the agreed time periods		
Passenger numbers	Budget 2025	Budget 2026	Budget 2027
	Passenger movements	369,410	384,761
Operations	Retain aerodrome certification via assessment from the Civil Aviation Authority.		
Infrastructure	No significant disruption to airport operations due to infrastructure failure.		
Sustainability	Under the Airport Carbon Accreditation scheme, IAL will work to complete ACERT level 2 (Carbon management towards reduced carbon footprint).		
Environmental	No notifiable environmental incidents on airport managed property.		





# Invercargill Central Limited (ICL)

ICHL has become a shareholder in ICL at the request of ICC. ICHL has invested \$62.370m million in ICL and holds 47.78 % of the shares. ICL has completed construction of the development and is operational as a shopping centre. ICL is a strategic asset and ICHL will continue to monitor the performance of ICL in meeting the objectives of the investment by ICC in that company.

ICL aims to achieve the below performance targets.

OBJECTIVE	PERFORMANCE TARGET
Operational budget costs	Operating costs within 10% of budget.
Tenancy	90% leased



PHOTO: INVERCARGILL CENTRAL

# Invercargill City Charitable Trust (ICCT)

The ICCT was established to promote charitable purposes. The objectives of the Trust are to fund both capital and income for the furtherance of the following charitable purposes and objectives within the Invercargill City Council and Invercargill District:

- The provision of public amenities for the general benefit of the people of the Invercargill City and District
- The provision of libraries, reading rooms, lectures and classes for instruction
- The provision of and development of athletic sports, wholesome recreations and amenities, rewards for acts of courage and self-sacrifice
- The provision of any other act or deed which would be deemed to be of charitable purpose in accordance with the provisions of section 38 of the Charitable Trusts Act 1957.

COMMUNITY OUTCOME	INTERMEDIATE OUTCOME	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET
<p><b>Social wellbeing</b> One Community – Our youth, older people, different neighbourhoods and communities' basic needs are met, and they feel valued and proud to live here.</p>	Invercargill has the wow factor with the right facilities and events to enjoy	Clear strategy with regard to sale/ transfer of Rugby Park	Clear strategy with regard to sale/ transfer of Rugby Park	Clear strategy with regard to sale/ transfer of Rugby Park	Clear strategy with regard to sale/ transfer of Rugby Park
<p><b>Cultural wellbeing</b> – A vibrant, safe city centre which meets our people's diverse cultural needs.</p> <p><b>Economic wellbeing</b> – A future focused economy delivered through innovation and partnership and supported by appropriate infrastructure.</p>	Invercargill's business areas are bustling with people, activities and culture	Apply for funding for new events	Apply for funding for new events	Apply for funding for new events	Apply for funding for new events



# Southland Regional Development Agency Limited (Great South)

Great South was established as Southland's regional development agency in March 2019 for the joint benefit of the wider Southland communities.

Great South is responsible for economic development and promotion of Murihiku Southland.

This involves managing Murihiku Southland's two Regional Tourism Organisations (RTOs) and central government's Regional Business Partner (RBP) network, as well as delivering a range of events, regional initiatives and government-funded contracts that pave the way for development. Through the essential support provided to Murihiku Southland, Great South provides a united voice for the region, establishes a strong platform for regional success and takes strides towards its vision of even better lives through sustainable regional development.

Great South is a council-controlled organisation, jointly owned by Invercargill City Council, Southland District Council, Gore District Council, Environment Southland, Invercargill Licensing Trust, Mataura Licensing Trust, Southland Chamber of Commerce, Southern Institute of Technology and member Community Trust South.

Great South has four strategic goals:

1. Regional development leadership
2. Regional Promotion
3. Business support and diversification
4. Net Zero Southland

**\*Note:**

1. Great South sets Regional Key Performance Indicators within its Statement of Intent. These indicators have been agreed on by all Southland Councils.
2. The Key Performance Indicators in the LTP are dependent on funding commitments by the Southland Councils. Changes to funding may result in deviation of KPIs.



PRIORITY AREA	DESCRIPTION	COMMUNITY OUTCOMES	KPI 2024-2025	KPI 2025-2026	KPI 2026-2027	KPI 2027-2034
Regional Development Leadership	<b>Regional Strategic Planning</b> Facilitate & deliver regional strategies, feasibility assessments and plans as required by shareholders.	Economic Wellbeing	<ul style="list-style-type: none"> <li>Complete Regional Aquaculture Strategy</li> <li>Complete Provenance &amp; Branding Export Investigation</li> </ul>	<ul style="list-style-type: none"> <li>Implement 2 key priorities from the Aquaculture Strategy (subject to funding)</li> <li>TBA depending on investigation</li> </ul>	<ul style="list-style-type: none"> <li>Implement 3 key priorities from the Aquaculture Strategy (subject to funding)</li> <li>TBA depending on investigation</li> </ul>	<ul style="list-style-type: none"> <li>Implement 3 key priorities from the Aquaculture Strategy (subject to funding)</li> <li>TBA depending on investigation</li> </ul>
	<b>Data and Insights</b> Provide up-to-date and accurate data and insights to inform decision making via regional data dashboards and repository	Economic Wellbeing	<ul style="list-style-type: none"> <li>Further develop regional data dashboards along with sustainability, housing and tourism dashboards</li> </ul>	<ul style="list-style-type: none"> <li>Complete data repository and advanced analytic functions (subject to funding)</li> </ul>	<ul style="list-style-type: none"> <li>Maintain and update the regional data dashboards and repository (subject to funding)</li> </ul>	<ul style="list-style-type: none"> <li>Maintain and update the regional data dashboards and repository (subject to funding)</li> </ul>
	Develop and circulate regular data reports derived from the regional dashboards (Dashboards may include: housing, regional indicators, tourism and environmental / climate change data)	Economic Wellbeing	<ul style="list-style-type: none"> <li>Produce and distribute regular reports</li> <li>Undertake gap analysis of further data needs</li> </ul>	<ul style="list-style-type: none"> <li>Produce and distribute regular reports</li> <li>Source additional datasets (subject to funding)</li> </ul>	<ul style="list-style-type: none"> <li>Produce and distribute regular reports</li> <li>Source additional datasets (subject to funding)</li> </ul>	<ul style="list-style-type: none"> <li>Produce and distribute regular reports</li> <li>Source additional datasets (subject to funding)</li> </ul>
	<b>Advocacy &amp; Submission</b> Advocate for and/or prepare submissions regarding key issues including housing, telecommunications, skills development, roading and transport, carbon forestry	Economic Wellbeing	<ul style="list-style-type: none"> <li>Hold bi-annual meetings with central government officials at MBIE, NZTE, MHUD, MfE, MPI etc.</li> </ul>	<ul style="list-style-type: none"> <li>Hold bi-annual meetings with central government officials at MBIE, NZTE, MHUD, MfE, MPI etc.</li> </ul>	<ul style="list-style-type: none"> <li>Hold bi-annual meetings with central government officials at MBIE, NZTE, MHUD, MfE, MPI etc.</li> </ul>	<ul style="list-style-type: none"> <li>Hold bi-annual meetings with central government officials at MBIE, NZTE, MHUD, MfE, MPI etc.</li> </ul>
	<b>Digital presence</b> Great South website redesigned to ensure accurate and up-to-date information is provided to shareholders and wider communities	Economic Wellbeing	<ul style="list-style-type: none"> <li>Redesign and launch website</li> <li>10% increase in visitors to the website from 2023/24 baseline</li> </ul>	<ul style="list-style-type: none"> <li>10% increase in visitor numbers from the previous year</li> </ul>	<ul style="list-style-type: none"> <li>10% increase in visitor numbers from the previous year</li> </ul>	<ul style="list-style-type: none"> <li>10% increase in visitor numbers from the previous year</li> </ul>
	<b>Housing</b> Build on regional housing planning undertaken in 2023/24 as part of Beyond 2025	Economic/Social Wellbeing	<ul style="list-style-type: none"> <li>Facilitate implementation of the Regional Housing Action Plan, including any regional housing forums</li> <li>Maintain Regional Digital Housing Portal and website</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate implementation of the Regional Housing Action Plan, including any regional housing forums</li> <li>Maintain Regional Digital Housing Portal and website</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate implementation of the Regional Housing Action Plan, including any regional housing forums</li> <li>Maintain Regional Digital Housing Portal and website</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate implementation of the Regional Housing Action Plan, including any regional housing forums</li> <li>Maintain Regional Digital Housing Portal and website</li> </ul>
	<b>Water</b> Investigate current and future water resilience	Economic/Social Environmental Wellbeing	<ul style="list-style-type: none"> <li>Investigate development of a Water Resilience Plan in partnership with Environment Southland and wider industry</li> <li>Advocate to secure Sky TEM airborne surveying for 2024/2025 (subject to external funding)</li> </ul>	<ul style="list-style-type: none"> <li>Support implementation of the Water Resilience Plan in partnership with Environment Southland and wider industry</li> <li>Findings and data from Sky TEM airborne survey submitted to councils for decision making</li> </ul>	<ul style="list-style-type: none"> <li>Support implementation of the Water Resilience Plan in partnership with Environment Southland and wider industry</li> </ul>	<ul style="list-style-type: none"> <li>Support implementation of the Water Resilience Plan in partnership with Environment Southland and wider industry</li> </ul>

PRIORITY AREA	DESCRIPTION	COMMUNITY OUTCOMES	KPI 2024-2025	KPI 2025-2026	KPI 2026-2027	KPI 2027-2034
Regional Development Leadership	<b>Transport</b> Data and insights provided to support decision making around regional transport network	Economic/Social Environmental Wellbeing	<ul style="list-style-type: none"> <li>Investigate development of a multi-mode Integrated Transport Plan</li> </ul>	<ul style="list-style-type: none"> <li>Deliver Integrated Transport Plan (subject to funding)</li> </ul>	<ul style="list-style-type: none"> <li>Investigate development of a multi-mode Integrated Transport Plan</li> </ul>	<ul style="list-style-type: none"> <li>Investigate development of a multi-mode Integrated Transport Plan</li> </ul>
Business support and Diversification	<b>Economic Diversification</b> Encourage regional economic diversification by providing data and supporting investigation		<ul style="list-style-type: none"> <li>Create a Regional Industry Capability Profile</li> </ul>	<ul style="list-style-type: none"> <li>Update and maintain the Regional Industry Capability Profile</li> </ul>	<ul style="list-style-type: none"> <li>Update and maintain the Regional Industry Capability Profile</li> </ul>	<ul style="list-style-type: none"> <li>Update and maintain the Regional Industry Capability Profile</li> </ul>
	Support agricultural sector land - use and support farmer decision making	Economic Wellbeing	<ul style="list-style-type: none"> <li>Prepare and implement project on how to share land-use data with farmers (externally funded)</li> <li>Update soils database and growing degree days seasonal breakdown analysis</li> <li>Undertake ongoing analysis and monitoring of regional farming (livestock numbers, forestry growth, and water allocation)</li> </ul>	<ul style="list-style-type: none"> <li>100 farmers are using the land-use data</li> <li>Undertake ongoing analysis and monitoring of regional farming (livestock numbers, forestry growth, and water allocation)</li> </ul>	<ul style="list-style-type: none"> <li>150 farmers are using the land-use data</li> <li>Undertake ongoing analysis and monitoring of regional farming (livestock numbers, forestry growth, and water allocation)</li> </ul>	<ul style="list-style-type: none"> <li>150 farmers are using the land-use data</li> <li>Undertake ongoing analysis and monitoring of regional farming (livestock numbers, forestry growth, and water allocation)</li> </ul>
	<b>Forestry</b> Working with Councils, support further investigation of the impacts of unrestricted forestry in our region	Economic Wellbeing	<ul style="list-style-type: none"> <li>Provide data and insights to support carbon forestry advocacy for regulatory certainty</li> </ul>	<ul style="list-style-type: none"> <li>Provide data and insights to support carbon forestry advocacy for regulatory certainty</li> </ul>	<ul style="list-style-type: none"> <li>Provide data and insights to support carbon forestry advocacy for regulatory certainty</li> </ul>	<ul style="list-style-type: none"> <li>Provide data and insights to support carbon forestry advocacy for regulatory certainty</li> </ul>
	<b>Building capability in our businesses</b> Continue support for businesses via a range of services including RBP, workshops, events, webinars, Callaghan Innovation R&D	Economic Wellbeing	<ul style="list-style-type: none"> <li>Great South Business Consultations 150</li> <li>Great South Business Engagements 250 (MBIE Contract ends 2024/25)</li> </ul>	<ul style="list-style-type: none"> <li>Great South Business Consultations 150</li> <li>Great South Business Engagements 250 (MBIE Contract ends 2024/25)</li> </ul>	<ul style="list-style-type: none"> <li>Great South Business Consultations 150</li> <li>Great South Business Engagements 250 (MBIE Contract ends 2024/25)</li> </ul>	<ul style="list-style-type: none"> <li>Great South Business Consultations 150</li> <li>Great South Business Engagements 250 (MBIE Contract ends 2024/25)</li> </ul>

PRIORITY AREA	DESCRIPTION	COMMUNITY OUTCOMES	KPI 2024-2025	KPI 2025-2026	KPI 2026-2027	KPI 2027-2034
Regional Promotion	<b>Content</b> Focus on Web, Social, PR/Media and Partnerships (eg AirNZ)	Economic Wellbeing	<ul style="list-style-type: none"> <li>Ensure 85% of website traffic comes from key markets in NZ, Australia, North America, Europe, Asia</li> <li>5-8 media famils held</li> <li>45 media results achieved</li> </ul>	<ul style="list-style-type: none"> <li>Deliver Integrated Transport Plan (subject to funding)</li> </ul>	<ul style="list-style-type: none"> <li>Investigate development of a multi-mode Integrated Transport Plan</li> </ul>	<ul style="list-style-type: none"> <li>Investigate development of a multi-mode Integrated Transport Plan</li> </ul>
	<b>Showcasing our region</b> Trade Events, Trade Famils and TRENZ	Economic Wellbeing	<ul style="list-style-type: none"> <li>Attend 5 trade shows, 2 partnered famils, 2 Murihiku itineraries adopted from Milford Opportunities Project</li> <li>Develop 1 new iwi experience</li> </ul>	<ul style="list-style-type: none"> <li>Attend 5 Trade Shows, 2 partnered famils</li> </ul>	<ul style="list-style-type: none"> <li>Attend 5 Trade Shows, 2 partnered famils</li> </ul>	<ul style="list-style-type: none"> <li>Attend 5 Trade Shows, 2 partnered famils</li> </ul>
	<b>Destination Development</b> Progress key projects from the Murihiku Southland Destination Strategy 2023 -2029	Economic Wellbeing	<ul style="list-style-type: none"> <li>Progress at least 5 projects from the Murihiku Southland Destination Strategy 2023 - 2029</li> </ul>	<ul style="list-style-type: none"> <li>Progress at least 5 projects from the Murihiku Southland Destination Strategy 2023 - 2029</li> </ul>	<ul style="list-style-type: none"> <li>Progress at least 5 projects from the Murihiku Southland Destination Strategy 2023 - 2029</li> </ul>	<ul style="list-style-type: none"> <li>Progress at least 5 projects from the Murihiku Southland Destination Strategy 2023 - 2029</li> </ul>
	<b>Business events</b> Deliver Business Events Strategy	Economic Wellbeing	<ul style="list-style-type: none"> <li>Attend 3 conference events</li> <li>Confirm 4 new conferences for the region</li> <li>Host 2 famils in Murihiku</li> <li>Deliver TECNZ conference</li> </ul>	<ul style="list-style-type: none"> <li>Attend 3 conference events</li> <li>Confirm 6 new conferences for the region</li> <li>Host 2 famils in Murihiku</li> </ul>	<ul style="list-style-type: none"> <li>Attend 3 conference events</li> <li>Confirm 68 new conferences for the region</li> <li>Host 2 famils in Murihiku</li> </ul>	<ul style="list-style-type: none"> <li>Attend 3 conference events</li> <li>Confirm 8 new conferences for the region</li> <li>Host 2 famils in Murihiku</li> </ul>
	Maintain website calendar listings for regional events	Economic Wellbeing	<ul style="list-style-type: none"> <li>10% increase on number of events listed (baseline: 690)</li> <li>10% increase on number of overall page views (baseline: 40,000)</li> <li>15% increase on number of overall page views from within Southland (baseline: 14,000)</li> </ul>	<ul style="list-style-type: none"> <li>5% increase on number of events listed 2024/25</li> <li>5% increase on number of overall page views 2024/25</li> <li>10% increase on number of pageviews from within Southland based on 2024/25 (baseline: 14,000)</li> </ul>	<ul style="list-style-type: none"> <li>5% increase on number of events listed 2025/26</li> <li>5% increase on number of overall page views 2025/26</li> <li>5% increase on number of pageviews from within Southland based on 2025/26</li> </ul>	<ul style="list-style-type: none"> <li>5% increase on number of events listed 2025/26</li> <li>5% increase on number of overall page views 2025/26</li> <li>5% increase on number of pageviews from within Southland based on 2025/26</li> </ul>
	Support major Southland events	Economic Wellbeing	<ul style="list-style-type: none"> <li>Support delivery of Burt Munro Challenge</li> <li>Deliver ILT Kidzone Festival</li> </ul>	<ul style="list-style-type: none"> <li>Support delivery of Burt Munro Challenge</li> <li>Deliver ILT Kidzone Festival</li> </ul>	<ul style="list-style-type: none"> <li>Support delivery of Burt Munro Challenge</li> <li>Deliver ILT Kidzone Festival</li> </ul>	<ul style="list-style-type: none"> <li>Support delivery of Burt Munro Challenge</li> <li>Deliver ILT Kidzone Festival</li> </ul>

PRIORITY AREA	DESCRIPTION	COMMUNITY OUTCOMES	KPI 2024-2025	KPI 2025-2026	KPI 2026-2027	KPI 2027-2034
Net Zero Southland	<b>Monitor emissions</b> Complete annual regional emissions reporting by emissions source	Economic/ Environmental Wellbeing	<ul style="list-style-type: none"> <li>Produce annual emissions report</li> </ul>	<ul style="list-style-type: none"> <li>Produce annual emissions report</li> </ul>	<ul style="list-style-type: none"> <li>Produce annual emissions report</li> </ul>	<ul style="list-style-type: none"> <li>Produce annual emissions report</li> </ul>
	Deliver business decarbonisation outreach and public socialisation workshops	Economic/ Environmental Wellbeing	<ul style="list-style-type: none"> <li>2 information workshops and at least 1 Decarbonisation Workshop Series held</li> </ul>	<ul style="list-style-type: none"> <li>2 information workshops and at least 1 Decarbonisation Workshop Series held</li> </ul>	<ul style="list-style-type: none"> <li>2 information workshops and at least 1 Decarbonisation Workshop Series held</li> </ul>	<ul style="list-style-type: none"> <li>2 information workshops and at least 1 Decarbonisation Workshop Series held</li> </ul>
	Murihiku Southland sustainable tourism programme	Economic/ Environmental Wellbeing	<ul style="list-style-type: none"> <li>2 Murihiku Sustainable Tourism Programmes held</li> </ul>	<ul style="list-style-type: none"> <li>2 Murihiku Sustainable Tourism Programmes held</li> </ul>	<ul style="list-style-type: none"> <li>2 Murihiku Sustainable Tourism Programmes held</li> </ul>	<ul style="list-style-type: none"> <li>2 Murihiku Sustainable Tourism Programmes held</li> </ul>
	<b>Energy planning</b> Implement the Net Zero Southland report	Economic/ Environmental Wellbeing	<ul style="list-style-type: none"> <li>Review Net Zero Southland Strategy and align with regional climate change strategic planning</li> </ul>	<ul style="list-style-type: none"> <li>Implement Net Zero Southland Strategy and support regional climate change strategic planning</li> </ul>	<ul style="list-style-type: none"> <li>Implement Net Zero Southland Strategy and support regional climate change strategic planning</li> </ul>	<ul style="list-style-type: none"> <li>Implement Net Zero Southland Strategy and support regional climate change strategic planning</li> </ul>
	Implement the Regional Energy Strategy	Economic/ Environmental Wellbeing	<ul style="list-style-type: none"> <li>Prepare reports on 'biogenic capture and use' opportunities and 'woody mass' availability</li> </ul>	<ul style="list-style-type: none"> <li>Implement 2 actions from the reports</li> </ul>	<ul style="list-style-type: none"> <li>Implement 3 actions from the reports</li> </ul>	<ul style="list-style-type: none"> <li>Implement 3 actions from the reports</li> </ul>

## Community outcomes

### Social Wellbeing

One Community – Our youth, older people, different neighbourhoods and communities' basic needs are met, and they feel valued and proud to live here.

### Cultural Wellbeing

A vibrant, safe city centre which meets our people's diverse cultural needs.

### Economic Wellbeing

A future focused economy delivered through innovation and partnership and supported by appropriate infrastructure.

### Environmental Wellbeing

A healthy, resilient environment where the city is well positioned to navigate climate change.

# Bluff Maritime Museum Trust

The Bluff Maritime Museum Trust's vision is to make the Bluff Maritime Museum a must-see attraction for residents and visitors.

The Bluff Maritime Museum Trust contributes towards the achievement of Invercargill City's community outcomes for cultural and social wellbeing through provision of a facility that inspires and informs locals and visitors of the Bluff and Foveaux Strait areas heritage and culture. The Bluff Maritime Museum Trust ensures collections are preserved, enabling them to

be maintained and exhibited in conditions that ensure their long-term preservation, while providing a quality visitor experience.

The Trust receives an annual grant from the Southland Regional Heritage Committee, the Invercargill City Council, Environment Southland and the Bluff Community Board.

COMMUNITY OUTCOME	GOAL	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET
<p><b>Cultural wellbeing</b> - A vibrant, safe city centre which meets our people's diverse cultural needs.</p> <p><b>Social wellbeing</b> - One Community - Our youth, older people, different neighbourhoods and communities' basic needs are met, and they feel valued and proud to live here</p>	To recognise the museum as a place where our maritime heritage is valued and promoted	To recognise the museum as a place where our maritime heritage is valued and promoted	To recognise the museum as a place where our maritime heritage is valued and promoted	To recognise the museum as a place where our maritime heritage is valued and promoted	To recognise the museum as a place where our maritime heritage is valued and promoted







What we do

Tā mātou mahi





# Our activities

## Ngā ngohe

This section outlines all of the activities of Council and includes information so that the Community can see how we plan, manage, deliver and fund activities.

This section is divided into seven groups of activities:

- Water
- Stormwater
- Sewerage
- Roading
- Solid Waste Management
- Leisure, Recreation and Wellbeing Services
- Corporate and Regulatory Services

The Leisure, Recreation and Wellbeing Services Group includes:

- Parks and Reserves
- Libraries
- Aquatic Services
- Public Transport
- Arts, Culture and Heritage Services
- Venues and Events Services
- Elderly Persons Housing

The Corporate and Regulatory Services Group includes:

- Democratic Process
- Regulatory Services (including Animal Services, Building Services, Compliance, Environmental Health and Resource Management)
- Corporate Services
- Property Services
- Investments



# Service Performance

## Ratonga paerewa

Council's performance measures enable us to monitor and report against our community outcomes and service performance levels. Performance measures are grouped under each activity area of Council so we can provide activity specific information and performance.

### Service performance judgements and assumptions

Council's Levels of Service were developed to provide meaningful measurable statements which show how Council is delivering on its community outcomes.

Council has made the following judgments in the selection of Levels of Service and service performance measures:

- When developing our community outcomes, levels of service and performance measures, we have considered all the feedback and views expressed by our residents and ratepayers, including the Bluff Community Board. This includes feedback relevant to the levels of service and performance measures received throughout the Long-term Plan consultation process.
- We have ensured that the performance measures adequately inform our Elected Representatives, Mana Whenua Representatives and community on progress towards delivering against the community outcomes. Each activity highlights the link between our community outcomes, levels of service and performance measures.
  - Each level of service links back to at least one community outcome which the Council is working to achieve.

- Each performance measure adequately informs progress towards delivering the community outcomes.

Council is required by the Department of Internal Affairs (DIA) to monitor and record its performance against a range of water, stormwater, sewerage and roading non-financial performance measures.

Further to the above judgements being made in the selection of performance measures, we also apply judgements in the measurement, aggregation, and presentation of service performance information.

As part of setting funding levels, Council has considered the impact on services and their related performance measures. Material judgements have been applied as follows:

- Community outcomes were developed by our Elected Representatives and Mana Whenua Representatives, who determined the appropriate levels of services utilising guidance from officers and an indication of community priorities gathered through residents' survey and community workshops. Feedback from the community was then sought to finalise these.

- Performance measures were selected by Elected Representatives and Mana Whenua Representatives, with support from Council officers. Feedback from the community was also sought on the proposed performance framework. Final selection was made on the basis of supporting consistency across factors such as time, cost and quality indicators, while including all the required legislative measures. Quality and timeliness of availability of data was also considered.
- Aggregation of performance measures against levels of service was undertaken on the basis of providing at least one meaningful measure per level of service.

A range of Council data management systems will be used for collection of performance measures including asset management systems, technical and lab reports, reports from contractors, reports from Central Government Agencies, track counters, visitor records, service management records, customer relationship management systems and funding records as appropriate to the relevant activity.

## Residents survey

There are thirteen satisfaction performance measures relating to Council facilities and services across nine activities. To measure this, Council will contract an external professional research agency to deliver a Residents Survey. A consistent methodology will be used for delivering resident satisfaction measures and the community will be surveyed through the year, with results reported quarterly.

The survey will measure changes in satisfaction over time and the results will be used to improve our processes and inform future service level improvements.

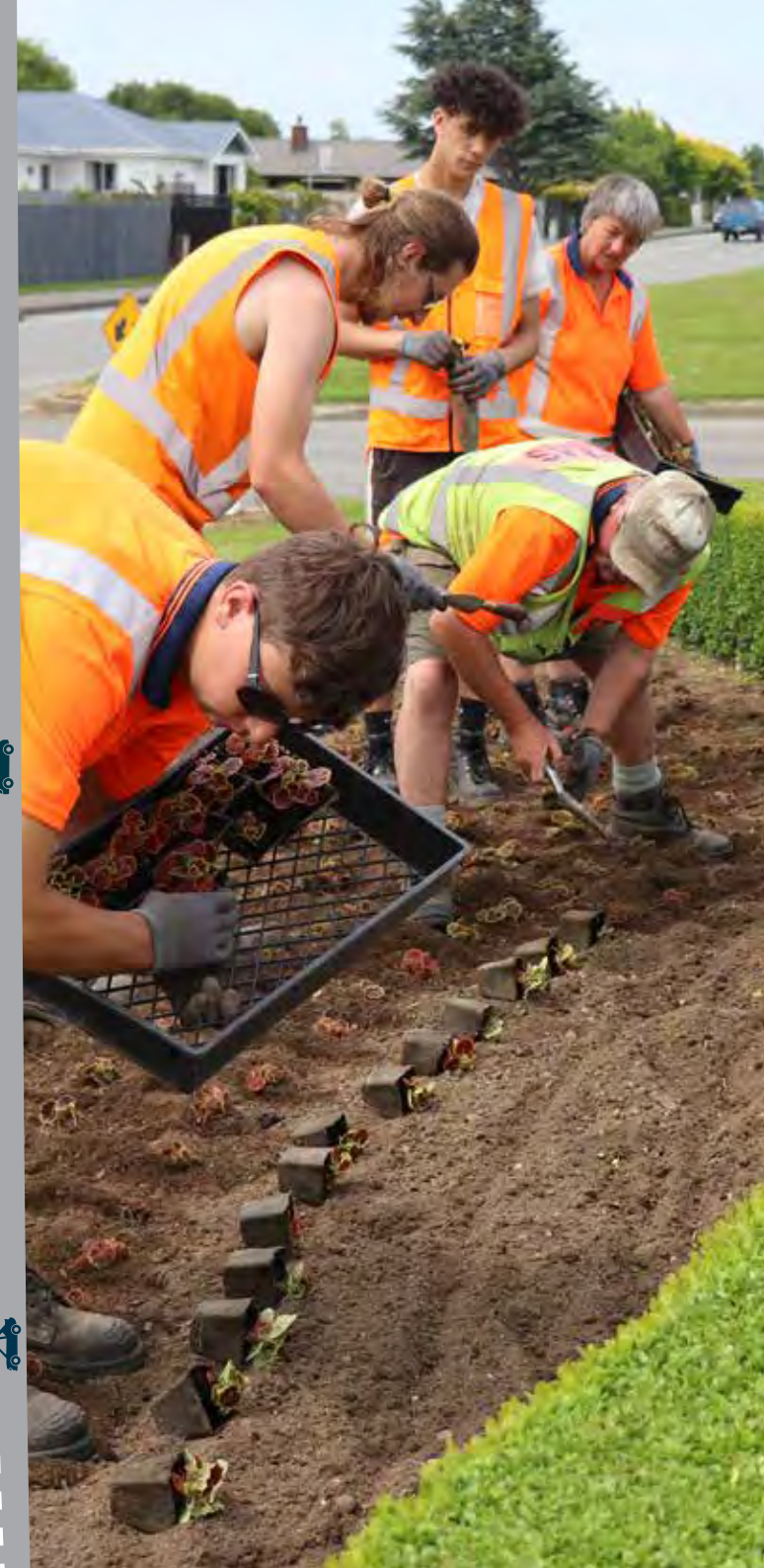
Survey sampling (i.e. recruitment of participants) will be conducted in a way that maximises the representativeness of respondents, and post-survey weighting will likely be used to further ensure results are representative of the population of interest. Statistical significance testing will be used where appropriate to assist in identifying meaningful results.

To minimise the risk of under representative sampling, best practice market research techniques will be used across the spectrum of research including statistical weighting of the sampled population to ensure census level representation and surveys being designed to ensure minimal drop-out rates.

When determining the number of satisfaction performance measures to monitor and report on, and the level of aggregation (for example, whether to report on customer satisfaction for each recreation facility or one combined result across all the recreation facilities), we have considered the information needs of our communities, the costs and benefits of these, practical feasibility, and the requirement to provide performance information across the full breadth of services that the Council provides.

## External implications for statements about performance

There are conditions that may affect the service performance results and may result in a variation from the anticipated or forecasted results. These are ones which are outside the control of Council. Examples of this are, but not limited to changes in government policy in New Zealand, changes in international travel restriction, global and domestic economic conditions and international policy that may impact areas such as recruitment, availability of material and supplies (for example, materials required for critical infrastructure), volatility in international financial markets and other unforeseen considerations.



# Water

## Wai

### What the activity is

The Water Activity of the Invercargill City Council is responsible for the supply of potable water to residential, industrial and commercial properties to protect public health, support city growth and contribute to the general wellbeing of the Community. In urban areas, potable water is most effectively supplied by means of reticulated (piped) community water supply. This allows the costs associated with maintaining high standards and efficient infrastructure to be spread over a wide population.

Council owns or maintains assets on behalf of the community, providing water at pressure to the boundary of each property in the Bluff and Invercargill suburban areas, and also to properties where the main pipeline has been laid. The water is taken from the Ōreti River, treated at Branxholme and piped to the district. Property owners arrange connection to the Council supply. Water is also used for firefighting via the street hydrants.



## Key issues

Aging infrastructure and changing regulatory requirements are requiring higher levels of investment into drinking water.

This is something affecting communities all around the country - how Council responds now is crucial. Council has proceeded with their planning on the basis that irrespective of who delivers the service, the community needs to understand the challenge in front of us. Council has budgeted for 10 years of activity and presented all the decisions ahead of the community in our Infrastructure Strategy.

Council has also invested in improved information about our assets and improving our management approach. Now, and over the next 30 years, Council will need to invest more to replace and upgrade important parts of the system. This is going to mean rates increases to pay for this essential work.

In response to the changed Government, Council plans to explore whether a new Council Controlled Organisation to hold our Three Waters assets and deliver improvements would make sense. This could be part of the Invercargill City Holdings Group or may be part of a broader group.

Here are some key things that are important for our community to know about our plans:

- We are focusing on replacing critical assets and will work others harder, maintaining them for longer to manage the investment needed.
- Our assets are becoming more and more expensive to replace as a result of rising prices and new regulatory requirements. How we save for and repay debt needed to pay for these renewals is a key part of our Financial Strategy.
- We are focusing on how we deliver an alternative water supply for the city. We need to undertake more testing to check the reliability of the supply in the aquifer we have found. Then there will be a significant investment of an estimated \$60.0 million required to access, treat, and supply the water to the city.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Water Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the Invercargill water supply network:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
Discharge of chlorinated water from maintenance activities or pipeline failures	Discharges of chlorinated water from the water supply system are of short duration. Chlorine levels in the water are low and any effects are likely to be localised and relatively minor.
Asbestos pipe disposal	The disposal of asbestos pipes is done by the approved method.
Disposal of water treatment by products causing environmental degradation	The disposal of water treatment by-products is taken to the landfill.
Degradation of the Ōreti watercourse due to the rate of extraction of water for treatment	Extraction of water is regulated by resource consent conditions issued by Environment Southland.

The Water Supply Activity is managed to ensure that it does not create significant negative effects on the Community.

## What you can expect from us

The Water Activity contributes to the wellbeing of our city through the provision of a safe, reliable supply of water to support human health, ensuring reticulated properties receive a continuous supply, and providing sufficient water flow and pressure for firefighting purposes.

Council monitors and effectively manages the water network to support environmental health and efficient use of resources.

The Water Activity monitors the average consumption of drinking water per day per resident within the Invercargill City Council territorial district, ensuring that Council's drinking water supply complies with the Drinking Water Quality Assurance Rules. It meets community expectations for quality drinking water supply and timely response to any issues - including the median response and resolution times for urgent and non-urgent callouts.

The following table outlines how the Levels of Service align with the contribution of the Water Activity to achieving the outcomes as described above.

### Water and Sanitary Services

The Water, Stormwater and Sewerage Asset plans align with the Council's Water and Sanitary Services Assessment. The changes to the networks which have occurred since that assessment continue to support the direction and focus of the assessment.

In particular with respect to the waste water network, there is an ongoing need to continue maintenance to avoid the risk of blockages, overflows and untreated discharges of effluent to water ways and land as these are both a threat to public health and the environment. Similarly, maintenance on the storm water network is required to reduce the risk of property damage as well as the risk to public health resultant from system failure or rainstorms exceeding system capacity. For the water system, that there is a need to search for another source of water supply, continue to undertake pipe renewals to reduce waste of water due to leakage and to engage in backflow protection to reduce the risk of contamination.

The Long-term Plan aligns with the Water and Sanitary Services Assessment of Council.

WATER										
COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET	
	NUMBER	DESCRIPTION								
Social	1	Drinking water quality meets standards to support human health	1.1	a) *Drinking water treatment complies with the Drinking Water Quality Assurance Rules - rule T3 Bacterial Rules for Water Disinfected with Chlorine	100%	Not Applicable	100%	100%	100%	100%
Social	1	Drinking water quality meets standards to support human health	1.2	b) *Drinking water treatment complies with the Drinking Water Quality Assurance Rules - rule T3 Protozoal Rules for Coagulation, Flocculation, Sedimentation and Filtration & rule T3 Protozoal Rules for Ultraviolet Light Disinfection [minimum 4 log in total]'	100%	Not Applicable	100%	100%	100%	100%
Environmental	2	Council monitors and effectively manages the water network to support environmental health and efficient use of resources	2.1	The percentage of real water loss from the Council's networked reticulation system. (Calculated according to the methodology outlined in Water NZ Water Loss Guidelines publication)	18.50%	Not Applicable	Less than 30%	Less than 30%	Less than 30%	Less than 30%
Environmental	2	Council monitors and effectively manages the water network to support environmental and human health and efficient use of resources	2.2	The average consumption of drinking water per day per resident within the Invercargill City Council territorial district	231	Not Applicable	Less than 300 litres/day	Less than 300 litres/day	Less than 300 litres/day	Less than 300 litres/day
Social/Economic	3	Council is responsive to the community in order to provide a safe, reliable supply of water, ensuring reticulated properties receive a continuous supply and providing sufficient water flow and pressure for fire fighting	3.1	The median response time for urgent callouts, (from the time the Council receives notification to the time that service personnel reach the site).	39 minutes	Not Applicable	4 hours	4 hours	4 hours	4 hours

\*The Non-Financial Performance Measures Rules 2013 required local authorities to report their compliance with the bacterial and protozoal contamination criteria of the New Zealand Drinking Water Standards 2005.

These standards have been superseded by the Water Services (Drinking Water Services for New Zealand) Regulations 2022 (the regulations) and therefore the council is reporting against these measures relying upon the relevant incorporation by reference provisions in New Zealand law.



COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET	
	NUMBER	DESCRIPTION								
Social/Economic	3	Council is responsive to the community in order to provide a safe, reliable supply of water, ensuring reticulated properties receive a continuous supply and providing sufficient water flow and pressure for fire fighting	3.2	The median time to resolve urgent callouts (from the time the Council receives notification to the time that service personnel confirm resolution of the fault or interruption).	2 hours 9 minutes	Not Applicable	24 hours	24 hours	24 hours	24 hours
Social/Economic	3	Council is responsive to the community in order to provide a safe, reliable supply of water, ensuring reticulated properties receive a continuous supply and providing sufficient water flow and pressure for fire fighting	3.3	Attendance for non-urgent call-outs: from the time that council receives notification to the time that service personnel reach the site	5 days 18 hours and 8 minutes	Not Applicable	5 working days	5 working days	5 working days	5 working days
Social/Economic	3	Council is responsive to the community in order to provide a safe, reliable supply of water, ensuring reticulated properties receive a continuous supply and providing sufficient water flow and pressure for fire fighting	3.4	Resolution of non-urgent call-outs: from the time that the council receives notification to the time that service personnel confirm resolution of the fault or interruption	6 days 2 hours and 33 minutes	Not Applicable	10 working days	10 working days	10 working days	10 working days
Social/Economic	3	Council is responsive to the community in order to provide a safe, reliable supply of water, ensuring reticulated properties receive a continuous supply and providing sufficient water flow and pressure for fire fighting	3.5	The total number of complaints received by Council per 1,000 connections about any of the following: - Drinking water clarity - Drinking water taste - Drinking water odour - Drinking water pressure of flow - Continuity of supply - Council's response to any of these issues	1.82	Not Applicable	<10 in total	<10 in total	<10 in total	<10 in total



## How will we pay for it?

WATER - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/ FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓			✓	
Capital				✓	✓

## Capital Projects - Water Supply

PROJECT	2024/2025 (\$000)	2025/2026 (\$000)	2026/2027 (\$000)	2027/2028 (\$000)	2028/2029 (\$000)	2029/2030 (\$000)	2030/2031 (\$000)	2031/2032 (\$000)	2032/2033 (\$000)	2033/2034 (\$000)
Water Tower Strengthening (Roadmap)	-	-	-	-	-	-	-	-	5,378	-
Branxholme supply main renewal	7,123	-	-	-	-	-	-	-	-	-
Alternative water supply - New supply source	515	-	1,078	1,103	10,954	11,184	-	-	-	-
Alternative water supply - Awarua supply treatment	-	-	-	-	5,635	5,753	-	-	-	-
Alternative water supply - Pumping Stations - Skye Street	-	-	-	-	3,381	3,337	-	-	-	-
Alternative water supply - Awarua Industrial Trunk main pipeline	-	-	-	-	8,452	8,630	-	-	-	-
Alternative water supply renewals	-	-	-	-	-	265	270	276	281	286
Treatment Facilities - General renewals	-	83	458	54	100	106	386	130	132	48
Treatment Facilities - Branxholme Sludge processing	-	-	-	-	-	-	3,101	-	-	-
Pumping Stations - General renewals	88	84	94	63	-	290	7,786	101	69	-
Pumping Stations - Earthquake resilience	-	-	-	-	-	-	-	-	-	3,699
Pumping Stations - Branholme Duplication	103	1,158	-	-	-	-	-	-	-	-
Pipe Network - Reticulation general renewals	3,858	3,945	4,566	5,849	4,934	5,307	3,840	3,914	2,691	2,741
Pipe Network - Improve capacity Waikiwi to Doon	-	-	-	-	-	-	6,497	1,762	-	-
Pipe Network - Supply general renewals	1,236	-	-	-	-	-	-	-	-	-
Backflow protection programme	103	105	108	110	113	115	117	120	122	125
Leakage detection programme	103	105	108	110	113	115	117	120	122	125
Universal water metering	-	211	216	551	-	-	-	-	-	9,864
New Tanker fill station at Doon St	515	-	-	-	-	-	-	-	-	-
Storage area for pipe spares	21	-	-	-	-	-	-	-	-	-
	13,665	5,691	6,628	7,840	33,682	35,102	22,114	6,423	8,795	16,888

# Funding Impact Statement - Water Supply

FOR THE YEAR ENDED JUNE 30	ANNUAL PLAN	LONG-TERM PLAN				2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>SOURCES OF OPERATIONAL FUNDING</b>												
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	9,942	9,869	10,762	11,747	11,829	12,520	13,137	14,022	14,715	15,367	15,505	
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-	
Fees and charges	2,738	4,302	4,517	4,743	4,980	5,229	5,490	5,765	6,053	6,355	6,673	
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-	
Interest and dividends from investments	19	39	42	41	48	53	57	61	65	68	71	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-	
<b>Total operating funding (A)</b>	<b>12,699</b>	<b>14,210</b>	<b>15,321</b>	<b>16,531</b>	<b>16,857</b>	<b>17,802</b>	<b>18,684</b>	<b>19,848</b>	<b>20,833</b>	<b>21,790</b>	<b>22,249</b>	
<b>APPLICATIONS OF OPERATIONAL FUNDING</b>												
Payments to staff and suppliers	4,994	5,695	6,296	6,061	6,243	6,421	6,591	6,754	6,916	7,078	7,243	
Finance costs	457	852	1,008	964	916	872	1,754	2,715	3,199	3,084	3,001	
Internal charges and overheads applied	3	-	-	-	-	-	-	-	-	-	-	
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-	
<b>Total applications of operating funding (B)</b>	<b>5,454</b>	<b>6,547</b>	<b>7,304</b>	<b>7,025</b>	<b>7,159</b>	<b>7,293</b>	<b>8,345</b>	<b>9,469</b>	<b>10,115</b>	<b>10,162</b>	<b>10,244</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>7,245</b>	<b>7,663</b>	<b>8,017</b>	<b>9,506</b>	<b>9,698</b>	<b>10,509</b>	<b>10,339</b>	<b>10,379</b>	<b>10,718</b>	<b>11,628</b>	<b>12,005</b>	
<b>SOURCES OF CAPITAL FUNDING</b>												
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-	
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in debt	-	(380)	(449)	(430)	(408)	(388)	(782)	(1,210)	(1,426)	(1,375)	(1,338)	
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-	
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-	
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>(380)</b>	<b>(449)</b>	<b>(430)</b>	<b>(408)</b>	<b>(388)</b>	<b>(782)</b>	<b>(1,210)</b>	<b>(1,426)</b>	<b>(1,375)</b>	<b>(1,338)</b>	
<b>APPLICATION OF CAPITAL FUNDING</b>												
Capital expenditure												
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	
- to improve the level of service	10,704	7,741	1,158	1,078	1,103	22,787	23,151	-	-	5,378	-	
- to replace existing assets	3,296	5,924	4,533	5,550	6,737	10,895	11,951	22,114	6,423	3,417	16,888	
Increase (decrease) in reserves	(6,755)	(6,382)	1,877	2,448	1,450	(23,561)	(25,545)	(12,945)	2,869	1,458	(6,221)	
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>7,245</b>	<b>7,283</b>	<b>7,568</b>	<b>9,076</b>	<b>9,290</b>	<b>10,121</b>	<b>9,557</b>	<b>9,169</b>	<b>9,292</b>	<b>10,253</b>	<b>10,667</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(7,245)</b>	<b>(7,663)</b>	<b>(8,017)</b>	<b>(9,506)</b>	<b>(9,698)</b>	<b>(10,509)</b>	<b>(10,339)</b>	<b>(10,379)</b>	<b>(10,718)</b>	<b>(11,628)</b>	<b>(12,005)</b>	
<b>FUNDING BALANCE ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Depreciation expense (not included in the above FIS)	6,782	7,614	7,869	8,318	8,294	8,876	8,007	9,044	9,634	9,633	9,745	

Council borrows funds centrally, this is shown as an increase in debt in the Corporate and Regulatory activity Funding Impact Statement. Other activities use this debt funding, this allocation is shown in the Reserves line in the Funding Impact Statement.

The rates funding for this activity includes an amount for the repayment of debt, so the debt repayment is shown on the debt line of the Funding Impact Statement.

# Stormwater

## Wai tupuhi

### What the activity is

The city's stormwater network consists of 416 kilometres of pipe, most of which is earthenware or reinforced concrete, and estimated to have a service life of up to 100 years. In addition there is approximately 47 kilometres of open drains that Council manage, mostly situated in the rural residential area of Otatara. Nine stormwater pump stations provide for continued discharge of stormwater from low lying areas against high tide levels, or when receiving waters are elevated due to flooding.

The city is also protected by a series of flood protection schemes on the main waterways through the city and around the Waihōpai Arm of the New River Estuary. The majority of these schemes are managed by Environment Southland, with Invercargill City Council managing tide protection banks around the Waihōpai Arm.

The Infrastructure Group manages Council's stormwater network of pipes, open drains and pumping stations for the collection and disposal of stormwater to protect property from flood damage. Legislation requires that Council manages its stormwater assets in an efficient and effective manner.



## Key issues

Aging infrastructure and changing regulatory requirements are requiring higher levels of investment into stormwater.

This is something affecting communities all around the country - how Council responds now is crucial. Council has proceeded with their planning on the basis that irrespective of who delivers the service, the community, needs to understand the challenge in front of us. Council has budgeted for 10 years of activity and presented all the decisions ahead of the community in our Infrastructure Strategy.

Council has also invested in improved information about our assets and improving our management approach. Now, and over the next 30 years, Council will need to invest more to replace and upgrade important parts of the system. This is going to mean rates increases to pay for this essential work.

In response to the change of Government, Council plans to explore whether a new Council Controlled Organisation to hold our Three Waters assets and deliver improvements would make sense. This could be part of the Invercargill City Holdings Group or may be part of a broader group.

Here are some key things that are important for our community to know about our plans:

- We are focusing on replacing critical assets and will work others harder, maintaining them for longer to manage the investment needed.
- Our assets are becoming more and more expensive to replace as a result of rising prices and new regulatory requirements. How we save for and repay debt needed to pay for these renewals is a key part of our financial strategy.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Stormwater Activity which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the Invercargill stormwater network:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
Stormwater carries pollutants from the built environment (for example roads, footpaths and driveways) which can cause environmental degradation.	Stormwater discharges are regularly monitored in accordance with consent conditions and sources of contaminants are eliminated where possible.
Stormwater systems transfer stormwater quickly to receiving waters resulting in significantly higher flows than would occur naturally during rainstorms, and low flows during dry weather. The variance in flows has detrimental effects on stream ecology and extreme flows increase the risk of flooding.	Low impact designs (including retention of peak stormwater flows) will be considered for new developments. The reticulation network and treatment plants are managed to minimise the occurrence of odour.
Health and safety risks associated with operation of the activity.	Staff and contractors involved in the activity work to safety plans to minimise risk to themselves and to the public.
Property damage resulting from system failures or rainstorms exceeding system capacity.	Maintenance contractors are on 24 hour call to attend to system failures and flooding events to mitigate effects of flooding on people and property
The cost to the community as a result of property damage caused by system failures or extreme rain storms.	Maintenance contractors are on 24 hour call to attend to system failures and flooding events to mitigate effects of flooding on people and property.

The Stormwater Activity is managed to ensure that it does not create significant negative effects on the Community.

## What you can expect from us

The Stormwater Activity supports community wellbeing by effectively monitoring and managing the stormwater network to support environmental health and efficient use of resources.

The Stormwater Activity ensures the quality of receiving water (e.g. estuary, rivers and streams) is not adversely affected by stormwater contamination discharges, and monitors interruption to the stormwater system to ensure a timely response to faults.

The following table outlines how the Levels of Service align with the contribution of the Stormwater Activity to achieving the outcomes as described above.



STORMWATER

COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET
	NUMBER	DESCRIPTION							
Environmental/ Social/ Economic	4	Council monitors and effectively manages the stormwater network to support community wellbeing and environmental health	4.1 DIA Performance measure 1 (system adequacy) (a) The number of flooding events that occur in the Invercargill City district	0	Not Applicable	0	0	0	0
Environmental/ Social/ Economic	4	Drinking water quality meets standards to support human health	4.2 DIA Performance measure 1 (system adequacy) (b) For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the Council's stormwater system)	0	Not Applicable	0	0	0	0
Environmental	4	Council monitors and effectively manages the stormwater network to support environmental health and efficient use of resources	4.3 DIA Performance measure 2 (discharge compliance) Compliance with the Council's resource consents for discharge from its stormwater system, measured by the number of: - Abatement notices - Infringement notices - Enforcement orders - Successful prosecution	0	Not Applicable	0	0	0	0
Environmental/ Social/ Economic	5	Council is responsive to the community in order to effectively manage the stormwater network to support environmental health and efficient use of resources	5.1 DIA Performance measure 3 (response times) The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site	0 minutes	Not Applicable	<1 hour	<1 hour	<1 hour	<1 hour
Environmental/ Social/ Economic	5	Council is responsive to the community in order to effectively manage the stormwater network to support environmental health and efficient use of resources	5.2 DIA Performance measure 4 (customer satisfaction) The number of complaints received about the performance of the Stormwater system (expressed per 1,000 properties connected to the Council's Stormwater system)	1.8	Not Applicable	<4	<4	<4	<4

## How will we pay for it?

STORMWATER - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/ FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓		✓	✓	
Capital			✓	✓	✓

## Capital Projects - Stormwater

PROJECT	2024/2025 (\$000)	2025/2026 (\$000)	2026/2027 (\$000)	2027/2028 (\$000)	2028/2029 (\$000)	2029/2030 (\$000)	2030/2031 (\$000)	2031/2032 (\$000)	2032/2033 (\$000)	2033/2034 (\$000)
Treatment Facilities - General renewals	276	309	344	361	378	397	417	435	454	473
Pumping Stations - General renewals	-	19	36	-	18	377	-	609	-	49
Pumping Stations - relocation for seismic resilience	-	-	-	-	-	-	-	-	-	7,398
Pipe Network - General renewals	4,815	4,921	5,696	7,295	5,524	5,262	7,262	7,407	5,930	6,044
Consent renewal - Discharge into the coastal marine area	-	-	-	-	-	259	-	-	-	-
Consent renewal - Sludge storage leachate discharge at Station road	-	-	49	50	-	-	-	-	-	-
Consent renewal - Stormwater discharge	-	-	-	-	20	207	21	-	-	-
	5,091	5,249	6,125	7,706	5,940	6,502	7,700	8,451	6,384	13,964



# Funding Impact Statement - Stormwater

FOR THE YEAR ENDED JUNE 30	ANNUAL PLAN	LONG-TERM PLAN									
	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
<b>SOURCES OF OPERATIONAL FUNDING</b>											
General rates, uniform annual general charges, rates penalties	1,606	1,663	1,813	1,979	2,015	2,133	2,238	2,398	2,516	2,628	2,625
Targeted rates	4,818	4,989	5,440	5,937	6,045	6,398	6,713	7,194	7,549	7,884	7,876
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	3	3	3	3	3	3	3	4	4	4	4
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	28	30	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	6	6	6	6	7	7	7	7	7	7	7
<b>Total operating funding (A)</b>	<b>6,461</b>	<b>6,691</b>	<b>7,262</b>	<b>7,925</b>	<b>8,070</b>	<b>8,541</b>	<b>8,961</b>	<b>9,603</b>	<b>10,076</b>	<b>10,523</b>	<b>10,512</b>
<b>APPLICATIONS OF OPERATIONAL FUNDING</b>											
Payments to staff and suppliers	2,451	2,815	3,068	3,097	3,167	3,286	3,395	3,495	3,591	3,688	3,788
Finance costs	-	-	2	18	67	174	211	258	331	421	423
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,451</b>	<b>2,815</b>	<b>3,070</b>	<b>3,115</b>	<b>3,234</b>	<b>3,460</b>	<b>3,606</b>	<b>3,753</b>	<b>3,922</b>	<b>4,109</b>	<b>4,211</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>4,010</b>	<b>3,876</b>	<b>4,192</b>	<b>4,810</b>	<b>4,836</b>	<b>5,081</b>	<b>5,355</b>	<b>5,850</b>	<b>6,154</b>	<b>6,414</b>	<b>6,301</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	(1)	(8)	(30)	(78)	(94)	(115)	(148)	(188)	(189)
Gross proceeds from sale of assets	-	-	600	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>599</b>	<b>(8)</b>	<b>(30)</b>	<b>(78)</b>	<b>(94)</b>	<b>(115)</b>	<b>(148)</b>	<b>(188)</b>	<b>(189)</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	328	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	2,823	5,091	5,249	6,125	7,706	5,940	6,502	7,700	8,451	6,384	13,964
Increase (decrease) in reserves	859	(1,215)	(458)	(1,323)	(2,900)	(937)	(1,241)	(1,965)	(2,445)	(158)	(7,852)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>4,010</b>	<b>3,876</b>	<b>4,791</b>	<b>4,802</b>	<b>4,806</b>	<b>5,003</b>	<b>5,261</b>	<b>5,735</b>	<b>6,006</b>	<b>6,226</b>	<b>6,112</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(4,010)</b>	<b>(3,876)</b>	<b>(4,192)</b>	<b>(4,810)</b>	<b>(4,836)</b>	<b>(5,081)</b>	<b>(5,355)</b>	<b>(5,850)</b>	<b>(6,154)</b>	<b>(6,414)</b>	<b>(6,301)</b>
<b>FUNDING BALANCE ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation expense (not included in the above FIS)	4,685	5,123	5,277	5,277	5,277	5,650	5,650	5,650	6,019	6,019	6,019

Council borrows funds centrally, this is shown as an increase in debt in the Corporate and Regulatory activity Funding Impact Statement. Other activities use this debt funding, this allocation is shown in the Reserves line in the Funding Impact Statement.

The rates funding for this activity includes an amount for the repayment of debt, so the debt repayment is shown on the debt line of the Funding Impact Statement.

# Sewerage

## Waikeri

### What the activity is

The sewerage network of pipes, pumping stations and treatment plants for the collection, treatment and disposal of sewage is managed in order to enhance the health and wellbeing of Invercargill residents. The city has three sewerage networks consisting of a total of 368 km of pipe in a variety of materials and in sizes ranging from 40 millimetres diameter to 1,500 millimetres diameter. The largest material category is earthenware (comprising 58% of the network) and the largest size category is 150 millimetres diameter (comprising 69% of the pipe network). The separate sewerage networks are located at Ōmaui, Bluff and Invercargill, serving populations of approximately 70, 2,080 and 46,220 respectively and each having its own treatment plant.

The sewerage system includes 32 pumping stations ranging in size from those serving only a few households, to the Mersey Street station, serving a population of about 26,000.

Council is responsible for managing the sewerage network to ensure the community has access to:

- A safe sewage collection and disposal system
- Continuity of operation of the sewerage activity
- Assurance that sewage is adequately treated so that the receiving environment is protected.



## Key issues

Aging infrastructure and changing regulatory requirements are requiring higher levels of investment into three waters.

This is something affecting communities all around the country - how Council responds now is crucial. Council has proceeded with their planning on the basis that irrespective of who delivers the service, the community, needs to understand the challenge in front of us. Council has budgeted for 10 years of activity and presented all the decisions ahead of the community in our Infrastructure Strategy.

Council has also invested in improved information about our assets and improving our management approach. Now, and over the next 30 years, Council will need to invest more to replace and upgrade important parts of the system. This is going to mean rates increases to pay for this essential work.

In response to the change of Government, Council plans to explore whether a new Council Controlled Organisation to hold our Three Waters assets and deliver improvements would make sense. This could be part of the Invercargill City Holdings Group or may be part of a broader group.

Here are some key things that are important for our community to know about our plans:

- We are focusing on replacing critical assets and will work others harder, maintaining them for longer to manage the investment needed.
- Our assets are becoming more and more expensive to replace as a result of rising prices and new regulatory requirements. How we save for and repay debt needed to pay for these renewals is a key part of our financial strategy.
- We are working with the Central Government and our Iwi partners around how we plan for the changes that are likely to be required to the way we discharge wastewater. The funding we have put aside for wastewater discharge - \$111.4 million – is some of the largest in our programme and further investment may be required.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Sewerage Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the Invercargill sewerage network:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
<b>Disposal of treated effluent can cause environmental degradation.</b>	Stormwater discharges are regularly monitored in accordance with consent conditions and sources of contaminants are eliminated where possible.
<b>Discharge of sewage from sewerage reticulation due to blockage or overloading can contaminate waterways</b>	Low impact designs (including retention of peak stormwater flows) will be considered for new developments. The reticulation network and treatment plants are managed to minimise the occurrence of odour.
<b>Inappropriate disposal of treatment byproducts (biosolids) can cause environmental degradation</b>	Staff and contractors involved in the activity work to safety plans to minimise risk to themselves and to the public.
<b>Odours from the sewerage activity (reticulation or treatment plants)</b>	Maintenance contractors are on 24 hour call to attend to system failures and flooding events to mitigate effects of flooding on people and property
<b>Health and safety risks associated with operation of the Activity</b>	Maintenance contractors are on 24 hour call to attend to system failures and flooding events to mitigate effects of flooding on people and property.
<b>Health and safety risks associated with operation of the Activity</b>	Reticulation maintenance contractors are on 24 hour call to respond to reports of blockage and overflow, and to mitigate any effects of discharges
<b>Health and safety risks associated with operation of the Activity</b>	Reticulation maintenance contractors are on 24 hour call to respond to reports of blockage and overflow, and to mitigate any effects of discharges

The Sewerage Activity is managed to ensure that it does not create significant negative effects on the community.

## What you can expect from us

The Sewerage Activity contributes to the wellbeing of the community by providing safe collection and treatment of sewerage, and ensuring that receiving waters are not adversely affected by effluent discharge.

Council is responsive to the community in order to manage the stormwater network to support environmental health and efficient use of resources. It ensures a low level of interruption to the network and resolves issues in a timely manner.

The following table outlines how the Levels of Service align with the contribution of the Sewerage Activity to achieving the outcomes as described above.



SEWERAGE

COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET	
	NUMBER	DESCRIPTION								
Environmental/ Social/ Economic	6	Council monitors and effectively manages the sewerage network to support community wellbeing and environmental health	6.1	Number of dry weather sewerage overflows per 1,000 properties - DIA Performance Measure 1 (system and adequacy)	0	Not Applicable	0	0	0	0
Environmental	6	Council monitors and effectively manages the sewerage network to support environmental health and efficient use of resources	6.2	Compliance with Council's resource consents for discharge from its sewerage system - DIA Performance measure 2 (discharge compliance)	0	Not Applicable	0	0	0	0
Environmental/ Social/ Economic	7	Council is responsive to the community in order to manage the sewerage network to support environmental health and efficient use of resources	7.1	DIA Performance Measure 3 (fault response times) a) The median response time from notification to arrival on-site to attend sewerage overflows resulting from a blockage or other fault in the sewerage system	37 minutes	Not Applicable	<1 hour	<1 hour	<1 hour	<1 hour
Environmental/ Social/ Economic	7	Council is responsive to the community in order to manage the sewerage network to support environmental health and efficient use of resources	7.2	b) The median response time from notification to resolution of sewerage overflows resulting from a blockage or other fault in the sewerage system	1 hour 1 minute	Not Applicable	<6 hours	<6 hours	<6 hours	<6 hours
Environmental/ Social/ Economic	7	Council is responsive to the community in order to manage the sewerage network to support environmental health and efficient use of resources	7.3	DIA Performance Measure 4 (customer satisfaction) The number of complaints received about: 1. sewage odour 2. system faults 3. system blockages 4. Council's responsiveness (expressed per 1,000 properties connected to the Council's sewer system)	2.25	Not Applicable	Max 4	Max 4	Max 4	Max 4

## How will we pay for it?

SEWERAGE - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/ FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓			✓	
Capital				✓	✓

## Capital Project - Sewerage

PROJECT	2024/2025 (\$000)	2025/2026 (\$000)	2026/2027 (\$000)	2027/2028 (\$000)	2028/2029 (\$000)	2029/2030 (\$000)	2030/2031 (\$000)	2031/2032 (\$000)	2032/2033 (\$000)	2033/2034 (\$000)
Treatment Facilities - General renewals	-	214	489	473	95	337	403	1,158	455	1,113
Treatment Facilities - Clifton consent renewals	103	105	539	551	28,174	21,862	19,972	32,354	-	-
Treatment Facilities - Bluff consent renewals	361	368	7,007	-	-	-	-	-	-	-
Treatment Facilities - Makarewa general renewals	-	-	-	-	-	-	-	-	-	3,288
Pumping Stations - General renewals	54	114	588	265	247	120	423	811	390	439
Pumping Stations - relocation for seismic resilience	-	-	-	-	-	-	-	-	-	13,974
Pipe Network - General renewals	3,684	3,764	4,358	5,335	3,623	3,411	9,467	9,655	8,604	8,767
Pipe Network - Mersey Street rising main duplication	-	105	10,564	11,027	-	-	-	-	-	-
Pipe Network - Otatarā network Dunns Road improvements	-	211	-	-	-	-	-	-	-	-
Pipe Network - Otatarā network rising main improvements	-	-	1,347	827	-	-	-	-	-	-
Pipe Network - Preston Street rising main duplication	-	-	-	55	-	1,323	-	-	-	-
Pipe Network - Lindisfarne Street rising main duplication	-	-	-	-	-	2,877	2,937	-	-	-
Consent renewal - Omaui oxidation pond discharge	-	-	49	50	-	-	-	-	-	-
Consent renewal - Discharge biosolids to land at Christies Road	-	-	-	-	-	-	211	216	-	-
Safety improvements around sewerage ponds	42	-	-	-	-	-	-	-	-	-
	4,244	4,881	24,941	18,583	32,139	29,930	33,413	44,194	9,449	27,581

# Funding Impact Statement - Sewerage

FOR THE YEAR ENDED JUNE 30	ANNUAL PLAN	LONG-TERM PLAN									
	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
<b>SOURCES OF OPERATIONAL FUNDING</b>											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	7,551	10,474	11,421	12,466	13,181	13,950	14,639	17,277	18,130	18,933	28,499
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,029	1,995	2,095	2,199	2,309	2,425	2,546	2,673	2,807	2,948	3,095
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	-	28	97	178	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>8,580</b>	<b>12,497</b>	<b>13,613</b>	<b>14,843</b>	<b>15,490</b>	<b>16,375</b>	<b>17,185</b>	<b>19,950</b>	<b>20,937</b>	<b>21,881</b>	<b>31,594</b>
<b>APPLICATIONS OF OPERATIONAL FUNDING</b>											
Payments to staff and suppliers	4,028	5,844	5,789	5,564	5,599	5,785	5,914	6,380	6,651	7,536	7,428
Finance costs	-	-	-	-	336	676	1,519	2,303	3,169	4,444	4,458
Internal charges and overheads applied	26	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>4,054</b>	<b>5,844</b>	<b>5,789</b>	<b>5,564</b>	<b>5,935</b>	<b>6,461</b>	<b>7,433</b>	<b>8,683</b>	<b>9,820</b>	<b>11,980</b>	<b>11,886</b>
<b>Surplus (deficit) of operating funding (A – B)</b>	<b>4,526</b>	<b>6,653</b>	<b>7,824</b>	<b>9,279</b>	<b>9,555</b>	<b>9,914</b>	<b>9,752</b>	<b>11,267</b>	<b>11,117</b>	<b>9,901</b>	<b>19,708</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	(150)	(301)	(677)	(1,027)	(1,413)	(1,981)	(1,987)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(150)</b>	<b>(301)</b>	<b>(677)</b>	<b>(1,027)</b>	<b>(1,413)</b>	<b>(1,981)</b>	<b>(1,987)</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	464	789	19,457	12,461	28,174	26,062	22,909	32,354	-	3,288
- to replace existing assets	3,005	3,780	4,092	5,484	6,122	3,965	3,868	10,504	11,840	9,449	24,293
Increase (decrease) in reserves	1,521	2,409	2,943	(15,662)	(9,178)	(22,526)	(20,855)	(23,173)	(34,490)	(1,529)	(9,860)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>4,526</b>	<b>6,653</b>	<b>7,824</b>	<b>9,279</b>	<b>9,405</b>	<b>9,613</b>	<b>9,075</b>	<b>10,240</b>	<b>9,704</b>	<b>7,920</b>	<b>17,721</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(4,526)</b>	<b>(6,653)</b>	<b>(7,824)</b>	<b>(9,279)</b>	<b>(9,555)</b>	<b>(9,914)</b>	<b>(9,752)</b>	<b>(11,267)</b>	<b>(11,117)</b>	<b>(9,901)</b>	<b>(19,708)</b>
<b>FUNDING BALANCE ((A – B) + (C – D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation expense (not included in the above FIS)	7,852	8,801	9,063	8,668	9,070	10,068	10,067	10,086	10,832	17,466	17,466

Council borrows funds centrally, this is shown as an increase in debt in the Corporate and Regulatory activity Funding Impact Statement. Other activities use this debt funding, this allocation is shown in the Reserves line in the Funding Impact Statement.

The rates funding for this activity includes an amount for the repayment of debt, so the debt repayment is shown on the debt line of the Funding Impact Statement.



# Roading

## Ratonga rori

### What the activity is

A safe, connected and accessible transport system within Invercargill city is ensured through maintenance of our city's roads, footpaths, cycleways, streetlights, road drainage (kerbing), bridges, and other related assets such as signs and traffic signals. We also look after the Public Transport Activity and have community road safety education and promotion programmes. We work closely with NZTA/ Waka Kotahi who are responsible for State Highways in our province, and with Environment Southland who are responsible for regional strategic transport planning

The roading network (and connected infrastructure) is a strategic asset which not only enables access and mobility, but it enhances the wellbeing of our community.

The Invercargill roading network consists of 596 km of roads of varying hierarchy (including 294 km urban sealed, 301 km of rural roads including 123 km rural unsealed roads). The network is relatively compact, uncongested by traffic, is reliable and has strong urban and peri-urban influencers.



## Key issues

Invercargill has good roading capacity which needs to be continually maintained and it is relatively uncongested compared to other cities in New Zealand. However, behaviour and user choices and network layout are resulting in fatal and serious injuries, and the historical design and changing use has led to modal conflict, limited accessibility and areas where changing expectations are not being met.

Level of Service issues and challenges include safety, pavement smooth travel exposure and condition, resilience and climate change.

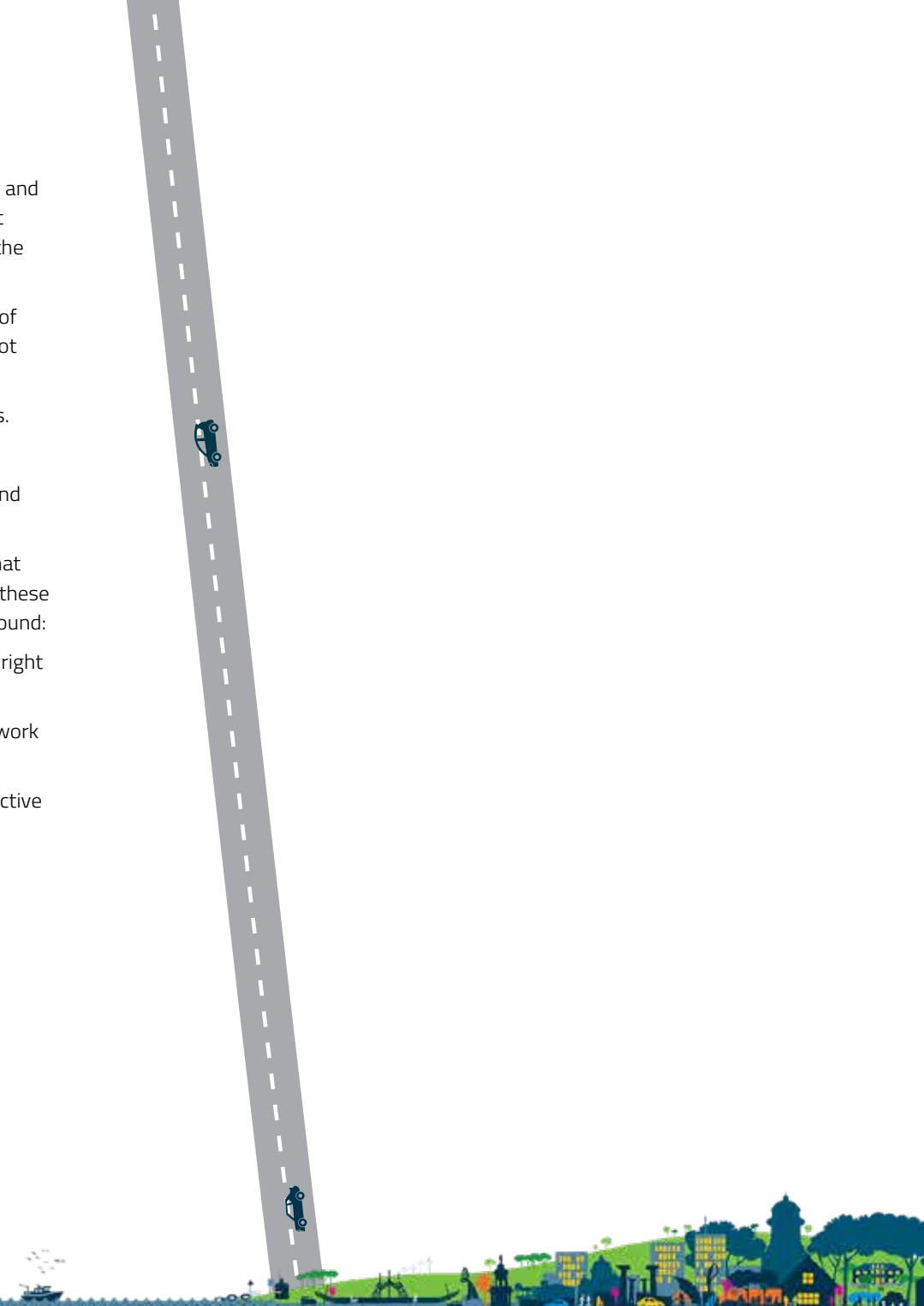
Some wider issues affecting the Activity include:

- The community is becoming more vocal about the condition of the network.
- The community must have the capability and willingness (including fiscal) to be able to respond to changing demands on maintenance and increased programme of renewals.
- The changing nature of transport technology and how the public use this (e.g. the introduction of e-scooters, autonomous vehicles and the safety features requirements).

- The ongoing support of NZTA/ Waka Kotahi and the Government who align their investment policy with the needs of the provinces and the population.
- The current Funding Assistance Rate (FAR) of 51% reduced from 58% (2017), this rate is not currently projected to fall below 51%.
- Growth in active transport and other modes.
- Rising stormwater quality expectations.
- Enhancing streets as community "Spaces and Places".

There are numerous investment responses that the Council proposes to pursue in addressing these transport problems, and they are focussed around:

- Ensure streets and roads are delivering the right outcomes for users to feel safe in their use.
- Ensure that land use and the transport network work effectively together.
- Work collaboratively and telling a more effective story with partners, stakeholders and the community.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Rooding Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the Invercargill rooding network:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
Road deaths and injuries	<p><b>Monitor:</b> Annual reports on crash statistics for Invercargill City.</p> <p><b>Response:</b></p> <ul style="list-style-type: none"> <li>▪ Maintain a road safety strategy and a road safety action plan.</li> <li>▪ Prepare a low cost low risk projects plan each year.</li> <li>▪ Prepare renewals plans and maintenance plans to address potentially unsafe road surfaces (especially blackspots).</li> <li>▪ Manage a risk conversation with the community and manage appropriate speed limits.</li> <li>▪ Work closely with NZTA/ Waka Kotahi, the New Zealand Police and Road Safety Southland.</li> </ul>
Effects of poor quality rooding assets and personal security when using City's rooding network	<p><b>Monitor:</b> Survey of user satisfaction / perception of safety for infrastructure under direct Council control (e.g. footpath condition, road surface condition).</p> <p><b>Response:</b> Develop guidelines to manage the level of service (e.g. footpath upgrade policy), targeted level of service improvements (e.g. better lighting works, safety audits).</p>
Environmental degradation, delays and detours resulting from new construction, maintenance and utility works on the local road network	<p><b>Monitor:</b> Complaints and call-centre queries.</p> <p><b>Response:</b> Require approved traffic management plan for construction works, ongoing liaison with key utility operators.</p>
Impacts of major transport infrastructure projects on adjacent residents and environment such as excessive noise and vibration.	<p><b>Monitor:</b> Survey of residents / businesses about the impact of major infrastructure under direct Council control.</p> <p><b>Response:</b></p> <ul style="list-style-type: none"> <li>▪ Install noise barriers where appropriate.</li> <li>▪ Set appropriate speed limits.</li> <li>▪ Use appropriate surfacing on busy roads in residential areas.</li> <li>▪ Manage contracts to minimise effects.</li> </ul>



POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

NEGATIVE EFFECT	RESPONSE
<p>Dust nuisance on unsealed roads and contamination of waterways by storm water discharged from road surfaces</p>	<p><b>Monitor:</b> Use dust traps to measure dust generation in sensitive areas.</p> <p><b>Response:</b></p> <ul style="list-style-type: none"> <li>▪ Ensure proper attention is paid to water run-off / sediment control management when carrying out work on the roads.</li> <li>▪ Manage roadside drains.</li> <li>▪ Clean sumps regularly.</li> <li>▪ Use innovative products to reduce dust generation in other areas.</li> <li>▪ Develop policy for decision making.</li> <li>▪ Allow user funded actions.</li> <li>▪ Improve communication at subdivision consenting.</li> </ul>
<p>Hazardous material spills within the road corridor or transport facility</p>	<p><b>Monitor:</b> Notification of spill by call centre from Customer Contact or Emergency Services.</p> <p><b>Response:</b> As set out in Emergency Response Maintenance Contractor is required to make safe within one hour of notification.</p>
<p>Cost escalations due to oil prices increases and inflation rates</p>	<p><b>Monitor:</b> NZTA/ Waka Kotahi monthly release of bitumen price indices.</p> <p><b>Response:</b> Seek additional funding to maintain work programme, or reduce work programme to meet existing budget. Manage timing of works.</p>
<p>Health and safety risks associated with the construction, maintenance or operation of transportation infrastructure</p>	<p><b>Monitor:</b> Complaints and call centre queries.</p> <p><b>Response:</b> Improve safety of the roading network to reduce the occurrence of crashes.</p>
<p>The impact on public health from the reliance on cars.</p>	<p><b>Response:</b> Promote the active transport modes such as walking and cycling. Investigate future demand for public transport services and infrastructure.</p>



## POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

NEGATIVE EFFECT	RESPONSE
Impact on residents due to noise and other effects due to road classification and use.	<p><b>Monitor:</b> Survey and traffic count roads to ensure traffic use is appropriate to the classification.</p> <p><b>Response:</b></p> <ul style="list-style-type: none"> <li>High priority roads have expectation of greater numbers of vehicles including heavy vehicles which is appropriate to the function of the road.</li> <li>Use Bylaws to control use.</li> <li>Develop traffic calming strategies to direct traffic.</li> </ul>
The economic cost to the community (or to the National or Regional economy) as a result of road congestion	<p><b>Monitor:</b> Survey travel times and traffic count roads to assess potential congestion impacts.</p> <p><b>Response:</b></p> <ul style="list-style-type: none"> <li>Investment in new capacity or demand management where appropriate.</li> </ul>
The extent to which the roading network impacts on the quality of life of a particular community (or commercial area)	<p><b>Monitor:</b> Quality of life surveys with focus on impacts of traffic on living environments.</p> <p><b>Response:</b></p> <ul style="list-style-type: none"> <li>Traffic management plans and controls.</li> <li>Network Operating Framework.</li> </ul>
Gaseous discharges from motor vehicles including greenhouse gases	<p><b>Monitor:</b> Quality of air in developed areas, greenhouse gas emissions (fuel use proxy)</p> <p><b>Response:</b></p> <ul style="list-style-type: none"> <li>Encourage uptake of modern environmentally friendly vehicles.</li> <li>Encourage more use of active and public transport modes.</li> </ul>
The excessive use by heavy motor vehicles of all types, on local roads	<p><b>Monitor:</b> Heavy vehicle traffic counts to ensure traffic use is appropriate to the classification.</p> <p><b>Response:</b></p> <ul style="list-style-type: none"> <li>"De-tune" local roads to discourage through use by heavy vehicles.</li> <li>Develop freight hierarchy.</li> </ul>

## What you can expect from us

The Roding Activity contributes to our social and economic wellbeing by ensuring the road network is designed and managed to reduce risk of death and injury and to support the ease of use. Council is responsive to the community and monitors and manages the network effectively to support safety and efficiency.

The following table outlines how the Levels of Service align with the contribution of the Roding Activity to achieving the outcomes as described above.

The Roding Activity is managed to ensure that it does not create significant negative effects on the community.

ROADING

COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET	
	NUMBER	DESCRIPTION								
Social/ Cultural	8	The road network is designed and managed to reduce risk of death and injury	8.1	The number of and change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	17 crashes - 1 fatality, 17 people with serious injuries	Decreasing	Lower than baseline	Lower than the previous year	Lower than the previous year	Zero
Social/Cultural	8	The road network is designed and managed to reduce risk of death and injury	8.2	The number of crashes involving intersections	101 crashes New measure	Decreasing	Lower than baseline	Lower than the previous year	Lower than the previous year	Lower than the previous year (zero fatalities, and decrease in serious injuries)
Social/ Economic	9	The road network is designed and managed to support ease of use	9.1	The average quality of ride, on a sealed local road network, measured by smooth travel exposure	Urban - 85% Rural - 98%	Not Applicable	Higher than the previous annual national average	Higher than the previous annual national average	Higher than the previous annual national average	Higher than the previous annual national average
Social	9	The road network is designed and managed to support ease of use	9.2	The percentage of the sealed local road network that is resurfaced	6.6%	Not Applicable	>5.55%	>5.55%	>5.55%	>5.55%
Environmental/ Social/ Economic	9	The road network is designed and managed to support ease of use	9.3	The percentage of footpaths within the district that fall within the level of service, or service standard for the condition of footpaths as set out in the Asset Management Plan	1.8%	Not Applicable	< 8% in very poor condition	< 8% in very poor condition	< 8% in very poor condition	< 8% in very poor condition
Social	10	Council is responsive to the community and monitors and manages the network effectively to support safety and efficiency	10.1	The percentage of customer service requests relating to roads and footpaths, to which the territorial authority responds within the time frame specified in the Long-term Plan	83%	Not Applicable	75% of requests are responded to in five or less business days	75% of requests are responded to in five or less business days	75% of requests are responded to in five or less business days	75% of requests are responded to in five or less business days

## How will we pay for it?

ROADING - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓	✓	✓		
Capital		✓	✓		✓

## Capital Project - Roothing

PROJECT	2024/2025 (\$'000)	2025/2026 (\$'000)	2026/2027 (\$'000)	2027/2028 (\$'000)	2028/2029 (\$'000)	2029/2030 (\$'000)	2030/2031 (\$'000)	2031/2032 (\$'000)	2032/2033 (\$'000)	2033/2034 (\$'000)
CCTV - establishment (Roadmap)	1,087	705	377	-	-	-	-	-	-	-
CCTV - renewals	-	-	216	221	225	230	235	240	244	249
City Streets - Esk Street West (Roadmap)	4,446	-	-	-	-	-	-	-	-	-
City Streets - Stage 2 (Roadmap)	-	5,313	5,442	-	-	-	-	-	-	-
Safety Improvements - Road to Zero programmes	1,990	2,161	2,343	2,397	2,449	2,501	2,553	2,605	2,657	2,707
Safety Improvements - Otatara School	-	224	-	-	-	-	-	-	-	-
Safety Improvements - Local Area traffic management	-	447	485	496	507	518	-	-	-	-
Safety Improvements - Minor	52	53	54	110	113	115	117	120	122	125
Unsealed Road Metalling renewals	173	188	204	208	213	217	222	226	231	235
Chipseal Resurfacing renewals	1,236	1,342	1,455	1,489	1,521	1,553	1,586	1,618	1,650	1,681
Asphalt Resurfacing renewals	2,634	2,878	3,079	3,207	3,000	2,575	2,379	2,427	2,473	2,523
Chipseal Resurfacing renewals	1,838	1,995	2,163	2,213	2,262	2,309	2,358	2,405	2,453	2,500
Surface water channel renewals	819	922	999	1,022	1,369	1,398	1,427	1,456	1,485	1,513
Drainage renewals	95	116	126	129	172	176	180	183	187	191
Sump renewals	41	45	49	50	71	72	74	75	77	78
Culvert renewals	41	45	49	50	71	72	74	75	77	78
Sealed road pavement rehabilitation	-	616	679	496	596	518	529	539	550	560
Bridge renewals	470	510	68	69	71	621	74	75	77	78
Traffic sign renewals	62	67	92	94	96	98	100	102	105	106
Traffic signal renewals	66	72	97	99	101	104	106	108	110	112
Street light pole renewals	58	63	87	89	91	93	95	97	99	101
Road marking renewals	206	224	262	268	274	280	285	291	297	303
General renewals	78	85	112	114	117	119	122	124	127	129
Footpath renewals	1,203	1,477	1,644	1,728	1,935	2,028	2,123	2,166	2,209	2,251
Demolition - 69 Don Street	62	-	-	-	-	-	-	-	-	-
On-street parking meter renewals	-	20	-	23	-	1,267	26	27	28	28
Adjustments for NZTA/ Waka Kotahi indicative allocations for continuous programmes 2025-2027	(244)	(2,959)	1,731							
	16,413	16,609	21,813	14,572	15,254	16,864	14,665	14,959	15,258	15,548

# Funding Impact Statement - Roading

FOR THE YEAR ENDED JUNE 30	ANNUAL PLAN	LONG-TERM PLAN									
	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
<b>SOURCES OF OPERATIONAL FUNDING</b>											
General rates, uniform annual general charges, rates penalties	8,584	8,627	9,407	10,268	10,340	10,944	11,484	11,587	12,159	12,698	12,812
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	3,763	3,302	3,366	3,464	3,582	3,604	3,621	3,693	3,767	3,838	3,911
Fees and charges	1,325	1,508	1,583	1,662	1,745	1,833	1,924	2,020	2,121	2,228	2,339
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	141	9	10	10	11	12	13	14	15	16	17
Local authorities fuel tax, fines, infringement fees, and other receipts	-	686	701	718	734	750	766	781	797	812	828
<b>Total operating funding (A)</b>	<b>13,813</b>	<b>14,132</b>	<b>15,067</b>	<b>16,122</b>	<b>16,412</b>	<b>17,143</b>	<b>17,808</b>	<b>18,095</b>	<b>18,859</b>	<b>19,592</b>	<b>19,907</b>
<b>APPLICATIONS OF OPERATIONAL FUNDING</b>											
Payments to staff and suppliers	8,578	9,331	9,058	9,302	10,028	10,703	10,250	10,463	10,681	10,894	11,792
Finance costs	-	46	207	372	629	673	729	797	800	786	752
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>8,578</b>	<b>9,377</b>	<b>9,265</b>	<b>9,674</b>	<b>10,657</b>	<b>11,376</b>	<b>10,979</b>	<b>11,260</b>	<b>11,481</b>	<b>11,680</b>	<b>12,544</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>5,235</b>	<b>4,755</b>	<b>5,802</b>	<b>6,448</b>	<b>5,755</b>	<b>5,767</b>	<b>6,829</b>	<b>6,835</b>	<b>7,378</b>	<b>7,912</b>	<b>7,363</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	5,160	6,863	6,310	8,911	8,057	8,452	8,643	8,096	8,258	8,423	8,583
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	(20)	(92)	(166)	(280)	(300)	(325)	(355)	(357)	(351)	(335)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>5,160</b>	<b>6,843</b>	<b>6,218</b>	<b>8,745</b>	<b>7,777</b>	<b>8,152</b>	<b>8,318</b>	<b>7,741</b>	<b>7,901</b>	<b>8,072</b>	<b>8,248</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	250	5,585	6,072	5,872	110	113	115	117	120	122	125
- to replace existing assets	7,891	10,828	10,537	15,941	14,462	15,141	16,749	14,548	14,839	15,136	15,423
Increase (decrease) in reserves	2,254	(4,815)	(4,589)	(6,620)	(1,040)	(1,335)	(1,717)	(89)	320	726	63
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>10,395</b>	<b>11,598</b>	<b>12,020</b>	<b>15,193</b>	<b>13,532</b>	<b>13,919</b>	<b>15,147</b>	<b>14,576</b>	<b>15,279</b>	<b>15,984</b>	<b>15,611</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(5,235)</b>	<b>(4,755)</b>	<b>(5,802)</b>	<b>(6,448)</b>	<b>(5,755)</b>	<b>(5,767)</b>	<b>(6,829)</b>	<b>(6,835)</b>	<b>(7,378)</b>	<b>(7,912)</b>	<b>(7,363)</b>
<b>FUNDING BALANCE ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation expense (not included in the above FIS)	12,332	13,589	14,745	14,759	12,630	11,949	11,947	11,811	12,563	12,135	11,988

Council borrows funds centrally, this is shown as an increase in debt in the Corporate and Regulatory activity Funding Impact Statement. Other activities use this debt funding, this allocation is shown in the Reserves line in the Funding Impact Statement.

The rates funding for this activity includes an amount for the repayment of debt, so the debt repayment is shown on the debt line of the Funding Impact Statement.



# Solid Waste

## Para

### What the activity is

The Solid Waste Activity is responsible for the management of solid waste services in the Invercargill District, including:

- Collection of kerbside recycling and rubbish
- Invercargill and Bluff Transfer Station services
- Landfill operations and services (closed and open)
- Enforcement activities
- Public place and event waste management and minimisation (e.g. street litter bins, street recycling bins)
- Education, behaviour change and advocacy.

Invercargill City Council collaborates with Southland District Council and Gore District Council as a shared service called WasteNet Southland.

The rationale for Council's involvement in the Solid Waste Activity, and ownership of the associated assets is contained in:

- The Health Act 1956, which requires Council to provide sanitary works, the definition of which includes the collection and disposal of refuse; and
- The Waste Minimisation Act 2008 (WMA), which requires Council to promote effective and efficient waste management and minimisation. The Act further requires the Council to prepare and review (at no more than six-year intervals) a Waste Management and Minimisation Plan (WMMP).

Revised regulatory framework - The New Zealand Government's Waste Strategy – Te Rautaki Para, released in March 2023, sets out the Government's

waste objectives for the next seven years. These objectives include targets for waste reduction to landfill, and a suite of programmes to assist in achieving these targets. These new legislation changes have provided councils with a timeline to improve kerbside services to minimise the waste sent to landfill. The proposed pathway is:

- Standardised acceptable recyclables by 2024
- Residential kerbside recycling services by 2027
- Residential food scrap collection by 2030
- Business food scrap collection-ready by 2030.

The new legislation will replace both the Litter Act 1979, and the Waste Minimisation Act 2008 (WMA).

Given these legislative requirements, under the shared services banner of WasteNet Southland, the Invercargill City Council, Gore District Council and Southland District Council have developed a strategic Waste Management and Minimisation Plan (WMMP) to ensure:

- A holistic approach to waste management and minimisation – a common vision and direction
- Consistent policy across all the three Councils
- Simplified consultation with the stakeholders and the community
- Strengthened collaboration between the WasteNet Councils.



## Key issues

Demand of solid waste services in Invercargill District is influenced by demographic changes including household changes, changes in community behaviour and expectations, land use changes, waste flows from other regions, occurrence of natural and man-made disaster events, global commodity prices, national policy and legislation, and is subject to economic conditions as well as continued pressure on existing waste management and minimisation infrastructure and services.

Demand for solid waste services is highly dependent on the community's perception and level of awareness of the impact solid waste has on our environment, economy and health. Greater environmental awareness has the potential to increase the demand for alternative disposal methods such as resource recovery parks or recovery of organics, electrical and hazardous waste.

Projected population growth and demand for consistent levels of service from the semi-rural / rural and CBD areas could impact on kerbside collection services.

These can generally be met with capital investment, through expansion of fleet and collection routes.

Consideration will need to be given to providing an appropriate level of service (both economically and socially) for the projected ageing population, e.g. bin size, frequency, door-to-door services.

The national Waste Strategy sets the direction for New Zealand's waste system from now to 2050 and requires Solid Waste Activity to increase its Levels of Service in the next seven years, standardise acceptable recyclables by 2024, commence residential food scrap collection by 2030 and business food scrap collection-ready by 2030.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Solid Waste Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the potential risks:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
<p>During the collection, processing or disposal of waste, the following may occur:</p> <ul style="list-style-type: none"> <li>Water and/or land pollution (loose waste blown into private properties or waterways or illegally dumped)</li> <li>Odour dust and noise emissions</li> <li>Spread of disease through water / land contamination</li> <li>Vermin</li> <li>Obstruction of footpath.</li> </ul>	<p>Council will continue to educate residents on the collection days / times. Council will monitor the services provided by the private sector to ensure requirements are complied with. Council will continue to manage the contractor to ensure it is providing effective and reliable waste and recycling collection services through them.</p>
<p>Private companies also provide waste services, and this can impact on Council's ability to minimise waste.</p>	<p>The implementation of the WMMP mitigates the impact of this effect such as providing cost effective alternatives to landfill disposal. Through the WMMP, Council has set out its strategies and goals to divert waste from landfill.</p>
<p>Windblown waste materials at facilities.</p>	<p>Litter fences are in place at the facilities. Contracts are in place with contractors to collect litter from public places.</p>
<p>Environmental impacts caused by the discharge of contaminants to land and water from landfills.</p> <p>Disposal of waste to landfill represents a significant adverse effect to the receiving environment.</p> <p>Emissions from landfills - As disposed waste material decomposes, particularly organic material, a variety of gases including methane, ammonia, hydrogen sulphide, and nitrogen are released into the atmosphere.</p> <p>Leachate and storm water discharges - The discharge of leachates from landfills can damage the receiving environment if not contained or treated.</p>	<p>AB Lime continues to ensure compliance with resource consents and undertake regular monitoring of the facilities</p> <p>AB Lime has a gas collection and management system to collect gas and reduce odour issues and release of harmful greenhouse gases.</p> <p>AB lime has a leachate management system to treat leachate prior to discharge.</p> <p>Closed landfills are monitored regularly in accordance with their resource consents</p>

The Solid Waste Activity is managed to ensure that it does not create significant negative effects on the community.

## What you can expect from us

The Solid Waste Activity supports environmental wellbeing by empowering the community to improve its waste performance and reduce the impact of waste on the environment.

The following table outlines how the Levels of Service align with the contribution of the Solid Waste Activity to achieving the outcomes as described above.

### Waste Minimisation

The Solid Waste activity plan aligns with the Southland region's joint Waste Management and Minimisation Plan (WMMP) adopted in December 2020. The purpose of the WMMP is to "encourage waste minimisation and decrease in waste disposal to protect the environment from harm and provide environmental, social, economic and cultural benefits."

It was prepared and adopted prior to the Te Rautaki Para – New Zealand Waste Strategy being released. The Government has signalled intent to further review Te Rautaki Para – New Zealand Waste Strategy. Dependent on the outcomes of this review, the most current legislative requirements will be incorporated into the 2024/25 review of the WMMP and similarly incorporated into future Solid Waste plans as they are released by Government.

The 2021 – 2026 Waste Management and Minimisation Plan is available on the Wastenet website (<https://www.wastenet.org.nz/wp-content/uploads/2024/03/Southland-Waste-Plan-2020-2026-version-12.pdf>)

The Long-term plan aligns with the Water and Sanitary Services Assessment of Council.

SOLID WASTE

COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET	
	NUMBER	DESCRIPTION								
Environmental	11	The effective use of resources is supported to reduce the impact of waste on the environment	11.1	Regional discarded materials rate per person per annum (kgs)	New measure	Decreasing	≤650 Kg	≤650 Kg	≤650 Kg	≤650 Kg for 2027-2030 and ≤585 for 2030-2034
Environmental	11	The effective use of resources is supported to reduce the impact of waste on the environment	11.2	Recovery of recyclable materials (Actual Recycled - Invercargill City Council and Southland District Council)	New measure	Increasing	≥4,650 tonnes	≥4,800 tonnes	≥5,000 tonnes	≥5,200 tonnes
Environmental	11	The effective use of resources is supported to reduce the impact of waste on the environment	11.3	Invercargill City and Southland District Councils actual recycled rate per person per annum (Kg)	New measure	Increasing	≥54 Kg	≥56 Kg	≥58 Kg	≥60 Kg
Environmental	11	The effective use of resources is supported to reduce the impact of waste on the environment	11.4	Reduction in kerbside waste sent to landfill	New measure	Decreasing	≤17,000 tonnes	≤17,000 tonnes	≤16,500 tonnes	≤16,500 tonnes
Environmental	11	The effective use of resources is supported to reduce the impact of waste on the environment	11.5	Waste diversion from landfill	New measure	Increasing	30%	30%	30%	50% by 2030



## How will we pay for it?

SOLID WASTE - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓		✓	✓	
Capital			✓	✓	✓

## Capital Projects - Solid Waste Management

PROJECT	2024/2025 (\$000)	2025/2026 (\$000)	2026/2027 (\$000)	2027/2028 (\$000)	2028/2029 (\$000)	2029/2030 (\$000)	2030/2031 (\$000)	2031/2032 (\$000)	2032/2033 (\$000)	2033/2034 (\$000)
Existing bins replacement	-	-	-	2,676	-	-	-	-	-	-
Otatara House Bin Collection	-	-	-	354	-	-	-	-	-	-
Upgrade Transfer Station to resource recovery park	-	-	-	-	4,508	-	-	-	-	-
Invercargill Transfer Station - General renewals	82	89	97	99	101	104	106	108	110	112
	82	89	97	3,129	4,609	104	106	108	110	112

# Funding Impact Statement - Solid Waste Management

FOR THE YEAR ENDED JUNE 30	ANNUAL PLAN	LONG-TERM PLAN										
	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000	
<b>SOURCES OF OPERATIONAL FUNDING</b>												
General rates, uniform annual general charges, rates penalties	924	986	1,075	1,173	1,129	1,195	1,254	1,396	1,465	1,530	1,544	
Targeted rates	4,445	4,812	5,248	5,728	5,512	5,834	6,122	6,818	7,154	7,471	7,539	
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-	
Fees and charges	6,733	7,681	7,987	8,429	8,838	9,262	9,718	10,184	10,693	11,228	11,789	
Internal charges and overheads recovered	2,535	2,441	2,672	2,897	3,014	3,137	3,264	3,397	3,533	3,675	3,825	
Interest and dividends from investments	30	73	78	78	90	100	108	115	122	129	134	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	1,610	1,645	1,683	1,722	1,760	1,797	1,833	1,869	1,905	1,941	
<b>Total operating funding (A)</b>	<b>14,667</b>	<b>17,603</b>	<b>18,705</b>	<b>19,988</b>	<b>20,305</b>	<b>21,288</b>	<b>22,263</b>	<b>23,743</b>	<b>24,836</b>	<b>25,938</b>	<b>26,772</b>	
<b>APPLICATIONS OF OPERATIONAL FUNDING</b>												
Payments to staff and suppliers	12,047	14,847	15,537	16,348	17,001	17,428	18,144	18,491	18,881	19,454	19,925	
Finance costs	80	134	122	115	102	212	327	317	268	194	102	
Internal charges and overheads applied	2,521	2,419	2,646	2,874	2,990	3,111	3,236	3,367	3,503	3,645	3,794	
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-	
<b>Total applications of operating funding (B)</b>	<b>14,648</b>	<b>17,400</b>	<b>18,305</b>	<b>19,337</b>	<b>20,093</b>	<b>20,751</b>	<b>21,707</b>	<b>22,175</b>	<b>22,652</b>	<b>23,293</b>	<b>23,821</b>	
<b>Surplus (deficit) of operating funding (A – B)</b>	<b>19</b>	<b>203</b>	<b>400</b>	<b>651</b>	<b>212</b>	<b>537</b>	<b>556</b>	<b>1,568</b>	<b>2,184</b>	<b>2,645</b>	<b>2,951</b>	
<b>SOURCES OF CAPITAL FUNDING</b>												
Subsidies and grants for capital expenditure	-	-	-	-	-	1,127	-	-	-	-	-	
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in debt	-	(60)	(54)	(51)	(45)	(94)	(146)	(141)	(119)	(87)	(45)	
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-	
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-	
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>(60)</b>	<b>(54)</b>	<b>(51)</b>	<b>(45)</b>	<b>1,033</b>	<b>(146)</b>	<b>(141)</b>	<b>(119)</b>	<b>(87)</b>	<b>(45)</b>	
<b>APPLICATION OF CAPITAL FUNDING</b>												
Capital expenditure												
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	
- to improve the level of service	-	-	-	-	354	4,508	-	-	-	-	-	
- to replace existing assets	82	82	89	97	2,775	101	104	106	108	110	112	
Increase (decrease) in reserves	(63)	61	257	503	(2,962)	(3,039)	306	1,321	1,957	2,448	2,794	
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>19</b>	<b>143</b>	<b>346</b>	<b>600</b>	<b>167</b>	<b>1,570</b>	<b>410</b>	<b>1,427</b>	<b>2,065</b>	<b>2,558</b>	<b>2,906</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(19)</b>	<b>(203)</b>	<b>(400)</b>	<b>(651)</b>	<b>(212)</b>	<b>(537)</b>	<b>(556)</b>	<b>(1,568)</b>	<b>(2,184)</b>	<b>(2,645)</b>	<b>(2,951)</b>	
<b>FUNDING BALANCE ((A – B) + (C – D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Depreciation expense (not included in the above FIS)	492	115	123	122	122	839	1,731	1,353	1,070	848	679	

Council borrows funds centrally, this is shown as an increase in debt in the Corporate and Regulatory activity Funding Impact Statement. Other activities use this debt funding, this allocation is shown in the Reserves line in the Funding Impact Statement.

The rates funding for this activity includes an amount for the repayment of debt, so the debt repayment is shown on the debt line of the Funding Impact Statement.

# Leisure, Recreation and Wellbeing Services

## Ngā ratonga tākaro me ora

Leisure, Recreation and Wellbeing Services include:

- Parks and Reserves
- Libraries
- Aquatic Services
- Arts, Culture and Heritage Services
- Venues and Events Services
- Public Transport
- Elderly Persons Housing

The Leisure, Recreation and Wellbeing Services Activity covers a range of facilities, services and activities which Council provides to enhance community wellbeing.

Detailed information for each sub-activity of the Leisure, Recreation and Wellbeing Services group is available on pages 112 to 147. For simplicity, these will be referred to as 'activities'.



# Funding Impact Statement - Leisure, Recreation and Wellbeing Services

FOR THE YEAR ENDED JUNE 30	ANNUAL PLAN	LONG-TERM PLAN				2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000	
<b>SOURCES OF OPERATIONAL FUNDING</b>												
General rates, uniform annual general charges, rates penalties	14,583	16,571	18,161	19,540	20,282	22,324	22,291	22,488	22,571	21,899	21,863	
Targeted rates	509	759	828	904	537	569	597	569	597	623	584	
Subsidies and grants for operating purposes	1,835	2,110	2,289	2,333	1,768	1,812	1,850	1,887	1,925	1,961	1,999	
Fees and charges	8,570	7,507	7,865	8,851	9,292	9,790	10,248	10,632	11,082	12,035	12,550	
Internal charges and overheads recovered	118	68	69	71	73	74	76	77	79	80	82	
Interest and dividends from investments	123	238	292	288	348	393	450	500	557	618	671	
Local authorities fuel tax, fines, infringement fees, and other receipts	953	3,264	1,724	2,361	2,432	2,341	2,533	2,681	2,671	2,483	2,803	
<b>Total operating funding (A)</b>	<b>26,691</b>	<b>30,517</b>	<b>31,228</b>	<b>34,348</b>	<b>34,732</b>	<b>37,303</b>	<b>38,045</b>	<b>38,834</b>	<b>39,482</b>	<b>39,699</b>	<b>40,552</b>	
<b>APPLICATIONS OF OPERATIONAL FUNDING</b>												
Payments to staff and suppliers	24,565	28,357	29,551	31,884	32,355	32,673	33,954	34,912	35,557	36,394	37,345	
Finance costs	299	323	495	639	502	637	653	690	733	730	740	
Internal charges and overheads applied	67	68	69	71	73	74	76	77	79	80	82	
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-	
<b>Total applications of operating funding (B)</b>	<b>24,931</b>	<b>28,748</b>	<b>30,115</b>	<b>32,594</b>	<b>32,930</b>	<b>33,384</b>	<b>34,683</b>	<b>35,679</b>	<b>36,369</b>	<b>37,204</b>	<b>38,167</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,760</b>	<b>1,769</b>	<b>1,113</b>	<b>1,754</b>	<b>1,802</b>	<b>3,919</b>	<b>3,362</b>	<b>3,155</b>	<b>3,113</b>	<b>2,495</b>	<b>2,385</b>	
<b>SOURCES OF CAPITAL FUNDING</b>												
Subsidies and grants for capital expenditure	1,776	1,195	548	669	360	368	376	384	392	399	407	
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in debt	-	(144)	(221)	(285)	(224)	(284)	(291)	(308)	(327)	(325)	(330)	
Gross proceeds from sale of assets	-	130	613	10,003	100	100	100	100	100	100	100	
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-	
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>1,776</b>	<b>1,181</b>	<b>940</b>	<b>10,387</b>	<b>236</b>	<b>184</b>	<b>185</b>	<b>176</b>	<b>165</b>	<b>174</b>	<b>177</b>	
<b>APPLICATION OF CAPITAL FUNDING</b>												
Capital expenditure												
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	
- to improve the level of service	-	4,285	3,461	4,726	3,143	1,380	1,416	1,452	-	-	-	
- to replace existing assets	6,519	3,122	2,548	2,521	2,223	2,292	2,547	2,466	2,515	2,565	2,668	
Increase (decrease) in reserves	(2,983)	(4,457)	(3,956)	4,894	(3,328)	431	(416)	(587)	763	104	(106)	
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>3,536</b>	<b>2,950</b>	<b>2,053</b>	<b>12,141</b>	<b>2,038</b>	<b>4,103</b>	<b>3,547</b>	<b>3,331</b>	<b>3,278</b>	<b>2,669</b>	<b>2,562</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,760)</b>	<b>(1,769)</b>	<b>(1,113)</b>	<b>(1,754)</b>	<b>(1,802)</b>	<b>(3,919)</b>	<b>(3,362)</b>	<b>(3,155)</b>	<b>(3,113)</b>	<b>(2,495)</b>	<b>(2,385)</b>	
<b>FUNDING BALANCE ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Depreciation expense (not included in the above FIS)	3,633	3,842	4,178	4,216	3,240	4,728	4,395	3,632	3,417	2,981	2,790	

Council borrows funds centrally, this is shown as an increase in debt in the Corporate and Regulatory activity Funding Impact Statement. Other activities use this debt funding, this allocation is shown in the Reserves line in the Funding Impact Statement.

The rates funding for this activity includes an amount for the repayment of debt, so the debt repayment is shown on the debt line of the Funding Impact Statement.

# Parks and Reserves

Amazing spaces people want to connect with

## What the activity is

The Parks and Reserves Activity provides spaces and places to citizens and visitors to the city for amenity value, recreation, sport and leisure. We act as Kaitiaki (Guardian) to Invercargill District's parks, reserves and cemeteries, using asset management practices. We also provide burial and cremation services to the community.

These facilities are fundamental in their contribution to the continued health and wellbeing of the community. Trees and open spaces enhance the amenity values of the city which make it a pleasant place to live and attractive to visitors.

The Local Government Act 2002, the Resource Management Act 1991 and the Reserves Act 1977 are the primary statutes providing a legislative framework for the provision and management of open space assets. These, along with other relevant Council documents and plans, are used to manage the city's parks, reserves and cemeteries because:

- It fits the Council focus on community wellbeing
- Council can provide a specified level of service in a cost-effective manner
- Council, as the administering body under the Reserves Act 1977, is required to control and manage the reserves vested in it
- The community has indicated its support for Council involvement.





## Key issues

Over the next 10 years, key factors such as demographic and social changes, climate change, and tourism will impact on the city's parks and reserves. The increase in population will increase demand and result in higher use, requiring increased maintenance, monitoring and possible development of resources.

Key environmental impacts are occurring from activities like habitat loss, plant and animal pests, chemical and waste product use and continued fuel consumption leading to an increasing carbon footprint. Many of these have been linked to climate change (sea level rise and impacts on trees and vegetation) and increasing natural disasters. The challenges of climate change are assumed to be moderate but will impact the planning and maintenance of parks and reserves in the future if not managed.

In recent years, there has been increased demand for walking, cycling and mountain biking trails in the city along with more informal or passive recreation. This is expected to continue which will therefore result in additional use of electric vehicles such as scooters and bikes and therefore the need for EV chargers and safe, active connections to places. It will also trigger the review for parking and roading networks and sharing of infrastructure provision.

In addition, the activity will also be subject to changes in participation of sports and community groups and fluctuations in popularity of sporting codes, as well as financial constraints of maintaining single-use buildings. The decline in participation of traditional team sports is also in line with national trends that will impact the utilisation of sports fields and the overall requirement for fields. As a result, consolidation of assets for shared collective use by sports clubs and the community is likely needed.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Parks and Reserves Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the potential risks:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
Health and Safety risks associated with upgrading of reserve infrastructure due to ageing of living and non-living assets or caused by ongoing vandalism	<ul style="list-style-type: none"> <li>▪ Parks playgrounds, buildings and structures are audited on a scheduled basis and maintenance contracts include regular monitoring of park facilities and vegetation for safety issues.</li> <li>▪ Provision, development and maintenance of land managed by the Activity meet IPWEA and Recreation Aotearoa standards.</li> </ul>
Health and Safety risks associated with operation of the activity	<ul style="list-style-type: none"> <li>▪ The requirements of the Health and Safety in Employment Act 1992 are followed.</li> <li>▪ General issues are identified, evaluated, and recorded in the parks risk register.</li> </ul>
Carbon generated through the associated operation of the activity  Understanding commercial activity on a reserve can have potential negative environmental impacts  Discharge into the air due to the cremator	<ul style="list-style-type: none"> <li>▪ Re-use of environmental materials from parks and reserves by retaining on site where possible (e.g. composting on site).</li> <li>▪ Planning and policy takes steps for community activity waste and other adverse environmental effects</li> <li>▪ Resource consent requires regular air monitoring and limits number of cremations</li> </ul>

The Parks and Reserves Activity is managed to ensure that it does not create significant negative effects on the community.

## What you can expect from us

The Parks and Reserves Activity supports the Council's social, cultural and environmental outcomes by activating open and recreation spaces for residents and visitors to connect with, creating a sense of community pride and opportunities to bring people together.

Parks and reserves are managed by Council on behalf of the residents to deliver a range of benefits to the community such as:

- Providing open spaces and visual relief from the built environment,
- Opportunities for recreation, sport and play
- Protection of the natural environment
- Habitat for wildlife
- Conservation of cultural and historic heritage
- Enhancing personal and community mental health and wellbeing

The following table outlines how the Levels of Service align with the contribution of the Parks and Reserves Activity to achieving the outcomes as described above.



PARKS AND RESERVES

COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET		
	NUMBER	DESCRIPTION									
Social/ Cultural/ Environmental	12	Parks and reserves support community leisure, recreation and wellbeing	12.1	Queens Park is accredited as a "Garden of National Significance"	Achieved	Maintained	Maintained	Maintained	Maintained	Maintained	
Social	12	Parks and reserves support community leisure, recreation and wellbeing	12.2	Percentage of residents satisfied with parks and recreation spaces	80%	Maintained or Increasing	80%	80%	80%	80%	
Social/ Cultural	13	Parks and reserves are well utilised to support wellbeing	13.1	Annual number for park usage	Percentage of users per head of (Invercargill city) population	New measure	Not Applicable	75%	75%	75%	75%
					Total number of park user counts	939,291	Maintained or Increasing	939,291	939,291	939,291	939,291
Social	14	Council is responsive to the community in order to effectively manage the parks and reserves	14.1	Percentage of urgent requests for Parks and Recreation services are completed within specified timeframes.	New Measure	Not Applicable	90%	90%	90%	90%	
Social/ Cultural	14	Council is responsive to the community in order to effectively manage the parks and reserves	14.2	Number of Active Partnerships in place to support activation of Parks and Recreation Space	New Measure	Increasing	10	15	20	25	



## How will we pay for it?

PARKS AND RESERVES - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓	✓	✓		
Capital		✓	✓		✓

## Capital Projects - Parks and Reserves

PROJECT	2024/2025 (\$000)	2025/2026 (\$000)	2026/2027 (\$000)	2027/2028 (\$000)	2028/2029 (\$000)	2029/2030 (\$000)	2030/2031 (\$000)	2031/2032 (\$000)	2032/2033 (\$000)	2033/2034 (\$000)
Bluff Boat Ramp - Stage 1 - Jetties (Roadmap)	558	-	-	-	-	-	-	-	-	-
Bluff Boat Ramp - Stage 2 - Public Toilets (Roadmap)	258	-	-	-	-	-	-	-	-	-
Bluff Boat Ramp - Stage 2 - Car Parking Scoping (Roadmap)	103	-	-	-	-	-	-	-	-	-
City Centre Masterplan Urban Play (Roadmap)	155	2,105	2,156	2,040	-	-	-	-	-	-
Monument renewals	-	-	115	-	-	132	-	-	-	-
General renewals	330	358	389	397	406	518	529	539	550	560
Organics composting area	443	-	-	-	-	-	-	-	-	-
Queens Park connection to Museum	-	526	539	-	-	-	-	-	-	-
Car Park within Turnbull Thomson	-	-	431	-	-	-	-	-	-	-
Coronation Ave renewal (Queen Park)	-	358	-	-	-	-	-	-	-	-
Security locking network renewals	-	-	97	-	-	-	-	-	-	-
Bluff Hill active recreation hub carpark redevelopment	149	566	-	-	253	265	277	-	-	-
Pump Track	-	-	269	-	-	-	-	-	-	-
Surrey Park grandstand renewals (Roadmap)	1,507	-	-	-	-	-	-	-	-	-
Motor vehicle and plant renewals	795	820	889	908	929	947	967	987	1,006	1,026
	4,298	4,733	4,885	3,345	1,588	1,862	1,773	1,526	1,556	1,586

# Libraries

## Te Haeata - inspiring journeys of discovery

### What the activity is

Invercargill City Council provides library services which support and encourage lifelong learning, digital literacy and reading across all ages and abilities. Invercargill City Libraries aim to offer a welcoming and innovative library service, including spaces for community participation and social connections. It also collects, preserves, and guides access to quality information and also provides opportunities to participate in the online world.

Library services are provided in response to community demand and benefit both individuals and the community as a whole. Libraries are a well utilised community facility and are used by a wide cross-section of people with approximately 1,000 visits per day. Libraries support the learning and recreational needs of residents, while library buildings, collections and events also contribute to building a strong community identity.



## Key issues

The Libraries Activity contributes strongly to the wellbeing of the community by providing a range of services. It is likely that the role of libraries will continue to evolve over the next 10 years due to population growth and demographic change, changes in the preference of use of library materials, technology changes and social changes.

As a result, a range of options are being considered to increase housebound and outreach services as well as programmes designed for older people with specific social or health needs, careful management of space suitable for a range of demographics and continued increase in digital material and technological resources and facilities.

The Activity provides spaces for social connections in the community. An increase in the use of spaces by more isolated and vulnerable communities is anticipated, which will require review of service delivery to maintain levels of service within current resources.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Libraries Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the potential risks:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
Negative cultural effects could arise from the perception that the low usages of libraries by Māori (nationwide) indicates that libraries serve predominantly non-Māori needs.	A Community Connections Librarian role has been created with a primary focus on increasing connections with local iwi.
Libraries have not yet catered sufficiently for people who speak English as a second language, although there is an awareness of the need to develop a multilingual resource especially with the increased number of Spanish speaking population.	A small World Languages collection is now available. ESOL courses are available online as part of EPIC subscription.
Unanticipated abuse of the internet service, either through criminal activity, or through access to objectionable material. This may result in a decrease in membership (especially of children and youth) and a poor reputation based on a loss of community trust.	Currently, this is managed by placing the terminals with internet access on the ground floor. Children under 13 are required to be supervised by a parent or guardian. The service is supplied through the Aotearoa Peoples Network Kaharoa (APNK) who administers security and provides filtering software.

The Libraries Activity is managed to ensure that it does not create significant negative effects on the community.

## What you can expect from us

The Libraries Activity supports the Council's community outcomes for social and cultural wellbeing by ensuring libraries collections, both digital and physical, offer quality, quantity and variety of resources, and are well-utilised, accessible and available to the wider community.

The following table outlines how the Levels of Service align with the contribution of the Libraries Activity to achieving the outcomes as described above.



LIBRARIES										
COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET	
	NUMBER	DESCRIPTION								
Social/ Cultural	15	Libraries collections support wellbeing through providing quality resources	15.1	Percentage of physical collections added in the past 5 years (excludes heritage collections)	63%	Maintained or increasing	≥60%	≥60%	≥60%	≥60%
Social/ Cultural	15	Libraries collections support wellbeing through providing quality resources	15.2	Percentage of residents satisfied with the library service	84%	Maintained or increasing	≥ 85%	≥ 85%	≥ 85%	≥ 85%
Social/ Cultural	16	Libraries are well utilised to support wellbeing	16.1	Annual number of library users	485,535	Maintained	500,000	500,000	500,000	500,000
				Total number of users (physical visitors + website engagement) per head of (Invercargill city) population	New measure	Maintained	8.8	8.8	8.8	8.8



## How will we pay for it?

LIBRARIES - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓	✓	✓		
Capital			✓		✓

## Capital projects - Libraries

PROJECT	2024/2025 (\$000)	2025/2026 (\$000)	2026/2027 (\$000)	2027/2028 (\$000)	2028/2029 (\$000)	2029/2030 (\$000)	2030/2031 (\$000)	2031/2032 (\$000)	2032/2033 (\$000)	2033/2034 (\$000)
Library books / Digital collections	434	444	454	465	475	485	495	505	515	525
	434	444	454	465	475	485	495	505	515	525

# Aquatic Services

## Enriching lives through water experiences

### What the activity is

The Southland Aquatic Centre (Splash Palace) provides Aquatic Facilities for the health, wellbeing and enjoyment of the community and a place where people can learn to swim and learn water safety. These facilities also enable a range of water sports to be practised and enjoyed, and attract events to the city. Opened in 1997, Splash Palace is one of New Zealand's premier aquatic sport and leisure centres with an average of over 380,000 admissions recorded annually.

The primary goal of the Aquatic Services Activity is to provide quality and affordable aquatic health and fitness, education, sport and leisure services for the community. The provision of public swimming pools is seen as being important to the social wellbeing of the community. Council provides public swimming pools because it is unlikely that any private organisation would be able to provide such facilities for community access. All Invercargill schools (primary and secondary) use the Southland Aquatic Centre for the purpose of teaching swimming and water safety. A range of community and commercial organisations also access the facility to undertake more competitive swimming training and competitions, other competitive or social sporting activities as well as rehabilitation and restorative activities.



## Key issues

A shift in focus on fitness, sport and recreation related aquatic activities will require a facility that offers multi-use space (i.e. water depths, temperatures and accessibility). Splash Palace will need to provide new and exciting recreation concepts and equipment every year to ensure best possible recreational use of the facilities by all other users.

Overall usage of Splash Palace is expected to increase over the next 10 years, which will effect levels of service such as pool, spa, sauna and leisure space requirements, as well as cleaning resources, waiting times and availability of equipment.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Aquatic Services Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the potential risks:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
<p><b>Perception of exclusion as a result of changing demographic requirements</b></p>	<p>To cope with demand issues and to help address access issues for physically impaired users in the facility a project to build additional pool services in 2033/2034 is proposed.</p> <p>This would include a 15m x 25m 6 lane 2m deep lane pool with an accessible ramp and optional moveable floor, a 20m x 15m hydrotherapy pool with an accessible ramp and optional moveable floor, a new and larger spa pool and cold plunge pool with accessible ramps. A new and larger sauna and steam room with accessible access will also be included.</p> <p>The current foyer area will be repurposed to install a new zero-depth wet pad with a water play structure that is suitable for not only smaller children but families as well.</p> <p>A new foyer, reception, public toilets, café, retail, offices and meeting room area to the east of the facility will be created. The extension of the carpark and an alternative access on to Tweed Street will be investigated.</p>
<p><b>Health impacts to users of the pool eg. drowning, slips and falls, water borne disease</b></p>	<p>The Activity has stringent health and safety procedures in place. In addition, education and training is provided to staff regularly.</p>

The Aquatic Services Activity is managed to ensure that it does not create significant negative effects on the community.

## What you can expect from us

The Aquatic Services Activity supports the Council's community outcomes for social and cultural wellbeing through providing and maintaining an affordable and well utilised aquatic facility, ensuring accessible and quality learning opportunities are available to communities and that Splash Palace pool is safe for users.

The Aquatic Services Activity provides high quality, safe and affordable aquatic sports and leisure facilities for the benefit of the community.

The following table outlines how the Levels of Service align with the contribution of the Aquatic Services Activity to achieving the outcomes as described above.



AQUATIC SERVICES

COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET		
	NUMBER	DESCRIPTION									
Social/ Cultural	17	Pools are well utilised to support wellbeing	17.1	Annual number of Splash Palace users	Number of users per head of (Invercargill City) population	6.6	Increasing	6.8	7	7.2	7.3
					Total number of Splash Palace users	New Measure	Increasing	390,000	400,000	410,000	420,000
Social/ Cultural	17	Pools are well utilised to support wellbeing	17.2	Learn to swim participation	New Measure	Increasing	700	725	750	750	
Social/ Cultural	18	Pools support wellbeing through providing safe, quality and appropriate premises and services	18.1	Time pools are kept within operating guidelines of the New Zealand Pool Water Standards NZS5826:2010 to ensure the health and safety of pool users.	100%	Maintained	100%	100%	100%	100%	
Social/ Cultural	18	Pools support wellbeing through providing safe, quality and appropriate premises and services	18.2	Percentage of residents satisfied with the Splash Palace	67%	Increasing	75%	75%	80%	85%	
Social/ Cultural	19	Pools service is reliable and available	19.1	Time when a minimum of four 25 metre public lanes are available for swimming	98%	Maintained	95%	95%	95%	95%	
Social/ Cultural	19	Pools service is reliable and available	19.2	The number of unplanned pool closures	New Measure	Not applicable	Less than 15 pool closure/year	Less than 15 pool closure/year	Less than 15 pool closure/year	Less than 15 pool closure/year	

How will we pay for it?

AQUATIC SERVICES - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓	✓	✓		
Capital		✓	✓		✓



# Arts, Culture and Heritage

Enriching the heart of our city through preserving the narratives of our people, land and culture

## What the activity is

The Arts, Culture and Heritage Activity provides access to, and preservation of, our cultural assets for our community now and into the future.

Through these objects and our stories, we are able to connect the past, showcase the present and plan for the future through education, engagement and experiences. Council's involvement with Arts, Culture and Heritage is primarily focused on Invercargill City yet also extends in to the Southland region.

This role encompasses funding, governance representation, management and support of entities providing arts, culture and heritage activities, and direct delivery of services through the Bluff Maritime Museum, He Waka Tuia (until 2027), Te Pātaka Taoka Southern Regional Collections Facility and Te Unua – Museum of Southland. Through this participation, we seek to ensure the long term preservation of, and public access to, Invercargill and Southland's arts, heritage and culture.

The primary goal of the Arts, Culture and Heritage Activity is to support arts, culture and heritage events, exhibitions and venues. It is the combination of these activities that help tell our story, by firstly reflecting, sharing and learning about our rich layers of Māori history, and later non-Māori, settlement in the wider Invercargill city and the surrounding areas of Southland, which included many peoples from many different continents. We also widely engage with our community which assists us to shape our sense of place and identity for current and future generations.

Such activities contribute to the health and wellbeing of the community, celebrate diversity, creativity and ideas which collectively increase our personal understanding and identity of culture as well as our shared history, science of ourselves and each other.

## Key issues

Over the next 10 years, the Arts, Culture and Heritage Activity Levels of Service will change significantly. Te Pātaka Taoka Southern Regional Collections Facility has been completed in late 2023 and Te Unua Museum of Southland opens in the second half of 2026/early 2027.

Restrictions on travel during the pandemic saw many people experiencing their place in a new way, with a greater emphasis on understanding the history of their place and cultural experiences, stories and narratives.

Tourism is also expected to significantly exceed pre-pandemic levels by 2029. This, along with changing technologies and an increase in digital will be a crucial trend driving the experience development for Te Unua-Museum of Southland.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Arts, Culture and Heritage Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the potential risks:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
<b>Inability to meet community expectations for the transitional museum and art gallery in the city</b>	<p>Ensuring the constraints and opportunities of a transitional facility and the services provided are communicated. Ensure transitional service delivery is balanced appropriately with the delivery and planning of permanent museum and art gallery facilities and services.</p> <p>Council supports and enables arts and museum stakeholders to partner with each other to deliver a high quality transitional facility, alongside other services for the community through a period of significant growth, change and opportunity in the arts, culture and heritage activity area.</p>
<b>Inability to deliver acceptable standards of care for regional heritage collections which puts them at risk of deterioration, damage and loss.</b>	<p>A new facility (Te Pātaka Taoka) dedicated to the safeguarding and care of regional heritage collections has been delivered by the Council in 2024 as part of Project1225. He Waka Tuia provides, and Te Unua-Museum of Southland will also provide acceptable standards of care in relation to the exhibition of regional heritage collections within the city.</p> <p>Council delivers services to Te Kupeka Tiaki Taoka Southern Regional Collections Trust through a management agreement to ensure appropriate care, management and accessibility of the collection is maintained to the required standards.</p>

The Arts Culture and Heritage Activity is managed to ensure that it does not create significant negative effects on the community.

## What you can expect from us

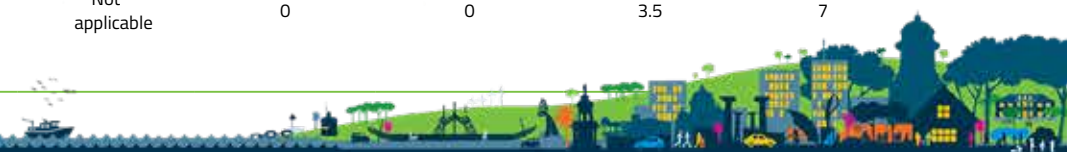
The Arts, Culture and Heritage Activity supports Council's outcomes for cultural wellbeing through actively engaging with communities, promoting a range of high quality, frequently refreshed and culturally enriching experiences that enable people to access, learn from, and enjoy the city's heritage, arts and culture. It seeks to embrace innovation and change through ensuring the region's taoka are appropriately cared for and maintained.

The following table outlines how the Levels of Service align with the contribution of the Arts, Culture and Heritage Activity to achieving the outcomes as described above.





HE WAKA TUIA											
COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET		
	NUMBER	DESCRIPTION									
Cultural	20	Arts, culture and heritage services are well utilised to support community wellbeing	20.1	Annual number of He Waka Tuia users	Number of users per head of (Invercargill City) population	New Measure	Increasing	0.33	0.37	0.4	N/A - He Waka Tuia will close after 2026/2027
					Total number of He Waka Tuia users	18,553	Increasing	19,000	21,000	23,000	N/A - He Waka Tuia will close after 2026/2027
Cultural	21	Arts, culture and heritage venues support wellbeing through providing high quality, frequently refreshed and culturally enriching experiences	21.1	Percentage of residents satisfied with He Waka Tuia Museum and Art Gallery	17%	Maintained	20%	20%	20%	N/A - He Waka Tuia will close after 2026/2027	
Cultural	21	Arts, culture and heritage venues support wellbeing through providing high quality, frequently refreshed and culturally enriching experiences	21.2	Number of onsite and off-site exhibitions which celebrate our collections and the stories of Southland	100%	Maintained	12 exhibitions per annum 4 off-site; 8 onsite	12 exhibitions per annum 4 off-site; 8 onsite	12 exhibitions per annum 4 off-site; 8 onsite	N/A - He Waka Tuia will close after 2026/2027	
TE PĀTAKA TAOKA SOUTHERN REGIONAL COLLECTIONS FACILITY											
Social/ Cultural	20	Arts, culture and heritage services are well utilised to support community wellbeing	20.2	Annual number of visits to access the collection	New Measure	Increasing	300	750	750	750	
Social/ Cultural	20	Arts, culture and heritage services are well utilised to support community wellbeing	20.3	Annual number of school visits	New Measure	Maintained	10	10	10	10	
TE UNUA MUSEUM OF SOUTHLAND											
Cultural / Economic	20	Arts, culture and heritage services are well utilised to support community wellbeing	20.4	Annual number of Te Unua - Museum of Southland users	Total number of Te Unua Museum of Southland users	New Measure	Not applicable	0	0	200,000	400,000
					Total number of Te Unua Museum users per head of (Invercargill City) population	New Measure	Not applicable	0	0	3.5	7



## How will we pay for it?

ARTS, CULTURE AND HERITAGE - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓	✓	✓		
Capital			✓		✓





# Venues and Events Services

Provide inclusive venues and events services that create opportunities to stimulate and leverage economic, cultural and social growth

## What the activity is

The Venues and Events Services Activity aims to provide quality venues, event services, and visitor experiences for the wellbeing and enjoyment of the community. The venues are places where people can enjoy cultural, social, sporting and recreational activities. These facilities also contribute to residents developing a sense of belonging and pride of their place, Invercargill and Southland. They also attract events and visitors to the city, drive economic development through domestic tourism and provide a place and platform for connecting commercial enterprise within Invercargill and nationally. The facilities included in this Activity are the Civic Theatre, Scottish Hall and Rugby Park. The Civic Theatre has a Category 1 Building of National Significance classification, as classified by the Heritage New Zealand Pouhere Taonga and the Scottish Hall has a Category 2 Building of National Significance classification, as classified by the Heritage New Zealand Pouhere Taonga.

Council undertakes the Venues and Event Services activity to promote community wellbeing, economic development and foster pride and a sense of belong for residents and ratepayers in Invercargill City and Southland.

The primary goal of the Venues and Event Services is the provision of suitable venues, where a range of social, cultural, sporting and commercial activities can provide recreational and growth opportunities for the people of Southland. This is an important part of the Council's commitment to fostering health and wellbeing of the community and contributes to residents' sense of belonging and ownership of their place. The Theatre provides groups and organisations with a quality performance venue; Scottish Hall provides and adaptable robust community space and Rugby Park has the potential to provide a large-scale public gathering space for sporting and large-scale events if investment is made.

## Key issues

The Venues and Events Services Activity is dependent on the public of Invercargill, Southland and domestic tourism supporting venues by hiring them or attending events. Whilst cost of living pressures will likely have an impact on how the community consume, value and prioritise entertainment and events there are balancing positive factors such as population growth and the attraction/appeal of Invercargill as a destination for domestic and international tourism. With an increasingly diverse population, the business will focus on ensuring a diverse offering of venue and event types that meet the needs of the community.

The Venues and Events Services Activity will consider a range of factors in order to better serve the community such as:

- Securing venue hires appropriate to the venue through targeted and proactive initiatives.
- Personnel able to meet venue hirers technical requirements.
- Ensuring a range of events that consider ticket affordability.
- Generating an audience to meet venue hirers expectations.
- Develop new ways to engage the community with Invercargill's iconic venues.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Venues and Event Services Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the potential risks:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
<p>The events held at the venues may offend, exclude or fuel antisocial behaviour to parts of the community.</p>	<p>Council aims to offer a space for every one and match the client and event type to the venue. The activity staff are sensitive to the visibility and impact on the community through providing advice to the client on the communities of Invercargill.</p> <p>Council does not have a policy (or definition) on hate speech nor does it censor artistic products. At the time of booking/ ticketing contracting discussions are held on suitable location, age restrictions and which council advertising channels are activated.</p> <p>Whilst largely passively programmed, the Activity is able to supplement activity with self-produced events to create balance to the public offering of events. Council reserves the right to close down events or cancel bookings if there are demonstrable health and safety concerns for members of the public or staff at the events.</p>
<p>Lack of available dates for hire due to high demand for venues. Capacity issues may disproportionately affect community groups and local hires as they typically have a shorter lead in time to the professional touring companies.</p>	<p>Council will continue to work with local hirers to build capability in event planning alongside community arts services such as Arts Murihiku, Connected Communities and Great South.</p>
<p>Exclusive service contracts at the Civic Theatre may exclude potential hirers whose expectations/ wants/ needs are not met by the arrangements currently in place for ticketing and food and beverage services.</p>	<p>Contracts are reviewed in accordance with the contract terms. A good relationship with service providers has to date allowed for some flexibility for local users. Future contract renewals will specifically seek for greater flexibility and choice where that can be practically managed.</p>
<p>Lack of fit for purpose community facilities available. A lack of disabled access, poorly equipped facilities with aging plant and infrastructure may exclude some parts of the community from accessing the venues and events.</p>	<p>The Activity managers advocate for investment and long term business planning through the asset development/ renewal processes. And via business cases for new initiatives and projects not already captured in asset management plans.</p>



POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
Increased number of events/ activations of Rugby Park may increase traffic congestion, parking/ access availability, littering and vandalism, noise and increased late night pedestrian movements affecting safety and 'quiet enjoyment' of residential areas.	The Activity cooperates with police and liaises with relevant stakeholders to ensure significant events are notified, traffic management and health and safety plans are in place and monitored by the event organiser and venue representative.
Increased number of events/ activations of the Civic Theatre and Scottish Hall may increase traffic congestion, parking/ access availability, littering and vandalism, noise and increased late night pedestrian movements affecting safety and 'quiet enjoyment' of the retail and commercial CBD.	The Activity cooperates with police and liaises with relevant stakeholders to ensure significant events are notified, traffic management and health and Safety plans are in place and monitored by the event organiser and venue representative.

The Venues and Event Services Activity is managed to ensure that it does not create significant negative effects on the community.

## What you can expect from us

The Venues and Events Services Activity supports the Council's outcomes for social and cultural wellbeing as community events, meetings and sporting activity bring the community together giving them an opportunity to make connections and share in community and city pride. The active participation enabled by the provision of venues allows community to be involved in community, theatrical and sporting groups.

The following table outlines how the Levels of Service align with the contribution of the Venues and Events Services Activity to achieving the outcomes as described above.



CIVIC THEATRE

COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET		
	NUMBER	DESCRIPTION									
Cultural/ Social	22	Venues are well utilised to support community wellbeing	22.1	Civic Theatre Occupancy - Main auditorium	30% Occupancy Rate	Maintained or Increasing	35%	40%	40%	40%	
Cultural/ Social	22	Venues are well utilised to support community wellbeing	22.2	Civic Theatre Occupancy - Auxiliary Rooms	62% Occupancy Rate	Maintained	40%	40%	40%	40%	
Cultural/ Social	22	Venues are well utilised to support community wellbeing	22.3	Civic Theatre - Hirage	Not for Profit-Local	New Measure	Maintained or Increasing	≥35	≥35	≥35	≥35
			22.4		Not for Profit - National/ International	New Measure	Maintained or Increasing	≥20	≥20	≥20	≥20
			22.5		Commercial - Local	New Measure	Increasing	≥10	≥15	≥15	≥15
			22.6		Commercial - National/ International	New Measure	Increasing	≥30	≥35	≥35	≥35
Cultural/ Social	23	Venues support wellbeing through enabling culturally and socially enriching experiences	23.1	Percentage of residents satisfied with the Civic Theatre	New measure	Maintained	80%	80%	80%	80%	

SCOTTISH HALL

Cultural/ Social	22	Venues are well utilised to support community wellbeing	22.7	Scottish Hall - Occupancy	33% Occupancy Rate	Increasing	30%	33%	33%	35%	
Cultural/ Social	22	Venues are well utilised to support community wellbeing	22.8	Scottish Hall - Hirage	Not for Profit-Local	New Measure	Maintained or Increasing	≥55	≥55	≥55	≥55
			22.9		Not for Profit - National/ International	New Measure	Maintained or Increasing	≥5	≥5	≥5	≥5
			22.10		Commercial - Local	New Measure	Increasing	≥5	≥8	≥10	≥15
			22.11		Commercial - National/ International	New Measure	Maintained or Increasing	≥3	≥3	≥3	≥3

SCOTTISH HALL											
COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET		
	NUMBER	DESCRIPTION									
Cultural/ Social	23	City venues support wellbeing through enabling culturally and socially enriching experiences	23.2	Percentage of residents satisfied with the Scottish Hall	New Measure	Maintained	60%	60%	60%	60%	
RUGBY PARK											
Cultural/ Social	22	Venues are well utilised to support community wellbeing	22.12	Rugby Park - Occupancy	7% Occupancy rate	Increasing	7%	8%	10%	10%	
Cultural/ Social	22	Venues are well utilised to support community wellbeing	22.13	Rugby Park - Hirage	Not for Profit - Local	New Measure	Increasing	≥10	≥12	≥15	≥15
			22.14		Not for Profit - National/ International	New Measure	Maintained or Increasing	≥2	≥2	≥2	≥2
			22.15		Commercial - Local	New Measure	Increasing	≥2	≥5	≥7	≥10
			22.16		Commercial - National/ International	New Measure	Maintained or Increasing	≥8	≥8	≥8	≥8
Cultural/ Social	23	City venues support wellbeing through enabling culturally and socially enriching experiences	23.3	Percentage of residents satisfied with Rugby Park	New Measure	Maintained	40%	40%	40%	40%	
INCREASE PUBLIC USE OF VENUES											
Cultural/ Social	22	Venues are well utilised to support community wellbeing	22.17	Annual number of users across all venues	Number of users per head of (Invercargill City) population	1.5	Increasing	1.1	1.2	1.3	1.4
					Total number of venue users	80,648	Increasing	63,000	70,000	74,000	80,000



# How will we pay for it?

VENUES AND EVENTS SERVICES - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓		✓		
Capital			✓		✓





# Public Transport

Enabling travel choices to access and connect the city and province

## What the activity is

Public Transport Activity provides both a bus services to the Invercargill urban area (both city and school bus runs) and Total Mobility (subsidised travel support for qualifying customers) services to the wider Southland province. This ensures that there are suitable and appropriate choices for travel options that respond to Southland's changing public transport needs. These services are financially supported by NZTA/ Waka Kotahi from the National Land Transport Fund.

The Public Transport Activity manages regional public transport for Southland under a delegation from Environment Southland. Each Council looks to fund their own level of services to be provided rather than be managed at a regional level which many other provinces do. The Activity seeks inputs and is developed and delivered via the Regional Public Transport Plan (RPTP). Public Transport includes the bus services and the supported (discounted) access services via small passenger service hire (previously known as taxis) provided under the Total Mobility scheme.

## Key issues

Over the last five years, bus patronage has declined. While COVID-19 has had a significant impact on the Activity, other factors such as the cost of parking, car ownership, the cost of fuel and technology changes have and will likely continue to have an impact on usage. The Total Mobility service has seen an ongoing increase in usage however there is a significant cost risk associated with the service model in terms of travel control techniques.

Potential changes in service expectations as a result of above challenges include: investigate opportunities for low emission vehicles or alternative fuels and technologies for contracted services, investigate on demand services, and work with community to investigate increasing levels of service.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Public Transport Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the potential risks:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
<b>Loss of bus services</b>	Council maintains a consistent approach to procuring and maintaining a public transport contract. Council has an extension to the existing contract and is actively procuring a new one to start in 2025. Built into any new transport contract is the priority of continuation of services.
<b>Poor design of routes can limit access to key facilities e.g. Southland Hospital</b>	In 2021, Council implemented a new bus network and timetable, in response to customer feedback.
<b>Location of bus shelters</b>	Council reviews the routes and frequency to ensure user needs are being met. Council continues planning improvements to public transport infrastructure and pedestrian facilities, by working with residents to encourage acceptance of shelters through having new shelters and design routes in collaboration with the community. The placement of shelters is designed to ensure locations are in an appropriate place to meet customer needs.
<b>Noise pollution</b>	Council is investigating a modern vehicle fleet, with higher emission standards and/or electric options, as well as the potential to reduce contaminants from roads entering the surrounding environment.
<b>Air pollution and/or contamination from pollutants running off the road surface and/or at the depot during wet weather</b>	As Council is procuring a new contract in 2025, it is expected that the contract will be for a zero emissions fleet.

The Public Transport Activity is managed to ensure that it does not create significant negative effects on the community.

## What you can expect from us

The Public Transport Activity supports social, economic and environmental wellbeing through ensuring quality sustainable public transport services and infrastructure are accessible, integrated and affordable.

The following table outlines how the Levels of Service align with the contribution of the Public Transport Activity to achieving the outcomes as described above.



PUBLIC TRANSPORT

COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET		
	NUMBER	DESCRIPTION									
Social/ environmental/ economic	24	Public transport is well utilised to support community wellbeing	24.1	Annual number of public transport users	Number of users per head of (Invercargill City) population	New measure	Increasing	2.5	2.5	2.6	2.6
					Total number of public transport users	141,837	Increasing	143,000	145,000	147,000	150,000
Social	25	Public transport supports wellbeing through enabling people to move around the city	25.1	Percentage of residents satisfied with price of bus service	40%	Increasing	43%	45%	47%	50%	
Social	25	Public transport supports wellbeing through enabling people to move around the city	25.2	Percentage of residents satisfied with price of bus service	64%	Maintained	60%	60%	60%	60%	

How will we pay for it?

PUBLIC TRANSPORT - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓	✓	✓	✓	
Capital		✓	✓	✓	✓



## Capital projects - Public Transport

PROJECT	2024/2025 (\$000)	2025/2026 (\$000)	2026/2027 (\$000)	2027/2028 (\$000)	2028/2029 (\$000)	2029/2030 (\$000)	2030/2031 (\$000)	2031/2032 (\$000)	2032/2033 (\$000)	2033/2034 (\$000)
General renewals	33	36	39							
	33	36	39	-	-	-	-	-	-	-





# Elderly Persons Housing

Providing quality, affordable housing for our elderly

## What the activity is

The Elderly Persons Housing Activity provides affordable housing for the elderly, in particular those on low fixed incomes that meet the Council's entry criteria. The Council owns 21 complexes providing 216 units in Invercargill and Bluff.

Council provides housing for older people following subsidies from Central Government from 1950-1992.

The Elderly Persons Housing Activity aims to sustainably provide affordable housing to those with limited financial resources.



## Key issues

Finding suitable housing is becoming more challenging for our community. A large proportion of Invercargill's housing stock dates from the 1900s and increasingly lags behind today's new-build standards. Renovation of these types of buildings can be difficult and expensive with limited results.

Council has started a programme to renew and, where necessary, replace our housing units as it wants to ensure this important service continues to be available as our population ages. By having quality options available for older people, this increases the number of other houses available for families. Council has completed heat pump installations for all 216 units it owns and are nearly through a programme to provide double glazing to increase energy efficiency. Four new build units in Stirrat Street were completed in early 2024.

To continue this work, Council changed how elderly housing is funded. Going forward, Council has changed the funding policy of elderly housing to allow for funding from general rates to help replace aging houses faster.

More information on the maintenance and renewal programme is available in the Property Services Asset Plan.





## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Elderly Persons Housing Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the potential risks:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
Disruptions to residents while maintenance/ renewal programme is underway	Provide effective early and ongoing communication with tenants and neighbouring residents.
Health and Safety issues should any major issues be identified during routine maintenance (for older housing stock)	Implement programme to replace existing builds over 30 year period. Design of new and replacement builds will reflect changing expectations allowing tenants to remain in the units for longer. Design of new and replacement builds meet Healthy Homes standards and where possible provide low energy usage improvements.
Potential delays to deliver new housing stock due to building sector pressures	New units will only become listed as available upon completion of construction. Careful monitoring of any waiting list will ensure tenant applicants are informed of when units will become available.

## What you can expect from us

Council is a significant housing provider in Invercargill and Bluff. The target market for the units is elderly people with limited financial resources and for whom the general housing market presents problems in terms of affordability and manageability.

Elderly Persons Housing Services supports Council's community outcomes for social wellbeing through providing affordable good quality accommodation on a sustainable basis to our older members of the community who are on lower incomes.

The following table outlines how the Levels of Service align with the contribution of the Elderly Persons Housing Activity to achieving the outcomes as described above.



ELDERLY PERSONS HOUSING										
COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET	
	NUMBER	DESCRIPTION								
Cultural/ Social	26	Elderly persons housing is well utilised to support community wellbeing	26.1	Units are occupied 95% of the time	98%	Not Applicable	95%	95%	95%	95%
Cultural/ Social	27	Council is responsive to the community in order to effectively manage the elderly persons housing	27.1	Requests for service are responded to and remedial action in place: - Urgent	100% within 24 hours	Not Applicable	24 hours	24 hours	24 hours	24 hours
Cultural/ Social	27	Council is responsive to the community in order to effectively manage the elderly persons housing	27.2	Requests for service are responded to and remedial action in place: - Non- Urgent	99% within 5 working days	Not Applicable	5 working days	5 working days	5 working days	5 working days
Cultural/ Social	28	Council effectively manages the elderly persons housing to provide efficient and effective value	28.1	Regular inspections are undertaken	100%	Not Applicable	100%	100%	100%	100%

## How will we pay for it?

ELDERLY PERSONS HOUSING - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓				
Capital			✓		✓

## Capital Projects - Elderly Persons Housing

PROJECT	2024/2025 (\$000)	2025/2026 (\$000)	2026/2027 (\$000)	2027/2028 (\$000)	2028/2029 (\$000)	2029/2030 (\$000)	2030/2031 (\$000)	2031/2032 (\$000)	2032/2033 (\$000)	2033/2034 (\$000)
Housing - replacement and new build programme	2,114	263	1,330	1,103	1,127	1,151	1,175	-	-	-
Housing - Roofing renewals	202	179	155	60	81	-	-	-	-	54
Housing - Internal refurbishment renewals	198	215	233	238	243	249	254	259	264	269
Housing - Conservatories renewals	82	89	97	99	101	104	106	108	110	112
Housing - Plant renewals	46	50	54	56	57	58	59	60	62	63
Housing - HVAC renewals	-	-	-	-	-	54	56	57	58	59
	2,642	796	1,869	1,556	1,609	1,616	1,650	484	494	557

# Corporate and Regulatory Services

## Ratonga rangatōpū

The Corporate and Regulatory Services include:

- Democratic Process
- Regulatory Services  
(including Animal Services, Building Services, Compliance, Environmental Health and Resource Management)
- Corporate Services
- Property Services
- Investments

The Corporate and Regulatory Services Group covers a range of services and functions Council is required to undertake either because of legislation, or to ensure the responsible, timely and effective delivery of the Council business and activities.

Detailed information for each sub-activity of the Corporate and Regulatory Services group is available on pages 148 to 176. For simplicity, these will be referred to as 'activities'.



# Funding Impact Statement - Corporate and Regulatory Services

FOR THE YEAR ENDED JUNE 30	ANNUAL PLAN	LONG-TERM PLAN										
	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000	
<b>SOURCES OF OPERATIONAL FUNDING</b>												
General rates, uniform annual general charges, rates penalties	17,908	19,830	21,525	23,671	29,740	31,487	35,069	35,226	37,192	40,315	36,059	
Targeted rates	267	281	306	334	311	330	346	336	353	369	360	
Subsidies and grants for operating purposes	77	80	81	83	85	87	88	90	91	95	96	
Fees and charges	6,981	8,413	8,745	9,125	9,568	9,951	10,388	10,886	11,331	11,830	12,401	
Internal charges and overheads recovered	-	232	237	243	248	254	259	264	269	274	280	
Interest and dividends from investments	8,004	12,683	12,456	12,621	12,915	13,199	13,478	13,772	14,082	14,383	14,707	
Local authorities fuel tax, fines, infringement fees, and other receipts	1,567	3,449	3,670	3,606	3,780	4,019	3,944	4,126	4,374	4,289	4,485	
<b>Total operating funding (A)</b>	<b>34,804</b>	<b>44,968</b>	<b>47,020</b>	<b>49,683</b>	<b>56,647</b>	<b>59,327</b>	<b>63,572</b>	<b>64,700</b>	<b>67,692</b>	<b>71,555</b>	<b>68,388</b>	
<b>APPLICATIONS OF OPERATIONAL FUNDING</b>												
Payments to staff and suppliers	31,725	35,037	35,794	36,509	37,810	39,166	40,085	40,970	42,221	43,158	44,285	
Finance costs	3,532	4,913	5,363	6,675	7,617	8,065	8,147	8,117	7,923	7,600	7,114	
Internal charges and overheads applied	36	254	263	266	272	280	287	294	299	304	311	
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-	
<b>Total applications of operating funding (B)</b>	<b>35,293</b>	<b>40,204</b>	<b>41,420</b>	<b>43,450</b>	<b>45,699</b>	<b>47,511</b>	<b>48,519</b>	<b>49,381</b>	<b>50,443</b>	<b>51,062</b>	<b>51,710</b>	
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>(489)</b>	<b>4,764</b>	<b>5,600</b>	<b>6,233</b>	<b>10,948</b>	<b>11,816</b>	<b>15,053</b>	<b>15,319</b>	<b>17,249</b>	<b>20,493</b>	<b>16,678</b>	
<b>SOURCES OF CAPITAL FUNDING</b>												
Subsidies and grants for capital expenditure	4,010	6,180	-	-	-	-	-	-	-	-	-	
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in debt	23,644	23,939	40,264	35,575	29,639	52,218	48,742	33,816	24,686	(12,409)	35,016	
Gross proceeds from sale of assets	-	2,103	380	186	80	80	80	80	80	80	80	
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-	
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>27,654</b>	<b>32,222</b>	<b>40,644</b>	<b>35,761</b>	<b>29,719</b>	<b>52,298</b>	<b>48,822</b>	<b>33,896</b>	<b>24,766</b>	<b>(12,329)</b>	<b>35,096</b>	
<b>APPLICATION OF CAPITAL FUNDING</b>												
Capital expenditure												
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	
- to improve the level of service	14,797	26,314	31,206	4,872	1,103	1,127	1,151	2,232	2,277	2,322	21,049	
- to replace existing assets	2,463	9,261	6,172	16,110	16,291	6,490	7,503	3,534	2,455	2,384	2,775	
Increase (decrease) in reserves	9,272	14,399	3,926	15,760	17,958	50,967	49,468	37,438	31,026	(3,049)	21,182	
Increase (decrease) of investments	633	(12,988)	4,940	5,252	5,315	5,530	5,753	6,011	6,257	6,507	6,768	
<b>Total applications of capital funding (D)</b>	<b>27,165</b>	<b>36,986</b>	<b>46,244</b>	<b>41,994</b>	<b>40,667</b>	<b>64,114</b>	<b>63,875</b>	<b>49,215</b>	<b>42,015</b>	<b>8,164</b>	<b>51,774</b>	
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>489</b>	<b>(4,764)</b>	<b>(5,600)</b>	<b>(6,233)</b>	<b>(10,948)</b>	<b>(11,816)</b>	<b>(15,053)</b>	<b>(15,319)</b>	<b>(17,249)</b>	<b>(20,493)</b>	<b>(16,678)</b>	
<b>FUNDING BALANCE ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Depreciation expense (not included in the above FIS)	5,887	7,954	9,174	10,530	10,517	11,077	10,734	10,636	10,209	9,396	8,943	

Council borrows funds centrally, this is shown as an increase in debt in this Funding Impact Statement. Other activities use this debt funding, this allocation is shown in the Reserves line in the Funding Impact Statement. The rates funding for activities includes an amount for the repayment of debt, so the debt repayment is shown on the debt line of the Funding Impact Statement netted off against the amount borrowed.

# Democratic Process

## The people at the heart of Council

### What the activity is

The Democratic Process Activity ensures that the community has the opportunity to be involved in decision-making and understands how the process works. The Activity also supports elected members and their processes to ensure that decision-making is open, transparent, effective and democratically accountable.

We undertake Representation Reviews, run Local Government Elections and ensure that the meetings of Council meet the requirements of the Local Government Official Information and Meetings Act 1987. In conjunction with Council's financial departments, we assist the elected representatives in their development of Council's Long-term Plan, Annual Plan and Annual Report. We provide the community with a range of mechanisms to engage with Council, including through formal consultation on plans, policies and bylaws. We assist with the development of community partnerships and collaborations to leverage greater impact for Council's policy and investment in the community.

The overarching goal of the Democratic Process Activity is to support the implementation of the Local Government Act 2002 within the Invercargill District. This Activity underpins the legislative compliance aspects of Council decision-making.



## Key issues

The Democratic Process is at the core of the Local Government function, enabling elections and consultations and organising Council and committee meetings. A primary focus is to support Council decision making through providing quality information and facilitating conversations with the community.

As well as the core governance, strategy, policy and engagement functions, it includes a range of contracts and grants provision. The largest of these is the contract with Great South to provide regional economic, tourism and business, as well as decarbonisation development (see page 67 for more information on Great South activities and key performance indicators).

With the increasingly diverse and ageing population, the Activity will need to balance the use of new ways of engaging and technologies with ensuring that all members of the community have access to elected representatives and have the opportunity to participate in the decision-making processes of Council.

In addition, an increasingly passionate and polarised political environment as well as changing expectations of elected representatives and the community mean that more staff with a diverse range of skills will be required.

Lastly, changes to legislation and an increasing devolution of responsibilities from Central Government to Local Authorities will also have an impact on resources required for the activity.



## Grants for External Services and Projects

EXTERNAL ORGANISATION	DESCRIPTION	FUNDING AMOUNT FOR 2024/2025	FUNDING AMOUNT FOR 2025/2026	FUNDING AMOUNT FOR 2026/2027
<b>Active Southland - Spaces and Places Strategy</b>	The goal of the Strategy is to enhance sports facilities, promote active lifestyles, and foster community wellbeing through collaboration across council boundaries and leveraging pooled funding resources.	\$52,000	\$42,000	\$42,000
<b>Bluff Indoor Pool Trust</b>	The Bluff Pool facility is a valuable resource for physical activity and recreation for all Bluff residents and it also provides facilities for the Bluff Primary School and St Theresa's Primary School's swimming curriculum.	\$120,000 + LGCI	\$120,000 + LGCI	\$120,000 + LGCI
<b>Bluff Maritime Museum Trust</b>	Bluff Maritime Museum contains an extensive collection of Bluff's fascinating maritime heritage.	\$20,000 with an additional one-off payment of \$20,000 as an interim adjustment for insurance, urgent maintenance and annual leave cover.	\$20,000	\$20,000
<b>Emergency Management Southland</b>	Established by the four Councils, Emergency Management Southland is responsible for the delivery of Civil Defence and Emergency Management responses throughout this region.	\$462,432	\$485,443	\$509,831
<b>Environment Southland for EnviroSchools Programme (Environmental education)</b>	EnviroSchools is a national network of change-makers empowering children and young people. EnviroSchools deliver a facilitated programme and work with teachers and individual schools to achieve sustainability goals relevant to them.	\$7,500	\$7,500	\$7,500
<b>Southland Regional Development Agency Limited (Great South)</b>	Committed to driving economic, social, and cultural growth, Great South has a clear mandate to leverage opportunities for Southland in the areas of economic development, business development services, tourism and events.	\$1,867,946	\$1,951,385	\$2,038,412
<b>Invercargill Public Art Gallery (IPAG) Inc</b>	IPAG is the service provider for managing He Waka Tuia	\$613,000	\$613,000	\$314,000
<b>Connections Trust Invercargill (IC2 Trust)</b>	IC2 Trust is fundraising to develop a facility that will provide a range of courses, activities, events and services, under the framework of the Haurora model of health and wellbeing that help and assist people of all ethnicities, ages, abilities and genders to grow, feel at home and be their best mentally, physically, socially and with purpose for their lives.	\$200,000	\$200,000	-
<b>South Invercargill Regeneration Trust for South Alive</b>	South Alive is an urban rejuvenation project, led by the community, with the goal of identifying the best possible future for South Invercargill and ways to make it happen.	\$25,000	\$25,000	\$25,000
<b>Southland Indoor Leisure Centre Charitable Trust (SILCCT)</b>	SILCCT maintains the ILT Stadium Southland and the Velodrome to a world-class standard. This facility has provided and will continue to provide significant sporting, cultural, educational, art and entertainment opportunities that add to the health and wellbeing of Invercargill residents.	\$700,000	\$700,000	\$700,000
<b>Southland Youth One Stop Shop Trust</b>	The Trust provides free health and social services for rangatahi aged 10-24.	\$27,000 + CPI	\$27,000 + CPI	\$27,000 + CPI

**Community Wellbeing Fund** - The Community Wellbeing Fund replaced the previous Council funds, the Community Grants Fund, the Neighbourhood Fund, the Iconic Events and the Development Events Fund. This fund will distribute up to \$565,000 each year across six funding rounds.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Democratic Process Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the potential risks:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
Unable to meet our communities' changing expectations and demographics	Council will strive to offer a range of engagement approaches to cater to the various community segments and expectations to make sure our communities trust the Council, are engaged, and get involved in its decision-making.
Perception that Council decisions do not reflect the requests of the community.	It will seek to balance the use of new ways of engaging and technologies with ensuring that all members of the community have access to Elected Representatives and have the opportunity to participate in the decision-making processes of Council.
Conflict among the mayor and councillors comes to the attention of the Minister of Local Government with the risk that the Minister could use their powers under Part 10 of the Local Government Act 2002.	Trust and confidence in the mayor and councillors' ability to meet the Crown's expectations of a high-performing council is maintained.

The Democratic Process Activity is managed to ensure that it does not create significant negative effects on the community.

## What you can expect from us

The Democratic Process Activity supports the Council's community outcome for social wellbeing through supporting transparent engagement and decision-making which is open to everyone. It supports cultural wellbeing through providing culturally relevant engagement opportunities and supports Council decision-making for cultural projects through the Community Wellbeing Fund. Economic wellbeing is supported through management of the contract with Great South.

The following table outlines how the Levels of Service align with the contribution of the Democratic Process Activity to achieving the outcomes as described above.



DEMOCRATIC PROCESS										
COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET	
	NUMBER	DESCRIPTION								
Cultural/ Social	29	The community is supported to understand and participate in the democratic process	29.1	Percentage of residents satisfied with the opportunities Council provides for community involvement in decision making	19%	Increasing	20%	25%	30%	35%
Cultural/ Social	29	The community is supported to understand and participate in the democratic process	29.2	Voter participation in elections	New measure	Increasing	N/A - No election	10% increase in voter turnout (approximately 2,000 more people to vote)	N/A - No election	10% increase in voter turnout (approximately 2,000 more people to vote)
Social/ Cultural/ Environmental/ Economic	30	The community is supported to deliver and participate in events and other activities which enhance wellbeing	30.1	Number of activities or events supported by the Community Wellbeing Fund	53	Maintained or Increasing	40	40	40	40

## How will we pay for it?

DEMOCRATIC PROCESS - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/ FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓	✓	✓	✓	
Capital			✓	✓	✓

# Regulatory Services

The health check to our city's heart

## What the activity is

Legislation requires us to undertake a range of regulatory functions. The key objective of Regulatory Services is the implementation of national legislation in the Invercargill context, while focusing on achieving community wellbeing.

The Regulatory Services activity is responsible for the delivery of key legislative requirements relating to building, planning, food and alcohol, environmental health, parking compliance, animal control, environmental health and litter.

The Regulatory Services Activity is delivered by the Consenting and Environment Group and it encompasses three broad groups of responsibilities, including Building and Planning Services, Environmental Services, and Property Records.

The activities of Regulatory Services impacts on all members of the Invercargill community – its ratepayers, residents, developers and visitors.



## Key issues

Demand for Regulatory Services is largely a reflection of Government legislation and Council policies and bylaws. A review of the District Plan is planned to respond to changing requirements for housing.

Resource consents are expected to remain static or decrease in response to changes in legislation to give more activities permitted status. However, the number of building consents are expected to increase in response to the requirements of the Earthquake Prone Building Legislation and the revitalisation of the City Centre and forecast population growth.

The forecasted population growth along with increasing number of tourist stays is also likely to result in an increase in the number of alcohol and food related premises, with most new premises likely to be located in the rejuvenated City Centre.

There is an increasing expectation from members of the community that they can engage with Regulatory Services via electronic means. During this Long-term Plan, it is expected there will be a significant decrease in paper files, and an increase in online lodgement and processing.

In addition, there is a community expectation that Council will take a lead in preserving and protecting the heritage features of the inner city.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Regulatory Services Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the potential risks:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
Poor or irresponsible dog ownership can lead to barking and roaming dogs.	Through the use of owner education initiatives and, if necessary, enforcement of regulations.
Poor or irresponsible dog ownership can lead to dog attacks on people and other animals.	Robust dog control policy focusing on minimising danger, distress or nuisance by dogs to the public. Dog owner education and enforcement of regulations. Dog bite prevention training and education.
Building and resource consent decisions and delivery of information on the Building Act, City Plan and development matters can have a significant effect on the social, cultural, economic and environmental wellbeing of our community.	Council addresses this by ensuring staff have adequate access to all relevant information and are appropriately trained/qualified to make robust decisions to ensure effects are kept to a minimum. Council consultation and engagement with the community and stakeholders will identify impacts and inform decision making.
Environmental health and licensing decisions and delivery can have an effect on the social, economic and environmental wellbeing of our community.	Council addresses this by ensuring staff have adequate access to all relevant information and are appropriately trained/qualified to make robust decisions to ensure effects are kept to a minimum.
Input into the resource consent process can result in vested infrastructure that is not fit-for-purpose and community use.	Council addresses this by ensuring our team is resourced effectively, and staff have adequate access to all relevant information and are appropriately trained/qualified to make robust decisions to ensure effects are kept to a minimum. Council consultation processes associated with consent processes will identify issues and impacts associated with infrastructure and inform decision making.



POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
Understanding of parking restrictions in the community resulting in illegal parking.	Proactive enforcement in known problem areas. Education and enforcement across metered and time restricted parking areas.

The Regulatory Services Activity is managed to ensure that it does not create significant negative effects on the community.

### What you can expect from us

The Activity supports our city’s economic and environmental wellbeing through development that provides for effective and sustained economic growth, as well as engagement with developers and the community to assist development within the parameters of the District Plan and relevant legislation, while maintaining compliance with statutory timeframes.

The Activity supports social wellbeing by monitoring and enforcing provisions relating to safety, and it also supports cultural wellbeing through the provision of incentives for heritage buildings.

The following table outlines how the Levels of Service align with the contribution of the Regulatory Services Activity to achieving the outcomes as described above.



REGULATORY SERVICES

COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET	
	NUMBER	DESCRIPTION								
Economic/ Social/ Environmental	31	Council is responsive to the community to ensure regulatory processes are effectively managed to support appropriate development and economic activity	31.1	Building consents are granted within statutory timeframe	98%	Not Applicable	100% of building consents are granted within statutory timeframe	100% of building consents are granted within statutory timeframe	100% of building consents are granted within statutory timeframe	100% of building consents are granted within statutory timeframe
Economic/ Social/ Environmental	31	Council is responsive to the community to ensure regulatory processes are effectively managed to support appropriate development and economic activity	31.2	Code Compliance Certificates are issued within statutory timeframe	New measure	Not Applicable	100% of Code Compliance Certificates are issued within statutory timeframe	100% of Code Compliance Certificates are issued within statutory timeframe	100% of Code Compliance Certificates are issued within statutory timeframe	100% of Code Compliance Certificates are issued within statutory timeframe
Economic/ Social/ Environmental	31	Council is responsive to the community to ensure regulatory processes are effectively managed to support appropriate development and economic activity	31.3	Non-notified resource consents not requiring a hearing are granted within statutory timeframe	96%	Not Applicable	100% of non-notified resource consents are granted within statutory timeframe	100% of non-notified resource consents are granted within statutory timeframe	100% of non-notified resource consents are granted within statutory timeframe	100% of non-notified resource consents are granted within statutory timeframe
Economic/ Social/ Environmental	31	Council is responsive to the community to ensure regulatory processes are effectively managed to support appropriate development and economic activity	31.4	Food premises are registered within 20 working days	100%	Not Applicable	100% of food premises are registered within 20 working days	100% of food premises are registered within 20 working days	100% of food premises are registered within 20 working days	100% of food premises are registered within 20 working days
Economic/ Social/ Environmental	31	Council is responsive to the community to ensure regulatory processes are effectively managed to support appropriate development and economic activity	31.5	Alcohol licences not requiring a hearing are granted within 30 days	100%	Not Applicable	100% of alcohol licences not requiring a hearing are granted within 30 days	100% of alcohol licences not requiring a hearing are granted within 30 days	100% of alcohol licences not requiring a hearing are granted within 30 days	100% of alcohol licences not requiring a hearing are granted within 30 days
Economic/ Social/ Environmental	31	Council is responsive to the community to ensure regulatory processes are effectively managed to support appropriate development and economic activity	31.6	Land Information Memorandum (LIM) Reports are issued within 10 working days	New Measure	Not Applicable	100%	100%	100%	100%

## REGULATORY SERVICES

COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET	
	NUMBER	DESCRIPTION								
Economic/ Social/ Environmental	32	Council is responsive to the community to ensure regulatory processes are effectively managed to support appropriate development and economic activity	32.1	Percentage of residents satisfied with service received from the Building, Planning and Property Records Department	New Measure	Maintained	50%	50%	50%	50%
Economic/ Social/ Environmental	32	Council is responsive to the community to ensure regulatory processes are effectively managed to support appropriate development and economic activity	32.2	Percentage of residents satisfied with the building and/or resource consent process	New Measure	Maintained	50%	50%	50%	50%
Economic/ Social/ Environmental	32	The District's heritage is valued and preserved	33.1	Amount of eligible applications received to support heritage buildings (earthquake strengthening and/or heritage improvements)	New Measure	Not Applicable	Council's Heritage Funds are at least 90% subscribed each financial year	Council's Heritage Funds are at least 90% subscribed each financial year	Council's Heritage Funds are at least 90% subscribed each financial year	Council's Heritage Funds are at least 90% subscribed each financial year

## How will we pay for it?

REGULATORY SERVICES - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/ FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓		✓		
Capital			✓		✓



# Corporate Services

## What the activity is

The Corporate Services Activity encompasses a number of different services and functions that are often considered back office or internal functions. These financial, management and technical areas together enable and support Council to deliver on its public activities.

There are five areas, each with a range of different functions within the Corporate Services Activity:

- Corporate Services – Council provides a consistent customer experience, responding in an effective and efficient manner to requests for service and adapting to changing expectations.
- Finance – Council is required to deliver annual and long-term strategic financial forecasting, budget management, and an array of day to day operational financial processing functions.
- Information and Technology - Council has the responsibility for protecting public records and allowing the community to access the information.
- Risk and Improvement – Risk is assessed and managed internally by Council in its delivery of delivery of activities and services.

The Corporate Services is fundamental to the provision of Council services to the community and it predominantly provides internal support to the organisation. It enables and supports Council performance and delivery, by providing robust and agile support services throughout the organisation, enabling delivery of services and Council outcomes to the community. Specifically, they:

- Enable, support and deliver Council's engagement with the community
- Ensure Council is responsive to changing expectations of the community
- Working in partnership with a range of local, regional and national stakeholders
- Provide consistent and reliable communications about the activities of Council, as well as prompt, knowledgeable and consistent customer service
- Ensure the business of Council is run in an operationally and financially prudent manner.



## Key issues

The Corporate Services Activity is pivotal to enable Council and all other activities delivering services to and engaging with our community. Several factors are likely to impact on this including customer service expectations, demographic composition and volume, technological advancements, cyber security, labour market challenges and changes in legislation and/or national policy.

Over the next 10 years, demand for accurate and timely information will only increase and Council will actively be considering how to best deliver in a format that is desired by our community. This will be reflected not only in customer service areas, but also communications and engagement platforms.

These will have both people and financial implications therefore internally, Council will consider resourcing, streamlining internal processes and opportunities for change capability.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Corporate Services Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the potential risks:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
Delays in Council responsiveness to requests for service.	<p>Council provides various avenues for the public to submit requests for service in the community. These include: ICC-operated 24/7 call centre, email, My Invercargill platform, the Antenno app, or through written requests.</p> <p>Council also has a range of performance measures in place relating to requests for service with priority targets in place to ensure a timely response and resolution.</p>
Access to information to enable and support the delivery of Council services and to support the community.	<p>Council strives to improve its communication and engagement capabilities, including the implementation of new digital systems and processes to enable the community to access timely and accurate information, as well as enable the community to have access to and engage with Council officers and Elected Representatives.</p>
Disruption to or failure of IT systems.	<p>The Our Council Programme includes an extensive range of initiatives that will increase the range of digital services and availability of many Council services, automate the transfer of data and information between systems, enable access to digital services for operational field staff, and provide enhanced reporting and insights. The end result of these enhancements will be a streamlined customer experience, improved productivity, and better access to data and insights which will help Council to make informed decisions on behalf of our communities.</p>

The Corporate Services Activity is managed to ensure that it does not create significant negative effects on the community.

## What you can expect from us

The Corporate Services Activity supports community wellbeing by ensuring the Council business is managed effectively and services are reliable and available to the community throughout the year.

The following table outlines how the Levels of Service align with the contribution of the Corporate Services Activity to achieving the outcomes as described above.



## CORPORATE SERVICES

COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET	
	NUMBER	DESCRIPTION								
Social/ Cultural/ Environmental/ Economic	34	Council is responsive to the community in order to manage Council business effectively to support community wellbeing	34.1	Percentage of Requests for Service under investigation/ closed within 10 working days of being raised	New Measure	Increasing	80%	84%	88%	90%
Social/ Economic	34	Council is responsive to the community in order to manage Council business effectively to support community wellbeing	34.2	Percentage of suppliers who are paid on time	New Measure	Increasing	85%	90%	93%	95%
Social/ Cultural/ Environmental/ Economic	35	Corporate services are reliable and available	35.1	Customers are provided with a 24 hour 7 day a week call centre	New Measure	Not Applicable	99%	99%	99%	99%
			35.2	Invercargill customers are provided with face to face customer services	New Measure	Not Applicable	1880 hours per annum	1880 hours per annum	1880 hours per annum	1880 hours per annum
			35.3	Bluff customers are provided with face to face customer services	New Measure	Not Applicable	2045 hours per annum	2045 hours per annum	2045 hours per annum	2045 hours per annum

## How will we pay for it?

## CORPORATE SERVICES - SOURCE OF FUNDING

ACTIVITY	USER CHARGES/ FEES	SUBSIDY/PETROL TAX	INVESTMENT OUTCOME	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓	✓	✓	✓		
Capital				✓		✓

## Capital Projects - Corporate Services

PROJECT	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
Roadmap Programme Contingency	1,030	1,053	1,078	1,103	1,127	1,151	1,175	1,198	1,222	1,245
IT - Software	82	-	-	-	-	-	1,057	1,078	1,100	1,121
IT - Hardware	301	328	354	363	371	379	386	395	402	410
Our Council (Business Enhancement) Programme	3,516	3,510	3,592	3,676	3,756	3,836	-	-	-	-
Motor vehicles and plant renewals	701	658	678	693	751	723	742	797	772	786
	5,630	5,549	5,702	5,835	6,005	6,089	3,360	3,468	3,496	3,562

# Property Services

## What the activity is

The Property Services Activity underpins many Council activities by providing the land and buildings needed. The Activity acts as the “owner” of Council’s property and manages the community owned and publicly used facilities of Council for the benefit of Invercargill residents and ratepayers and visitors to the city.

Invercargill City Council provides a range of services to its community which help achieve the Council’s community outcomes. By their nature, these services require specialist buildings that are not always commercially viable.

The Property Services Activity manages and maintains a portfolio of building assets including public, commercial, residential and parks operational buildings and leases. It also manages and operates public toilets for use by the community and visitors to our city and parks. It ensures that the buildings are designed, constructed, developed and maintained for their specific purpose throughout their life-cycle.



## Key issues

The key challenges facing the Property Services Activity include the number of large strategic projects to be scoped, constructed and/or finalised, the high number of aging buildings requiring capital renewals, deferred maintenance and renewal programmes to be re-evaluated and additional investment required in Asset Management maturity. Indirectly, Property Services needs to respond to the same demand and trends impacting the Leisure, Recreation and Wellbeing Activities, which may require building changes or upgrades – these include but are not limited to demographic and societal changes, tourism, economic changes and technological advances.

To address these, the Activity will need to consider a range of options including additional resources to plan for and deliver the capital programme, utilising alternative locations, refurbishments and increasing capacity.

### Rugby Park

Capital work on maintenance and short-term safety improvements for Rugby Park commenced in April 2024, with a budget of \$1.2 million. This strengthening work is related to the main stand (which is earthquake-prone and some improvements to Level One and pre-roof work, such as micro piles). Council decided that the work scheduled for the 2025 calendar year, valued at \$2.8 million, will be cancelled. This work was the final strengthening works to the main stand and would enable Council to remove the earthquake-prone notices.

The work has been postponed until 2035, and it is expected to cost \$3.9 million. However, Council may choose to re-use the stadium for other activities. The cost for the demolition for the main stand and the full clearance of the site would cost approximately \$8.6 million.

Council will make a decision on the future of Rugby Park in 2027.

## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Property Services Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the potential risks:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
Health and safety risks to staff, contractors and the public in buildings	The Activity maintains extensive Health and Safety at Work processes to identify and minimise hazards.
Health and safety – seismic failure of buildings	Council aims to maintain buildings above 67% NBS. Where this may not be appropriate, the reasons for exception area clearly documented. The public is not allowed in buildings below the 67% NBS.
Lack of fit for purpose community facilities available. A lack of disabled access, poorly equipped facilities with aging plant and infrastructure may exclude some parts of the community from accessing the venues and events.	The Activity managers advocate for investment and long term business planning through the asset development/ renewal processes. And via business cases for new initiatives and projects not already captured in asset management plans.

The Property Services Activity is managed to ensure that it does not create significant negative effects on the community.

## What you can expect from us

The Property Services Activity supports community wellbeing by providing reliable, safe and appropriate spaces for the community.

The Activity ensures building assets are managed sustainability and in accordance with statutory and regulatory requirements.

The following table outlines how the Levels of Service align with the contribution of the Property Services Activity to achieving the outcomes as described above.

PROPERTY SERVICES										
COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET	
	NUMBER	DESCRIPTION								
Social	36	Council is responsive to the community to ensure effective management of property to support community wellbeing	36.1	Requests for service are responded to and remedial action in place: - Emergency - H&S related requests.	New Measure	Not Applicable	24 hours	24 hours	24 hours	24 hours
Social	36	Council is responsive to the community to ensure effective management of property to support community wellbeing	36.2	Requests for service are responded to and remedial action in place: - Non-Urgent routine requests.	New Measure	Not Applicable	5 working days	5 working days	5 working days	5 working days
Social	37	Property is effectively managed to provide safe appropriate spaces for the community	37.1	All buildings have a current Building Warrant of Fitness	New Measure	Not Applicable	100%	100%	100%	100%
Social	37	Property is effectively managed to provide safe appropriate spaces for the community	37.2	Condition assessments are not older than 5 years old (of agreed buildings)	New Measure	Not Applicable	80%	80%	80%	80%
Social/ Environmental	37	Property is effectively managed to provide safe appropriate spaces for the community	37.3	Asbestos Management Plans are reviewed and updated so they are not older than 5 years.	New Measure	Not Applicable	80%	80%	80%	80%
Social	37	Property is effectively managed to provide safe appropriate spaces for the community	37.4	Percentage of residents satisfied with public toilet facilities in Invercargill District	New Measure	Increasing	55%	60%	65%	70%
Social	38	Property is reliable and available to the community	38.1	Public toilets are operational 95% of open hours (which is 24 hours per day)	95%	Maintained or Increasing	95%	95%	95%	95%



## How will we pay for it?

PROPERTY SERVICES - SOURCE OF FUNDING					
ACTIVITY	USER CHARGES/ FEES	SUBSIDY	GENERAL RATE	TARGETED RATE	LOANS
Operational	✓		✓		
Capital		✓	✓		✓



## Capital Projects - Property Services

PROJECT	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
Te Unua - Main building (Roadmap)	22,630	24,101	-	-	-	-	-	-	-	-
Te Unua - Experience building (Roadmap)	1,030	6,000	3,794	-	-	-	-	-	-	-
Scoping Additional pool (Roadmap)	155	-	-	-	-	-	-	-	-	18,682
Southland Aquatic Centre building - Internal wall modifications renewals	82	-	-	-	-	-	-	-	-	-
Southland Aquatic Centre building - Changing rooms renewals	824	-	233	-	-	-	-	-	-	-
Southland Aquatic Centre building - Non slip flooring renewals	-	224	-	-	-	-	-	-	-	-
Southland Aquatic Centre building - Roof renewals	-	-	1,455	-	-	-	-	-	-	-
Southland Aquatic Centre building - Boiler renewals	-	-	-	107	-	-	-	-	-	-
Southland Aquatic Centre building - External cladding renewals	-	-	-	-	-	207	-	-	-	-
Southland Aquatic Centre building - Internal refit renewals	-	-	-	-	-	-	-	-	-	280
Scoping of Art Precinct	155	-	-	-	-	-	-	-	-	-
Bluff Service Centre building - Club Hotel wall renewals	321	-	-	-	-	-	-	-	-	-
Bluff Service Centre building - Refurbishment renewals	165	-	-	-	-	-	-	-	-	-
Bluff Service Centre building - Structure renewals	124	-	-	-	-	-	-	-	-	-
Bluff Service Centre building - Plumbing renewals	-	-	19	-	-	-	-	-	-	-
Bluff Service Centre building - HVAC renewals	-	-	15	-	-	-	-	-	-	-
Civic Administration building - Redevelopment	147	224	7,893	8,074	-	-	-	-	-	-
Civic Administration building - General renewals	577	627	679	1,837	710	725	740	755	770	785
Civic Theatre building - Ceiling assessment	-	18	-	-	-	-	-	-	-	-
Civic Theatre building - Internal renewals	-	-	388	-	-	-	-	-	-	-
Civic Theatre building - HVAC renewals	-	-	146	-	-	311	-	-	-	-
Civic Theatre building - General renewals	-	-	60	-	-	-	-	-	-	-
Civic Theatre building - Lift renewals	-	-	-	-	152	-	-	-	-	-
Civic Theatre building - External paint and brickwork renewals	-	-	-	-	-	207	-	-	-	-
Civic Theatre building - Loading bay door renewals	-	-	-	-	-	-	-	23	-	-
Civic Theatre building - Backstage communication system renewals	-	-	-	-	-	-	-	-	-	11
Dog Pound building - General improvements	21	-	-	-	-	-	-	-	-	-
Dog Pound building - Fencing and gate system improvements	-	53	-	-	-	-	-	-	-	-
Dog Pound building - HVAC and water system renewals	-	-	-	-	19	-	-	-	-	-
Dog Pound building - General renewals	-	-	-	-	-	14	-	-	-	-

PROJECT	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
Library building - Archives exterior repaint & minor work renewals	103	-	-	-	-	-	-	-	-	-
Library building - Interior refurbishments renewals	-	-	-	104	-	-	-	-	-	-
Library building - Archives plant renewals	-	-	-	762	-	-	211	-	-	-
Library building - Fire services system renewals	-	-	-	30	-	-	-	-	-	-
Library building - Exterior paint renewals	-	-	-	-	325	-	-	-	-	-
Library building - Mechanical plant renewals	-	-	-	-	-	11	-	-	-	-
Library building - Roof renewals	-	-	-	-	-	259	-	-	-	-
Car parking building - General renewals	95	-	-	-	-	-	1	-	-	-
Crematorium building - General renewals	899	-	-	-	-	-	-	-	-	-
Parks buildings - Winter gardens renewals	41	-	-	-	-	-	-	-	-	-
Parks buildings - Cemetery renewals	41	-	-	-	-	-	-	-	-	-
Parks buildings - Shed renewals	49	54	58	60	61	62	63	65	66	67
Parks buildings - General renewals	115	125	136	139	142	145	148	151	154	157
Rugby Park building - Main stand strengthening	1,113	-	-	-	-	-	-	-	-	-
Rugby Park building - General renewals	-	-	-	-	-	67	-	-	-	-
Bluff Senior Citizens building - General renewals	129	-	-	-	-	-	-	-	-	-
Scottish Hall building - General renewals	-	-	210	-	-	-	-	-	-	-
Scottish Hall building - Roof renewals	-	-	-	-	-	298	-	-	-	-
Scottish Hall building - Internal renewals	-	-	-	-	-	-	1,032	-	-	-
Public Toilets - Coronation Ave	165	-	-	-	-	-	-	-	-	-
Public Toilets - Russell Square	181	-	-	-	-	-	-	-	-	-
Public Toilets - Bluff Service Centre	206	-	-	-	-	-	-	-	-	-
Public Toilets - Stirling Point	206	-	-	-	-	-	-	-	-	-
Public Toilets - Greenpoint	-	179	-	-	-	-	-	-	-	-
Public Toilets - Catlins Gateway	-	-	-	198	-	-	-	-	-	-
Public Toilets - General renewals	165	224	194	248	203	259	211	270	220	280
	<b>29,739</b>	<b>31,829</b>	<b>15,280</b>	<b>11,559</b>	<b>1,612</b>	<b>2,565</b>	<b>2,406</b>	<b>1,264</b>	<b>1,210</b>	<b>20,262</b>

# Investments

## What the activity is

Council's Investment Activity includes all of the investing activities of Council. Those investments are comprised of:

- Invercargill City Holdings Limited - This is a Council Controlled Trading Organisation that is wholly owned by ICC. It owns:
  - Electricity Invercargill Limited (EIL) shares electricity lines.
  - Invercargill Airport Limited (IAL) (97.4%). IAL is seen as a Strategic Asset for the City within the Investment Portfolio.
  - Shares in Invercargill Central Limited which owns a significant interest in the recently-developed Inner City mall.
- Financial investments in term deposits - Council has a significant level of debt, and also a number of term deposits. Council's Treasury policy is based on a concept of net debt. Net debt is the total external debt minus cash holdings and term deposits. These term deposits ensure that Council has funds when necessary, and assists in keeping a sound credit rating that reduces the total cost of funds to the organisation. Our investment portfolio typically earns higher interest than the cost of borrowing. The investments are actively managed in short-term deposits.
- Property investments - Council has a range of property investments managed by the Property team. Council's investment property portfolio is made up of:
  - Endowment land and buildings
  - Strategic land and buildings
  - Commercial (trading) land and buildings
  - Vacant land.

A commercial return is received on Endowment and Trading Properties (excluding land purchased for strategic purposes and acquired through rating sales).

The Investment Activity portfolio supports appropriate commercial and economic development in the Invercargill District. The Activity provides additional revenue streams for Council funding while continuing to assess the strategic need of various properties.



## Key issues

Potential loss of tenants, purchase of freehold interests by tenants, opportunities to invest in endowment fund and Council desire to use properties for strategic or community purposes, as well as ICHL aligning to Council vision and its ability to providing a long-term stable dividend are all risk factors for the Activity.

The Activity is also highly vulnerable to interest rates fluctuations and Council borrowing not in line with plan.

Council will continue to investigate the purchase of new property as and when it becomes available to ensure an appropriate portfolio is maintained.



## Potential significant negative effects of providing this activity

There are unavoidable consequences of the Investments Activity, which we manage to ensure a sustainable service with minimal damage to the environment. The following table shows how we monitor and manage the potential risks:

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS	
NEGATIVE EFFECT	RESPONSE
Revenue targets are not obtained (rentals, dividends, interest) impacting the ability of Council to fund the provision of services without significantly increasing rates or decreasing the services provided.	Council monitors closely the market conditions and revenue trends.

The Investments Activity is managed to ensure that it does not create significant negative effects on the community.

## What you can expect from us

Investments Activity supports Council's outcome for economic wellbeing by supporting appropriate commercial and economic development in the District environs through the purchase, sale and/or lease of land, as well as the efficient management of the commercial investments of the Council to ensure maximum returns are made as a dividend back to the ratepayers of Invercargill.

The following table outlines how the Levels of Service align with the contribution of the Investments Activity to achieving the outcomes as described above.



INVESTMENTS

COMMUNITY OUTCOME	LEVEL OF SERVICE		PERFORMANCE MEASURE	BASELINE (2022/2023)	TREND	2024/2025 TARGET	2025/2026 TARGET	2026/2027 TARGET	2027-2034 TARGET
	NUMBER	DESCRIPTION							

INVESTMENT PROPERTY

Economic/ Social	39	Investment property is well utilised in order to deliver returns to the community	39.1	Occupancy levels are greater than 95%	New Measure	Not Applicable	>95	>95	>95	>95	
Economic	40	Investment property is effectively managed in order to deliver returns to the community	40.1	Total Gross Income over Total Asset Value	Total portfolio	New Measure	Not Applicable	4%	4%	4%	4%
					Portfolio excluding Strategic, Development and Vacant land	New Measure	Not Applicable	5%	5%	5%	5%
Economic	40	Investment property is effectively managed in order to deliver returns to the community	40.2	All buildings have a current Building Warrant of Fitness	New Measure	Not Applicable	>Planned cash deposit rate 3.5%	>Planned cash deposit rate 3.5%	>Planned cash deposit rate 3.5%	>Planned cash deposit rate 3.5%	

OTHER INVESTMENTS

Economic	40	Investments are effectively managed in order to deliver returns to the community	40.3	Net interest income is higher than budgeted	New Measure	Not Applicable	> Budget	> Budget	> Budget	> Budget
Economic	40	Investments are effectively managed in order to deliver returns to the community	40.4	Dividend income is in line with budget	New Measure	Not Applicable	= Budget	= Budget	= Budget	= Budget







How we pay for it

PHOTO: GREAT SOUTH

Te take pūtea



# Funding Impact Statement

The Funding Impact Statement is made up of three parts:

- Rating policy information for 2024/2025
- Total rates to be collected including rating examples of different property
- Funding Impact Statement - Invercargill City Council for 2024-2034

The Funding Impact Statement should be read in conjunction with the Revenue and Financing Policy.

Figures in this statement are GST inclusive unless otherwise stated.



# Rating policy

## Te Ture Whaka taurenga

### Rates

Invercargill City Council sets rates using the following methods:

- a rate in the dollar on capital value
- a uniform annual general charge (UAGC) fixed charge per separately used or inhabited part of a rating unit (SUIP)
- a fixed charge per provision of service
- a fixed charge per rating unit
- a fixed charge per connection to a council service

### Differentials

In addition to these charges some differentials are applied to recognise different levels of benefit received by some ratepayers and different levels of burden placed on Council's activities. Examples of differentials are shown below.

- Differential of 0  
The rate is not applied to the property
- Differential of 0.60  
60% of the rate is applied to the property
- Differential of 0.97  
97% of the rate is applied to the property
- Differential of 1  
The standard rate is applied to the property
- Differential of 2  
Double the rate is applied to the property

### Separately Used or Inhabited Part of a Rating Unit (SUIP)

A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner or a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

Council charges a Uniform Annual General Charge (UAGC) per SUIP.

Examples of properties with multiple SUIPs include, but are not limited to, the following situations:

- Single dwelling with flat attached
- Two or more houses, flats or apartments on one record of title
- Business premise with flat above
- Separate business premise and dwelling on same record of title
- Commercial building leased, or sub-leased, to multiple tenants
- Farm or horticultural property with more than one dwelling
- Council property with more than one lessee
- Individually surveyed lots of vacant land on one record of title offered for sale separately or in groups
- Where part of a rating unit that has the right of exclusive occupation when more than one ratepayer/owner
- Retirement village with self-contained flats or dwellings

### General Rates

The general rate is set as a rate in the dollar on capital value and a uniform annual general charge (UAGC) per separately used or inhabited part of a rating unit.

The following differentials apply:

LAND USE	BASIS FOR RATE	DIFFERENTIAL
Residential	Rate in dollar on capital value	1
Lifestyle	Rate in dollar on capital value	0.97
Commercial	Rate in dollar on capital value	1
Industrial	Rate in dollar on capital value	1
Farms	Rate in dollar on capital value	0.60
Utilities	Rate in dollar on capital value	1
1530 Tiwai Road	Rate in dollar on capital value	0.23

## Regional Heritage

Southland Regional Heritage activities are operated by a Joint Committee across three councils: Invercargill City, Southland District and Gore District. Charges are set based on a fixed charge per SUIP. In Invercargill we include this within the UAGC.

## Community Board

Council sets a targeted rate to fund the costs of the Bluff Community Board and its projects. This is set as a rate in the dollar on capital value of properties identified in Map A, excluding Utility, with property type differentials applied.

## City Centre coordinator

Council sets a targeted rate to fund the costs of City Centre Co-ordination. This is set as rate in the dollar on capital value of all commercial and industrial land identified in Map B.

## Transportation

Council sets a targeted rate for provision of the direct access to the Transportation Service. This rate is set as a rate in the dollar on capital value of all identified properties in Map C (excluding Utilities) with property type differentials applied. The balance of this service is included in the general rates and distributed across the entire city.

ACTIVITY	TARGETED PORTION	GENERAL PORTION
Transportation	50%	50%

## Stormwater Drainage

Council sets a targeted rate for provision of the direct access to the Stormwater Drainage Service. This rate is set as a rate in the dollar on capital value of all properties identified as having access to a stormwater drainage network with property type differentials applied. The balance of this service is included in the general rates and distributed across the entire city.

ACTIVITY	TARGETED PORTION	GENERAL PORTION
Drainage	75%	25%

## Water

Council sets targeted rates to fund the provision of reticulated water supply. These are set as fixed charges per SUIP for residential properties and charges per rating unit with differentials based on capital value (CV) for other property (excluding Utilities) as shown in the table below. Vacant properties that are able to connect to Council water supply (serviceable) are charged a differential of 0.5 which is a half charge. The base rates are calculated to collect 84% of the total water rates from residential properties with 16% of the total water rates collected coming from non-residential land.

RATE TYPE	DIFFERENTIAL
Water - Residential	1

RATE TYPE	DIFFERENTIAL
Water – Non-Residential with CV <\$50,001	0.8
Water – Non-Residential with CV \$50,001-\$100,000	1
Water – Non-Residential with CV \$100,001-\$200,000	1.2
Water – Non-Residential with CV \$200,001-\$400,000	1.4
Water – Non-Residential with CV \$400,001-\$1,000,000	2
Water – Non-Residential with CV \$1,000,001-\$3,000,000	3
Water – Non-Residential with CV \$3,000,001-\$5,000,000	4
Water – Non-Residential with CV >\$5,000,000	5



## Water (continued)

Council has determined that a vacant serviceable rating unit is a property where the closest property boundary is less than 100m from a water access point and it is not impracticable to access the service. A serviceable rating unit upon which a building is erected is a property where the building is less than 100m from water supply and it is not impracticable to connect to the service.

Council charges high usage non-residential properties for metered water supply on a per cubic metre basis. This is charged per cubic metre of water consumed over 249m<sup>3</sup> per annum. This is not a rate and the amount is set by Council in its schedule of fees and charges.

RATE TYPE	RATE PER CUBIC METRE
Metered Water Supply	\$1.80

## Sewerage

Council sets targeted rates to fund the provision of reticulated sewerage services. These are set as fixed charges per SUIP for residential properties and fixed charges per rating unit with differentials based on capital value (CV) for other properties excluding Utilities as shown in the table below. Vacant properties that are able to connect to Council's sewerage network (serviceable) are charged a differential of 0.5 which is a half charge. The base rates are calculated to collect 75% of the total sewerage rates from residential properties with 25% of the total rates collected coming from non-

RATE TYPE	DIFFERENTIAL
Sewerage - Residential	1
RATE TYPE	DIFFERENTIAL
Sewerage – Non-Residential with CV <\$50,001	0.8
Sewerage – Non-Residential with CV \$50,001-\$100,000	1
Sewerage – Non-Residential with CV \$100,001-\$200,000	1.2
Sewerage – Non-Residential with CV \$200,001-\$400,000	1.4
Sewerage – Non-Residential with CV \$400,001-\$1,000,000	2
Sewerage – Non-Residential with CV \$1,000,001-\$3,000,000	3
Sewerage – Non-Residential with CV \$3,000,001-\$5,000,000	4
Sewerage – Non-Residential with CV >\$5,000,000	5

residential land.

Council has determined that a vacant serviceable rating unit is a property where the closest property boundary is less than 60 metres from a sewerage access point and it is not impracticable to access the service. A serviceable rating unit upon which a building is erected is a property where the building is less than 60 metres from sewerage network and it is not impracticable to connect to the service.

## Solid Waste Kerbside Collection

Council sets a targeted rate to fund the provision of kerbside removal of refuse and recycling within the service area. This is set as a fixed charge per provision of the service for residential, commercial and industrial properties within the service area. An additional set of bins can be provided at full cost.

## Projected Rate Properties – 2024/2034

YEAR	PROJECTED NUMBER OF RATING UNITS
2024/2025	25,966
2025/2026	26,096
2026/2027	26,252
2027/2028	26,436
2028/2029	26,648
2029/2030	26,887
2030/2031	27,129
2031/2032	27,374
2032/2033	27,620
2033/2034	27,869



## Rates to be collected – 2024/2025

RATE NAME		RATE \$	BASIS	DIFFERENTIAL	TOTAL
General Rate	Residential	\$0.00329979	Per \$ capital value	1	\$32,173,102
General Rate	Lifestyle	\$0.00320080	Per \$ capital value	0.97	\$5,258,103
General Rate	Commercial	\$0.00329979	Per \$ capital value	1	\$4,580,440
General Rate	Industrial	\$0.00329979	Per \$ capital value	1	\$3,124,451
General Rate	Farming	\$0.00197988	Per \$ capital value	0.60	\$728,981
General Rate	1530 Tiwai Road	\$0.00075895	Per \$ capital value	0.23	\$159,672
General Rate	Utilities	\$0.00329979	Per \$ capital value	1	\$2,059,695
UAGC		\$208.57	Per SUIP	1	\$5,633,987
Water Supply	Residential	\$458.89	Per connected residential SUIP	1	\$9,533,634
Water Supply	Non-Residential	\$525.08	Per connected rating unit	1	\$1,815,944
Sewerage	Residential	\$411.15	Per connected SUIP	1	\$9,033,486
Sewerage	Non-Residential	\$861.91	Per connected rating unit	1	\$3,011,133
Refuse Collection	Kerbside Collection	\$253.17	Per set of bins provided	1	\$5,534,242
Bluff Community Board	Residential	\$0.00023578	Per \$ capital value	1	\$75,097
Bluff Community Board	Lifestyle	\$0.00022871	Per \$ capital value	0.97	\$8,961
Bluff Community Board	Commercial	\$0.00023578	Per \$ capital value	1	\$2,681
Bluff Community Board	Industrial	\$0.00023578	Per \$ capital value	1	\$19,263
Bluff Community Board	Farming	\$0.00014147	Per \$ capital value	0.60	\$4,166

## Rates to be collected – 2024/2025

RATE NAME		RATE \$	BASIS	DIFFERENTIAL	TOTAL
City Centre Co-ordinator	Commercial	\$0.00025697	Per \$ capital value	1	\$205,274
City Centre Co-ordinator	Industrial	\$0.00025697	Per \$ capital value	1	\$7,653
Transportation	Residential	\$0.00008446	Per \$ capital value	1	\$709,665
Transportation	Lifestyle	\$0.00008192	Per \$ capital value	0.97	\$3,488
Transportation	Commercial	\$0.00008446	Per \$ capital value	1	\$107,039
Transportation	Industrial	\$0.00008446	Per \$ capital value	1	\$53,099
Transportation	Farming	\$0.00005067	Per \$ capital value	0.60	\$0
Stormwater	Residential	\$0.00045563	Per \$ capital value	1	\$4,347,624
Stormwater	Lifestyle	\$0.00044196	Per \$ capital value	0.97	\$181,251
Stormwater	Commercial	\$0.00045563	Per \$ capital value	1	\$609,165
Stormwater	Industrial	\$0.00045563	Per \$ capital value	1	\$317,601
Stormwater	Farming	\$0.00027338	Per \$ capital value	0.60	\$510
Stormwater	Utilities	\$0.00045563	Per \$ capital value	1	\$280,690
				<b>TOTAL</b>	<b>\$89,580,098</b>



## Non-Rateable Properties

Land that is fully non-rateable is set out in Schedule 1 of the Local Government (Rating) Act 2002.

**Revision History:** June 2024

**Reference Number:** A5062660

**Effective Date:** 1 July 2024

**Review Period:**

Every three years

**Supersedes:**

Rating Policy 2021 (A3427787)

**Next Review Date:** 1 July 2027

**Associated Documents/References:**

Nil

**Policy Owner:**

GM – Finance and Assurance







# Map B. City Centre Coordinator Rating Boundary






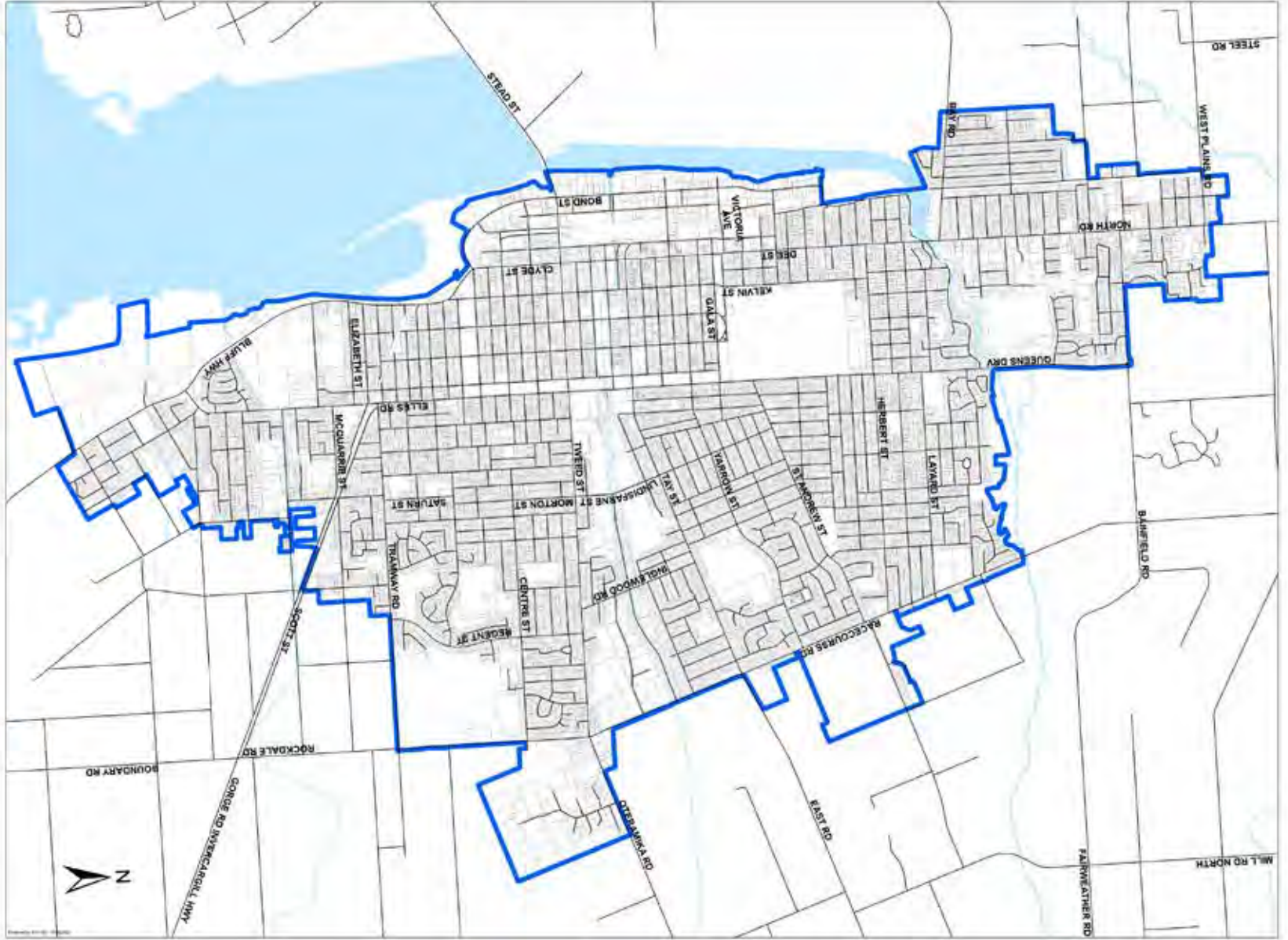
### Map C. Transportation Boundary



## Map C Transport Rateable Land

 Transport Rateable Boundary

Current as at 1/7/2021



## Total Rates to be Collected

Rating valuations were reviewed in 2023. This has resulted in a change in value of most properties in the district. Although the proposed overall rates increase is 9.88% for 2024/2025, many properties will have a rates change different to this.

The table of Rating Change below shows some examples of different properties, their valuation change and the impact this has had on the rates payable by the ratepayer.

TABLE OF RATING CHANGES							
TYPE OF PROPERTY	RATEABLE VALUE (CURRENT) \$	RATEABLE VALUE (PROPOSED) \$	RATES 2023/24 \$	RATES 2024/25 \$	\$ CHANGE ANNUAL	\$ CHANGE WEEKLY	% CHANGE RATES
Residential	280,000	350,000	2,417	2,676	259	5	10.70%
Residential	325,000	390,000	2,612	2,829	217	4	8.30%
Residential	455,000	540,000	3,178	3,405	227	4	7.10%
Residential	680,000	830,000	4,157	4,519	362	7	8.70%
Residential	780,000	965,000	4,592	5,037	445	9	9.70%
Lifestyle	610,000	780,000	2,416	2,705	289	6	12.00%
Lifestyle	810,000	1,050,000	3,717	4,239	522	10	14.00%
Lifestyle	1,220,000	1,500,000	5,270	5,673	403	8	7.60%
Commercial	290,000	365,000	3,580	3,899	319	6	8.90%
Commercial	1,710,000	2,100,000	12,222	13,181	961	18	7.90%
Commercial	12,800,000	16,400,000	62,520	70,371	7,851	151	12.60%
Industrial	185,000	280,000	2,540	3,226	686	13	27.00%
Industrial	2,920,000	3,770,000	17,446	20,992	3,546	68	20.30%
Industrial	5,750,000	6,750,000	32,012	33,480	1,468	28	4.60%
Farms	690,000	740,000	1,713	1,778	65	1	3.80%
Farms	3,210,000	3,260,000	7,230	7,124	-106	-2	-1.50%
Farms	7,700,000	7,700,000	15,754	15,454	-300	-6	-1.90%

## Funding Impact Statement - Invercargill City Council

(GST exclusive)

FOR THE YEAR ENDED JUNE 30	ANNUAL PLAN		LONG-TERM PLAN								
	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
<b>SOURCES OF OPERATIONAL FUNDING</b>											
General rates, uniform annual general charges, rates penalties	43,605	47,677	51,981	56,631	63,506	68,083	72,336	73,095	75,903	79,070	74,903
Targeted rates	27,532	31,184	34,005	37,116	37,415	39,601	41,554	46,216	48,498	50,647	60,363
Subsidies and grants for operating purposes	5,675	5,492	5,736	5,880	5,435	5,503	5,559	5,670	5,783	5,894	6,006
Fees and charges	27,379	31,409	32,795	35,012	36,735	38,493	40,317	42,164	44,091	46,628	48,851
Interest and dividends from investments	8,345	13,100	12,975	13,216	13,412	13,757	14,106	14,462	14,841	15,214	15,600
Local authorities fuel tax, fines, infringement fees, and other receipts	2,526	9,015	7,746	8,374	8,675	8,877	9,047	9,428	9,718	9,496	10,064
<b>Total operating funding (A)</b>	<b>115,062</b>	<b>137,877</b>	<b>145,238</b>	<b>156,229</b>	<b>165,178</b>	<b>174,314</b>	<b>182,919</b>	<b>191,035</b>	<b>198,834</b>	<b>206,949</b>	<b>215,787</b>
<b>APPLICATIONS OF OPERATIONAL FUNDING</b>											
Payments to staff and suppliers	88,388	101,926	105,093	108,765	112,203	115,462	118,333	121,465	124,498	128,202	131,806
Finance costs	4,368	6,268	7,197	8,783	10,169	11,309	13,340	15,197	16,423	17,259	16,590
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>92,756</b>	<b>108,194</b>	<b>112,290</b>	<b>117,548</b>	<b>122,372</b>	<b>126,771</b>	<b>131,673</b>	<b>136,662</b>	<b>140,921</b>	<b>145,461</b>	<b>148,396</b>
<b>Surplus (deficit) of operating funding (A – B)</b>	<b>22,306</b>	<b>29,683</b>	<b>32,948</b>	<b>38,681</b>	<b>42,806</b>	<b>47,543</b>	<b>51,246</b>	<b>54,373</b>	<b>57,913</b>	<b>61,488</b>	<b>67,391</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	10,946	14,238	6,858	9,580	8,417	9,947	9,019	8,480	8,650	8,822	8,990
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	23,644	23,335	39,447	34,635	28,502	50,773	46,427	30,660	20,896	(16,716)	30,792
Gross proceeds from sale of assets	-	2,233	1,593	10,189	180	180	180	180	180	180	180
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>34,590</b>	<b>39,806</b>	<b>47,898</b>	<b>54,404</b>	<b>37,099</b>	<b>60,900</b>	<b>55,626</b>	<b>39,320</b>	<b>29,726</b>	<b>(7,714)</b>	<b>39,962</b>
<b>APPLICATION OF CAPITAL FUNDING</b>											
Capital expenditure											
▪ to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
▪ to improve the level of service	26,079	44,389	42,686	36,005	18,274	58,089	51,895	26,710	34,751	7,822	24,462
▪ to replace existing assets	26,079	38,088	33,220	51,828	56,316	44,824	49,224	60,972	46,631	39,445	76,123
Increase (decrease) in reserves	4,105	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	633	(12,988)	4,940	5,252	5,315	5,530	5,753	6,011	6,257	6,507	6,768
<b>Total applications of capital funding (D)</b>	<b>56,896</b>	<b>69,489</b>	<b>80,846</b>	<b>93,085</b>	<b>79,905</b>	<b>108,443</b>	<b>106,872</b>	<b>93,693</b>	<b>87,639</b>	<b>53,774</b>	<b>107,353</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(22,306)</b>	<b>(29,683)</b>	<b>(32,948)</b>	<b>(38,681)</b>	<b>(42,806)</b>	<b>(47,543)</b>	<b>(51,246)</b>	<b>(54,373)</b>	<b>(57,913)</b>	<b>(61,488)</b>	<b>(67,391)</b>
<b>FUNDING BALANCE ((A – B) + (C – D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation expense (not included in the above FIS)	41,663	47,038	50,429	51,890	49,150	53,187	52,531	52,212	53,744	58,478	57,630

# Financial Management

## Te Whakahaere Pūtea

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

### This section includes:

- Prospective Statement of Comprehensive Revenue and Expense
- Prospective Statement of Cashflows
- Prospective Statement of Financial Position
- Prospective Statement of Changes in Equity
- Reconciliations from Funding Impact Statements to Statement of Comprehensive Revenue & Expense
- Schedule of Reserve Funds
- Prospective Statement of Accounting Policies.

All figures are GST exclusive unless otherwise stated



## Prospective Statement of Comprehensive Revenue & Expense

	ANNUAL PLAN	FORECAST*	LONG-TERM PLAN									
	2023/24 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)	2028/29 (\$'000)	2029/30 (\$'000)	2030/31 (\$'000)	2031/32 (\$'000)	2032/33 (\$'000)	2033/34 (\$'000)
<b>REVENUE</b>												
Rates revenue	71,137	71,372	78,861	85,986	93,747	100,921	107,684	113,890	119,311	124,401	129,717	135,266
Fines	475	733	1,519	1,553	1,589	1,698	1,735	1,772	1,890	1,928	1,965	2,092
Subsidies and grants	16,621	16,482	19,730	12,594	15,460	13,852	15,450	14,578	14,150	14,433	14,716	14,996
Direct charges revenue	25,777	27,770	35,206	35,184	37,873	39,664	41,463	43,298	45,322	47,413	49,606	52,184
Rental revenue	3,653	3,428	3,699	3,804	3,924	4,048	4,172	4,294	4,380	4,468	4,553	4,639
Finance revenue	3,042	3,887	3,643	3,398	3,511	3,576	3,792	4,016	4,250	4,493	4,745	5,008
Dividends	5,303	5,478	9,457	9,577	9,705	9,836	9,965	10,090	10,212	10,348	10,469	10,592
Total revenue (excluding gains)	126,008	129,150	152,115	152,096	165,809	173,595	184,261	191,938	199,515	207,484	215,771	224,777
<b>EXPENSES</b>												
Employee expenses	33,005	33,807	36,019	37,061	38,139	39,254	40,411	41,580	42,954	44,210	45,485	46,806
Depreciation and amortisation	4,1663	42,639	47,038	50,429	51,890	49,150	53,187	52,531	52,212	53,744	58,478	57,630
General expenses	55,383	60,296	65,856	67,953	70,545	72,866	74,967	76,667	78,452	80,229	82,656	84,938
Finance expenses	4,368	4,920	6,268	7,197	8,783	10,169	11,309	13,340	15,197	16,423	17,259	16,590
Total expenses	134,419	141,662	155,181	162,640	169,357	171,439	179,874	184,118	188,815	194,606	203,878	205,964
<b>OTHER GAINS/(LOSSES)</b>												
Net gain/(loss on sale of property, plant and equipment)	-	-	150	475	9,831	180	180	180	180	180	180	180
Investment property revaluations - gain / (loss)	1,279	1,073	781	581	645	633	620	604	617	600	612	593
Forestry assets revaluations - gain / (loss)	184	168	131	99	110	108	106	103	106	103	105	102
Total other gains/(losses)	1,463	1,241	1,062	1,155	10,586	921	906	887	903	883	897	875
Surplus / (deficit) before tax	(6,948)	(11,271)	(2,004)	(9,389)	7,038	3,077	5,293	8,707	11,603	13,761	12,790	19,688
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus / (deficit) after tax</b>	<b>(6,948)</b>	<b>(11,271)</b>	<b>(2,004)</b>	<b>(9,389)</b>	<b>7,038</b>	<b>3,077</b>	<b>5,293</b>	<b>8,707</b>	<b>11,603</b>	<b>13,761</b>	<b>12,790</b>	<b>19,688</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>												
Property, plant and equipment revaluation gain / (loss)	-	50,904	62,785	-	-	91,013	-	-	94,208	-	-	101,736
Carbon credit revaluation gains/(losses)	-	-	-	-	-	-	-	-	-	-	-	-
Cashflow hedges Cashflow hedges Cashflow hedges	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive revenue & expense	-	50,904	62,785	-	-	91,013	-	-	94,208	-	-	101,736
<b>Total comprehensive revenue &amp; expense</b>	<b>(6,948)</b>	<b>39,633</b>	<b>60,781</b>	<b>(9,389)</b>	<b>7,038</b>	<b>94,090</b>	<b>5,293</b>	<b>8,707</b>	<b>105,811</b>	<b>13,761</b>	<b>12,790</b>	<b>121,424</b>

\* Forecast 2023/24 represents the Annual Plan 2023/24 plus adjustments for actuals from the Annual Report 2022/23 and large transactions which have occurred during the 2023/24 financial year.



## Prospective Statement of Cashflows

	ANNUAL PLAN		FORECAST*									
	2023/24 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>												
Receipts from rates revenue	71,137	71,372	78,861	85,986	93,747	100,921	107,684	113,890	119,311	124,401	129,717	135,266
Receipts from other revenue	46,526	48,413	59,619	53,135	58,846	59,262	62,819	63,942	65,743	68,241	70,839	73,911
Interest received	3,042	3,887	3,643	3,398	3,511	3,576	3,792	4,016	4,250	4,493	4,745	5,008
Dividend received	5,303	5,478	9,457	9,577	9,705	9,836	9,965	10,090	10,212	10,348	10,469	10,592
Payments to suppliers and employees	(88,203)	(94,103)	(101,926)	(105,093)	(108,765)	(112,203)	(115,462)	(118,333)	(121,465)	(124,498)	(128,202)	(131,806)
Interest paid	(4,368)	(4,920)	(6,268)	(7,197)	(8,783)	(10,169)	(11,309)	(13,340)	(15,197)	(16,423)	(17,259)	(16,590)
<b>Net cash flows from operating activities</b>	<b>33,437</b>	<b>30,127</b>	<b>43,386</b>	<b>39,806</b>	<b>48,261</b>	<b>51,223</b>	<b>57,489</b>	<b>60,265</b>	<b>62,854</b>	<b>66,562</b>	<b>70,309</b>	<b>76,381</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Cash was provided from</b>												
Proceeds from sale of property, plant and equipment	-	-	253	1,293	10,083	180	180	180	180	180	180	180
Proceeds from sale of investment property	-	-	1,980	300	106	-	-	-	-	-	-	-
Proceeds from sale of investments	-	11,450	18,000	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment	(49,901)	(46,890)	(78,672)	(72,396)	(84,240)	(70,915)	(99,157)	(97,284)	(86,625)	(80,304)	(46,167)	(99,464)
Purchase of biological assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of intangible assets	(2,257)	(3,881)	(3,599)	(3,510)	(3,593)	(3,675)	(3,756)	(3,835)	(1,057)	(1,078)	(1,100)	(1,121)
Purchase of investment property	-	-	(206)	-	-	-	-	-	-	-	-	-
Purchase of investments	(4,923)	(24,581)	(5,063)	(5,219)	(5,333)	(5,398)	(5,613)	(5,839)	(6,071)	(6,315)	(6,567)	(6,830)
<b>Net cash flows from investing activities</b>	<b>(57,081)</b>	<b>(63,902)</b>	<b>(67,307)</b>	<b>(79,532)</b>	<b>(82,977)</b>	<b>(79,808)</b>	<b>(108,346)</b>	<b>(106,778)</b>	<b>(93,573)</b>	<b>(87,517)</b>	<b>(53,654)</b>	<b>(107,235)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
Proceeds from borrowings	23,644	21,229	26,153	42,882	38,576	33,061	55,840	52,399	37,460	28,243	-	38,213
Repayments of borrowings	-	-	(2,818)	(3,435)	(3,941)	(4,559)	(5,067)	(5,972)	(6,800)	(7,347)	(16,716)	(7,421)
<b>Net cash flows from financing activities</b>	<b>23,644</b>	<b>21,229</b>	<b>23,335</b>	<b>39,447</b>	<b>34,635</b>	<b>28,502</b>	<b>50,773</b>	<b>46,427</b>	<b>30,660</b>	<b>20,896</b>	<b>(16,716)</b>	<b>30,792</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>0</b>	<b>(12,546)</b>	<b>(586)</b>	<b>(279)</b>	<b>(81)</b>	<b>(83)</b>	<b>(84)</b>	<b>(86)</b>	<b>(59)</b>	<b>(59)</b>	<b>(61)</b>	<b>(62)</b>
Cash and cash equivalents at the beginning of the year	11,096	15,443	2,897	2,311	2,032	1,951	1,868	1,784	1,698	1,639	1,580	1,519
<b>Cash and cash equivalents at end of the year</b>	<b>11,096</b>	<b>2,897</b>	<b>2,311</b>	<b>2,032</b>	<b>1,951</b>	<b>1,868</b>	<b>1,784</b>	<b>1,698</b>	<b>1,639</b>	<b>1,580</b>	<b>1,519</b>	<b>1,457</b>

\* Forecast 2023/24 represents the Annual Plan 2023/24 plus adjustments for actuals from the Annual Report 2022/23 and large transactions which have occurred during the 2023/24 financial year.

## Prospective Statement of Financial Position

	ANNUAL PLAN	FORECAST*	LONG-TERM PLAN									
	2023/24 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)	2028/29 (\$'000)	2029/30 (\$'000)	2030/31 (\$'000)	2031/32 (\$'000)	2032/33 (\$'000)	2033/34 (\$'000)
<b>ASSETS</b>												
<b>Current assets</b>												
Cash and cash equivalents	11,096	2,897	2,311	2,032	1,951	1,868	1,784	1,698	1,639	1,580	1,519	1,457
Receivables	13,901	16,428	17,025	17,491	17,989	18,498	18,996	19,482	19,954	20,437	20,904	21,380
Prepayments	1,333	1,333	1,372	1,402	1,434	1,467	1,499	1,530	1,561	1,592	1,622	1,653
Inventories	500	602	619	633	648	663	678	692	706	720	734	748
Other financial assets	18,717	19,614	24,676	29,896	35,226	40,624	46,238	52,076	58,147	64,464	71,032	77,863
<b>Total current assets</b>	<b>45,547</b>	<b>40,874</b>	<b>46,003</b>	<b>51,454</b>	<b>57,248</b>	<b>63,120</b>	<b>69,195</b>	<b>75,478</b>	<b>82,007</b>	<b>88,793</b>	<b>95,811</b>	<b>103,101</b>
<b>Non-current assets</b>												
Property, plant and equipment	1,101,781	1,164,629	1,261,291	1,285,396	1,320,513	1,436,507	1,485,842	1,534,085	1,666,309	1,695,635	1,685,537	1,830,955
Intangible assets	7,421	8,577	9,932	10,614	11,165	11,624	12,016	12,360	9,814	8,125	7,012	6,285
Biological assets	4,271	4,371	4,502	4,601	4,712	4,820	4,926	5,030	5,135	5,238	5,343	5,444
Investment property	29,699	27,909	26,815	26,967	27,531	28,164	28,783	29,388	30,005	30,605	31,217	31,810
Investment in Subsidiaries	76,569	76,569	76,569	76,569	76,569	76,569	76,569	76,569	76,569	76,569	76,569	76,569
Derivative financial instruments	481	751	751	751	751	751	751	751	751	751	751	751
Other financial assets	33,927	37,641	19,641	19,641	19,641	19,641	19,641	19,641	19,641	19,641	19,641	19,641
<b>Total non-current assets</b>	<b>1,254,149</b>	<b>1,320,447</b>	<b>1,399,501</b>	<b>1,424,539</b>	<b>1,460,882</b>	<b>1,578,076</b>	<b>1,628,528</b>	<b>1,677,824</b>	<b>1,808,224</b>	<b>1,836,564</b>	<b>1,826,070</b>	<b>1,971,455</b>
<b>TOTAL ASSETS</b>	<b>1,299,696</b>	<b>1,361,321</b>	<b>1,445,504</b>	<b>1,475,993</b>	<b>1,518,130</b>	<b>1,641,196</b>	<b>1,197,723</b>	<b>1,753,302</b>	<b>1,890,231</b>	<b>1,925,357</b>	<b>1,921,881</b>	<b>2,075,556</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Trade and other payables	15,943	18,683	19,225	19,648	20,100	20,562	21,014	21,455	21,884	22,322	22,746	23,178
Provisions	112	586	79	81	83	84	86	59	60	61	62	63
Employee benefit liabilities	3,866	3,783	3,893	3,979	4,071	4,165	4,257	4,346	4,433	4,522	4,608	4,696
Borrowings - Current	32,012	31,615	36,282	44,211	51,138	56,839	66,993	76,279	82,411	86,590	83,247	89,405
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>51,933</b>	<b>54,667</b>	<b>59,479</b>	<b>67,919</b>	<b>75,392</b>	<b>81,650</b>	<b>92,350</b>	<b>102,139</b>	<b>108,788</b>	<b>113,495</b>	<b>110,663</b>	<b>117,342</b>
<b>Non-current liabilities</b>												
Provisions	816	877	798	717	634	550	464	405	345	285	223	160
Employee benefit liabilities	26	27	28	29	30	31	32	33	34	35	36	37
Borrowings - Non Current	118,507	126,659	145,327	176,845	204,553	227,354	267,973	305,114	329,642	346,359	332,986	357,620
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>119,349</b>	<b>127,563</b>	<b>146,153</b>	<b>177,591</b>	<b>205,217</b>	<b>227,935</b>	<b>268,469</b>	<b>305,552</b>	<b>330,021</b>	<b>346,679</b>	<b>333,245</b>	<b>357,817</b>
<b>TOTAL LIABILITIES</b>	<b>171,282</b>	<b>182,230</b>	<b>205,632</b>	<b>245,510</b>	<b>280,609</b>	<b>309,585</b>	<b>360,819</b>	<b>407,691</b>	<b>438,809</b>	<b>460,174</b>	<b>443,908</b>	<b>475,159</b>

\* Forecast 2023/24 represents the Annual Plan 2023/24 plus adjustments for actuals from the Annual Report 2022/23 and large transactions which have occurred during the 2023/24 financial year.

## Prospective Statement of Financial Position

	ANNUAL PLAN	FORECAST*	LONG-TERM PLAN									
	2023/24 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
<b>EQUITY</b>												
Retained earnings	353,047	365,898	361,211	347,593	358,916	360,124	362,729	368,644	377,722	388,431	397,984	414,423
Restricted reserves	57,344	40,034	42,717	46,946	42,661	44,530	47,218	50,010	52,535	55,587	58,824	62,073
Hedging reserves	481	751	751	751	751	751	751	751	751	751	751	751
Carbon credit revaluation reserves	2,229	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126
Asset revaluation reserves	715,313	771,282	834,067	834,067	834,067	925,080	925,080	925,080	1,019,288	1,019,288	1,019,288	1,121,024
<b>TOTAL EQUITY</b>	<b>1,128,414</b>	<b>1,179,091</b>	<b>1,239,872</b>	<b>1,230,483</b>	<b>1,237,521</b>	<b>1,331,611</b>	<b>1,336,904</b>	<b>1,345,611</b>	<b>1,451,422</b>	<b>1,465,183</b>	<b>1,477,973</b>	<b>1,599,397</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,299,696</b>	<b>1,361,321</b>	<b>1,445,504</b>	<b>1,475,993</b>	<b>1,518,130</b>	<b>1,641,196</b>	<b>1,697,723</b>	<b>1,753,302</b>	<b>1,890,231</b>	<b>1,925,357</b>	<b>1,921,881</b>	<b>2,074,556</b>

\* Forecast 2023/24 represents the Annual Plan 2023/24 plus adjustments for actuals from the Annual Report 2022/23 and large transactions which have occurred during the 2023/24 financial year.

## Prospective Statement of Changes in Equity

	ANNUAL PLAN FORECAST* LONG-TERM PLAN											
	2023/24 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
<b>Balance at 1 July</b>	1,135,362	1,139,458	1,179,091	1,239,872	1,230,483	1,237,521	1,331,611	1,336,904	1,345,611	1,451,422	1,465,183	1,477,973
Total comprehensive revenue & expense for the year	(6,948)	39,633	60,781	(9,389)	7,038	94,090	5,293	8,707	105,811	13,761	12,790	121,424
<b>Balance at 30 June</b>	<b>1,128,414</b>	<b>1,179,091</b>	<b>1,239,872</b>	<b>1,230,483</b>	<b>1,237,521</b>	<b>1,331,611</b>	<b>1,336,904</b>	<b>1,345,611</b>	<b>1,451,422</b>	<b>1,465,183</b>	<b>1,477,973</b>	<b>1,599,397</b>
<b>COMPONENTS OF EQUITY</b>												
<b>Retained earnings at 1 July</b>	366,773	378,519	365,898	361,211	347,593	358,916	360,124	362,729	368,644	377,722	388,431	397,984
Net surplus/(deficit) for the year	(6,948)	39,633	60,781	(9,389)	7,038	94,090	5,293	8,707	105,811	13,761	12,790	121,424
Transfers (to)/from restricted reserves	(6,779)	(1,350)	(2,683)	(4,229)	4,285	(1,869)	(2,688)	(2,792)	(2,525)	(3,052)	(3,237)	(3,249)
Transfers (to) /from hedging reserves	-	-	-	-	-	-	-	-	-	-	-	-
Transfers (to) /from carbon credit revaluation reserves	-	-	-	-	-	-	-	-	-	-	-	-
Transfers (to)/from asset revaluation reserves	-	(50,904)	(62,785)	-	-	(91,013)	-	-	(94,208)	-	-	(101,736)
<b>Retained earnings at 30 June</b>	<b>353,047</b>	<b>365,898</b>	<b>361,211</b>	<b>347,593</b>	<b>358,916</b>	<b>360,124</b>	<b>362,729</b>	<b>368,644</b>	<b>377,722</b>	<b>388,431</b>	<b>397,984</b>	<b>414,423</b>
<b>Restricted reserves at 1 July</b>	50,566	38,684	40,034	42,717	46,946	42,661	44,530	47,218	50,010	52,535	55,587	58,824
Transfers to/(from) reserves	6,779	1,350	2,683	4,229	(4,285)	1,869	2,688	2,792	2,525	3,052	3,237	3,249
<b>Restricted reserves at 30 June</b>	<b>57,344</b>	<b>40,034</b>	<b>42,717</b>	<b>46,946</b>	<b>42,661</b>	<b>44,530</b>	<b>47,218</b>	<b>50,010</b>	<b>52,535</b>	<b>55,587</b>	<b>58,824</b>	<b>62,073</b>
<b>Hedging reserves at 1 July</b>	481	751	751	751	751	751	751	751	751	751	751	751
Transfers to/(from) reserves	-	-	-	-	-	-	-	-	-	-	-	-
<b>Hedging reserves at 30 June</b>	<b>481</b>	<b>751</b>	<b>751</b>	<b>751</b>	<b>751</b>	<b>751</b>	<b>751</b>	<b>751</b>	<b>751</b>	<b>751</b>	<b>751</b>	<b>751</b>
<b>Carbon credit revaluation reserves at 1 July</b>	2,229	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126
Transfers to/(from) reserves	-	-	-	-	-	-	-	-	-	-	-	-
<b>Carbon credit revaluation reserves at 30 June</b>	<b>2,229</b>	<b>1,126</b>	<b>1,126</b>	<b>1,126</b>	<b>1,126</b>	<b>1,126</b>	<b>1,126</b>	<b>1,126</b>	<b>1,126</b>	<b>1,126</b>	<b>1,126</b>	<b>1,126</b>
<b>Asset revaluation reserves at 1 July</b>	715,313	720,378	771,282	834,067	834,067	834,067	925,080	925,080	925,080	1,019,288	1,019,288	1,019,288
Transfers to/(from) reserves	-	50,904	62,785	-	-	91,013	-	-	94,208	-	-	101,736
<b>Asset revaluation reserves at 30 June</b>	<b>715,313</b>	<b>771,282</b>	<b>834,067</b>	<b>834,067</b>	<b>834,067</b>	<b>925,080</b>	<b>925,080</b>	<b>925,080</b>	<b>1,019,288</b>	<b>1,019,288</b>	<b>1,019,288</b>	<b>1,121,024</b>

\* Forecast 2023/24 represents the Annual Plan 2023/24 plus adjustments for actuals from the Annual Report 2022/23 and large transactions which have occurred during the 2023/24 financial year.

# Financial Statement Reconciliations

## Rates Revenue Reconciliation from Funding Impact Statements to Statement of Comprehensive Revenue & Expense

	ANNUAL PLAN	LONG-TERM PLAN									
	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
General rates, uniform annual general charges, rates penalties	43,605	47,677	51,981	56,631	63,506	68,083	72,336	73,095	75,903	79,070	74,903
Targeted rates	27,532	31,184	34,005	37,116	37,415	39,601	41,554	46,216	48,498	50,647	60,363
<b>Total rates revenue as per Funding Impact Statement</b>	<b>71,137</b>	<b>78,861</b>	<b>85,986</b>	<b>93,747</b>	<b>100,921</b>	<b>107,684</b>	<b>113,890</b>	<b>119,311</b>	<b>124,401</b>	<b>129,717</b>	<b>135,266</b>
Rates revenue	71,137	78,861	85,986	93,747	100,921	107,684	113,890	119,311	124,401	129,717	135,266
<b>Total rates revenue as per Statement of Comprehensive Revenue &amp; Expense</b>	<b>71,137</b>	<b>78,861</b>	<b>85,986</b>	<b>93,747</b>	<b>100,921</b>	<b>107,684</b>	<b>113,890</b>	<b>119,311</b>	<b>124,401</b>	<b>129,717</b>	<b>135,266</b>

## Operating Revenue Reconciliation from Funding Impact Statements to Statement of Comprehensive Revenue & Expense

	ANNUAL PLAN	LONG-TERM PLAN									
	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
Total operating funding as per Funding Impact Statement	115,062	137,877	145,238	156,229	165,178	174,314	182,919	191,035	198,834	206,949	215,787
PLUS: Capital funding - Subsidies and grants for capital expenditure	10,946	14,238	6,858	9,580	8,417	9,947	9,019	8,480	8,650	8,822	8,990
<b>Total revenue funding as per Statement of Comprehensive Revenue and Expense</b>	<b>126,008</b>	<b>152,115</b>	<b>152,096</b>	<b>165,809</b>	<b>173,595</b>	<b>184,261</b>	<b>191,938</b>	<b>199,515</b>	<b>207,484</b>	<b>215,771</b>	<b>224,777</b>
Rates revenue	71,137	78,861	85,986	93,747	100,921	107,684	113,890	119,311	124,401	129,717	135,266
Fines	475	1,519	1,553	1,589	1,698	1,735	1,772	1,890	1,928	1,965	2,092
Subsidies and grants	16,621	19,730	12,594	15,460	13,852	15,450	14,578	14,150	14,433	14,716	14,996
Direct charges revenue	25,777	35,206	35,184	37,873	39,664	41,463	43,298	45,322	47,413	49,606	52,184
Rental revenue	3,653	3,699	3,804	3,924	4,048	4,172	4,294	4,380	4,468	4,553	4,639
Finance revenue	3,042	3,643	3,398	3,511	3,576	3,792	4,016	4,250	4,493	4,745	5,008
Dividends	5,303	9,457	9,577	9,705	9,836	9,965	10,090	10,212	10,348	10,469	10,592
<b>Total revenue</b>	<b>126,008</b>	<b>152,115</b>	<b>152,096</b>	<b>165,809</b>	<b>173,595</b>	<b>184,261</b>	<b>191,938</b>	<b>199,515</b>	<b>207,484</b>	<b>215,771</b>	<b>224,777</b>

## Operating Expenditure Reconciliation from Funding Impact Statements to Statement of Comprehensive Revenue & Expense

	ANNUAL PLAN	LONG-TERM PLAN									
	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)	2031/32 (\$000)	2032/33 (\$000)	2033/34 (\$000)
Total application of operating funding as per Funding Impact Statement	92,756	108,194	112,290	117,548	122,372	126,771	131,673	136,662	140,921	145,461	148,396
PLUS: Depreciation expense (not in Funding Impact Statement)	41,663	47,038	50,429	51,890	49,150	53,187	52,531	52,212	53,744	58,478	57,630
LESS: Provision movement (not in Funding Impact Statement)	0	(51)	(79)	(81)	(83)	(84)	(86)	(59)	(59)	(61)	(62)
<b>Total revenue funding as per Statement of Comprehensive Revenue and Exepnse</b>	<b>134,419</b>	<b>155,181</b>	<b>162,640</b>	<b>169,357</b>	<b>171,439</b>	<b>179,874</b>	<b>184,118</b>	<b>188,815</b>	<b>194,606</b>	<b>203,878</b>	<b>205,964</b>
Employee expenses	33,005	36,019	37,061	38,139	39,254	40,411	41,580	42,954	44,210	45,485	46,806
Depreciation and amortisation	41,663	47,038	50,429	51,890	49,150	53,187	52,531	52,212	53,744	58,478	57,630
Other expenses	55,383	65,856	67,953	70,545	72,866	74,967	76,667	78,452	80,229	82,656	84,938
Finance expenses	4,368	6,268	7,197	8,783	10,169	11,309	13,340	15,197	16,423	17,259	16,590
<b>Total expenses</b>	<b>134,419</b>	<b>155,181</b>	<b>162,640</b>	<b>169,357</b>	<b>171,439</b>	<b>179,874</b>	<b>184,118</b>	<b>188,815</b>	<b>194,606</b>	<b>203,878</b>	<b>205,964</b>



# Schedule of Reserves

## Reserve funds

Reserves are held to ensure that funds received for a particular purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserves are credited with interest. As at 30 June 2023, the Council holds \$38.7 million reserves, with \$26.1 million being restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that Council

may put the funds towards. The remaining Council created reserves are discretionary reserves which Council has established for the fair and transparent use of monies.

Below is a list of current reserves outlining the purpose for holding each reserve and Council activity to which each reserve relates, together with summary financial information across the 10 years of the Long-term Plan.

### RESTRICTED RESERVES The reserves can only be used for the purpose designated.

	Opening Balance 2024/2025 (\$,000)	Transfers In 2024/2025 to 2030/31 (\$,000)	Transfers Out 2024/2025 to 2030/31 (\$,000)	Closing Balance 2033/34 (\$,000)
<b>Category A (Legal Restriction)</b>				
The restriction is designated from a statute or legal document. These reserves restrictions include the capital and interest or income generated. This reserve is related to the Parks Activity and is to maintain the Feldwick gates at Queens Park.	422	181	-	603
<b>Category B (Capital only restriction)</b>				
These reserves are invested in property that provides a financial return to ratepayers (Investment Property, Library and Infrastructure activities)	12,580	5,408	-	17,988
<b>Category C (Specific purpose)</b>				
These reserves are to maintain and provide for improvements to separately identifiable areas. (Parks Crematorium and Cemetary, Community Centres, Waste and Infrastructure activities)	13,074	5,620	-	18,694
<b>NON RESTRICTED RESERVES</b>				
<b>Council Created Reserves</b>				
To provide funding for the ongoing operations and replacement of assets in the future. (All Activities)	13,958	15,961	(5,131)	24,788
	40,034	27,170	(5,131)	62,073



# Statement of Accounting Policies

## Reporting Entity

Invercargill City Council ("Council") is a territorial local authority governed by the Local Government Act 2002.

Council has not presented group prospective financial statements because Council believes that the parent prospective financial statements are more relevant to the users.

The main purpose of the prospective financial statements in the Long-term Plan is to provide users with future-orientated information about core services that Council intends to provide ratepayers, the expected cost of those services and, as a consequence, how much Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries, except to the extent that Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements presented.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council is classified as a Tier 1 Public Sector Public Benefit Entity ("PBE") for financial reporting purposes.

The information in these prospective financial statements may not be appropriate for purposes other than those described.

## Basis of Preparation

The prospective financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently over the 10 years of the Long-term Plan.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructure assets, investment property, biological assets and financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated. The functional currency of Council 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 Revenue and Expense.

## Statement Of Compliance

The prospective financial statements have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards including compliance with PBE FRS 42.

There are no pending updates to standards, amendments or interpretations to be adopted by Invercargill City Council for the purposes of this Long-term Plan. Invercargill City Council will adopt new standards, amendments or interpretations as they are finalised, through subsequent Long-term and Annual Plans.

These prospective financial statements comply with the requirements of the Local Government Act 2002, Part 6 Section 95 and Part 2 of Schedule 10 which includes the requirement to comply with New Zealand Generally

Accepted Accounting Practice (NZ GAAP) with the exception of the Funding Impact Statements (FIS).

In preparing these prospective statements, estimates and assumptions have been made concerning the future. Detail on these estimates and assumptions can be found on page 223 under Key Assumptions.

The prospective financial statements were issued on 27 June 2024 by Invercargill City Council. Invercargill City Council is responsible for the prospective financial statements including the appropriateness of assumptions underlying the prospective financial statements and all other disclosures. The prospective financial statements are calculated using forecast results for the 2023/24 financial year in the prospective statement of financial position, prospective statement of movements in equity and prospective statement of cash flows. There is no intention to update the prospective financial statement after the issue date.

## Associates

Council accounts for investments in associates in the group financial statements use the cost method. An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture generally accompanying a shareholding of between 20-50 per cent of voting rights.

The Council's share of associates profits or losses is recognised in surplus or deficit and reserves in reserves. The cumulative movements are adjusted against the carrying value of the investment.

When Council's share of losses in associates equals or exceeds its interest in the associate Council does not recognise any further losses.

## Joint Ventures

### Joint Operation

Joint operations are those operations that Council has joint control, established by contractual agreement. Council's share of the surplus or deficit of the joint operation is recognised in Council's Statement of Comprehensive Revenue and Expenses, from the date joint control commences until the date control ceases.

## Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to Council and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

PBE IPSAS 23.106(a) requires, either in the statement of financial position or the notes, that entities disclose the amount of revenue from non-exchange transactions by major classes, showing separately; i) taxes, showing separately major classes of taxes; and ii) transfers, showing separately major classes of transfer revenue.

Due to the difficulty in classifying revenue as either an exchange or non-exchange transaction and the separate labelling of revenue as exchange or non-exchange generally does not provide any additional useful information (and is therefore unlikely to be material), we

have decided to not label revenue as exchange or non-exchange in the Prospective Statement of Comprehensive Revenue and Expenses.

### Revenue from non-exchange transactions:

#### General and targeted rates

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

#### Government Grants and Funding

Council receives government grants from Waka Kotahi the New Zealand Transport Agency, which subsidises part of Council's costs in maintaining the local roading infrastructure.

Revenues from non-exchange transactions with the Government and government agencies are recognised when Council obtains control of the transferred asset (cash, goods, services, or property), and:

- It is probable that the economic benefits or service potential related to the asset will flow to Council and can be measured reliably; and
- The transfer is free from conditions that require the asset to be refunded or returned to the Government if the conditions are not fulfilled.

Revenue from government grants and funding is measured at the fair value of the assets (cash, goods, services, or property) transferred over to Council at the time of transfer.

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to

return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only when Council has satisfied these conditions.

New Zealand Units (NZU's) allocated by the Crown represent non-monetary government grants and are initially recognised at nil value. Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These are included in the surplus/deficit in the Statement of Comprehensive Revenue and Expenses.

#### Fines

Traffic and parking infringements are recognised when tickets are issued.

#### Direct Charges - Subsidised

##### (i) Rendering of services

Rendering of services at a price that is not approximately equal to the value of the service provided by Council is considered a non-exchange transaction. This includes rendering of services where the price does not allow Council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog licensing, etc.), and where the shortfall is subsidised by revenue from other activities, such as rates. Generally there are no conditions attached to such revenue.

Revenue from such subsidised services is recognised when Council issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that Council has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from Council for the service) if the service is not completed.

#### (ii) Sale of goods - subsidised

The sale of goods at a price that is not approximately equal to the value of the goods provided by Council is considered a non-exchange transaction. This includes the sale of goods where the price does not allow Council to fully recover the cost of producing the goods, and where the shortfall is subsidised by revenue from other activities such as rates.

Revenue from the sale of such subsidised goods is recognised when Council issues the invoice or bill for the goods. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the goods.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.

### Revenue from exchange transactions:

#### Direct charges - full cost recovery

(i) Rendering of other services - full cost recovery Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

#### (ii) Sale of goods - full cost recovery

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be

reliably estimated and there is no continuing management involved with the goods.

#### Interest Revenue

Interest revenue is recognised using the effective interest method.

#### Dividends

Dividends are recognised when the right to receive payment has been established.

#### Rental Revenue

Rental revenue from investment property is recognised on a straight-line basis over the term.

### Borrowing costs

Borrowing costs are recognised as an expense in the period in which they occurred using the effective interest method.

### 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 surplus/deficit in the Statement of Comprehensive Revenue and Expenses, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

### Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the

arrangement is dependent on the use of a specific asset, or assets, or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### **Finance leases**

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### **Operating leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

#### **Financial assets**

Financial assets (other than shares in subsidiaries) are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the assets (other than financial assets at fair value through surplus or deficit). Transaction costs directly attributable to the acquisition of financial assets at fair value through surplus or deficit are recognised immediately in surplus or deficit.

The Council classifies its investments in the following categories determined by the business model for managing the financial asset and the contractual cash flow characteristics of the financial assets:

#### **Financial assets measured at amortised cost**

Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortised cost. These are non-derivative financial assets which are not quoted in an active market.

#### **Fair value through other comprehensive revenue or expense (FVTOCRE)**

Financial assets held for collection of contractual cash flows and for selling where the cash flows are solely payments of principal and interest on the principal amount outstanding are subsequently measured at fair value through other comprehensive revenue or expense (FVTOCRE).

Changes in the carrying amount subsequent to initial recognition as a result of impairment gains or losses, foreign exchange gains and losses and interest revenue calculated using the effective interest method are recognised in surplus or deficit. The amounts that are recognised in surplus or deficit are the same as the amounts that would have been recognised in surplus or deficit if these financial assets had been measured at amortised cost. All other changes in the carrying amount of these financial assets are recognised in other comprehensive revenue and expenses. When these financial assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive revenue and expense are reclassified to surplus or deficit. On initial recognition the Council may make the irrevocable election to designate investments in equity investments

as at FVTOCRE. Designation at FVTOCRE is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a PBE combination to which PBE IPSAS 40 applies. Subsequent to initial recognition equity investments at FVTOCRE are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive revenue and expense. The cumulative gain or loss will not be reclassified to surplus or deficit on disposal of the equity investments, instead, they will be transferred to accumulated surplus.

#### **Fair value through surplus or deficit**

By default, all other financial assets not measured at amortised cost or FVTOCRE are measured at fair value through surplus or deficit. Financial assets at fair value through surplus or deficit are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in surplus or deficit to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in surplus or deficit includes any dividend or interest earned on the financial asset.

#### **Shares in subsidiaries (at cost)**

The investment in subsidiaries is carried at cost in the Council's financial statements.

#### **Impairment of financial assets**

At each balance sheet date the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. The Council recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCRE. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

### **Trade and other receivables**

Trade and other receivables are classified as financial assets at amortised cost and are initially measured at fair value and subsequently measured at amortised cost less the recognition of any ECL over the life of the asset.

Loans, including loans to community organisations made at nil, or below – market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows is recognised in the Statement of Comprehensive Revenue and Expenses as a grant.

For the purpose of aging analysis, trade receivables include rates receivables, non-exchange receivables from user charges, other trade receivables and related party receivables. As debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, the carrying value of debtors and other receivables approximates their fair value.

An ECL has been made for each class of debtor and the estimate is based on the measurement of expected credit losses on historical, current and projected information. The balance of the movement was recognised in net surplus and deficit for the current financial year.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of Council's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and in current liabilities on the statement of financial position. Cash and

short term deposits are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

### **Borrowings**

Borrowings are initially recognised at their fair value, net of any transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability at least 12 months after the balance date.

### **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. Short-term payables are recorded at the amount payable.

### **Accounting for derivative financial instruments and hedging activities**

Council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at its fair value at subsequent reporting dates. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

### **Cash flow hedges**

The Council uses derivatives to hedge its exposure to interest rate risks. The derivatives are designated as either cash flow hedges (hedging highly probable future

transactions (borrowing)) or fair value hedges (hedging the fair value of recognised assets or liabilities). The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive revenue and expense, limited to the cumulative change in the fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in surplus or deficit. When the hedging relationship ceases to meet the criteria for hedge accounting any gain or loss recognised in other comprehensive revenue and expense and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in surplus or deficit. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in surplus or deficit.

The Council 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.

Changes in the fair value of derivatives that are designated as fair value hedges are recorded in surplus or deficit, together with changes in the fair value of the hedged asset or liability. The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in surplus or deficit. When the hedging relationship ceases to meet the criteria for hedge accounting the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to surplus or deficit from that date.

### Borrower notes

Borrower notes are subordinated convertible debt instruments that Council subscribes for an amount equal to 2.5% of the total borrowing from LGFA. LGFA will redeem borrower notes when Council's related borrowings are repaid or no longer owed to LGFA.

The fair value of borrower notes is calculated using the discounted cash flow method. The significant input used in the fair value measurement of borrower notes is the forward interest rate yield curve.

### Property, plant and equipment

Property, plant and equipment consists of:

**Operational assets** - These include land, buildings, library books, plant and equipment, motor vehicles, furniture and fittings.

**Restricted assets** - Restricted assets are parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

**Infrastructure assets** - Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Proceeds earned while bringing an asset into use require the proceeds and relevant costs to be recognised in surplus or deficit

### 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 Council 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.

The cost of day-to-day servicing of property, plant and equipment are recognised in the surplus of deficit as they are incurred.

### 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 surplus/deficit in the Statement of Comprehensive Revenue and Expenses. 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 Council and the cost of the item can be measured reliably.



## Depreciation

Depreciation is provided on a straight-line and diminishing value basis 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. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

COUNCIL OPERATIONAL ASSETS	
BUILDINGS	DEPRECIATION RATE
▪ Structures	1%-5% SL
▪ Roof	1.67%-3.34% SL
▪ Electrical	2.14%-3.34% SL
▪ Plumbing	2.14% - 3.34% SL
▪ Internal Fitout	2.50% - 6.67% SL
▪ Plant	1.35% - 6.67% SL
LIBRARY BOOKS	DEPRECIATION RATE
▪ Library Books	6.85% - 10.59% SL
PLANT AND EQUIPMENT	DEPRECIATION RATE
▪ Plant	2% - 80% DV
MOTOR VEHICLES	DEPRECIATION RATE
▪ Motor Vehicles	21% - 31% DV
FURNITURE & FITTINGS	DEPRECIATION RATE
▪ Furniture & Fittings	15% - 33% DV

COUNCIL INFRASTRUCTURAL ASSETS	
ROADS AND BRIDGES	DEPRECIATION RATE
Total Pavement Layers	1.16%-1.23% SL
Total Roadway Assets	1.32%-5% SL
Traffic Signs	3.34%-4.1% SL
Street Lights	2%-4.94% SL
Other Asset	1%-15.35% SL
STORMWATER SYSTEMS	DEPRECIATION RATE
▪ Stormwater	1%-4% SL
WASTEWATER SYSTEMS	DEPRECIATION RATE
▪ Wastewater	1%-12.15% SL
WATER	DEPRECIATION RATE
▪ Water	1%-12.15% SL
COUNCIL RESTRICTED ASSETS	DEPRECIATION RATE
Buildings	1%-19.2% SL
Monuments and Statues	2% SL
Hard Surfaces and Appurtenance	1%-21.6% SL/DV/NOND

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 as described below 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 less accumulated depreciation and impairment costs, except the following:

- Operational land and buildings have been valued at fair value. Valuations are completed three yearly.
- Investment property is valued annually at fair value. Any adjustment to the values is accounted for as an increase (decrease) in the Statement of Comprehensive Revenue and Expense.
- Council's library collections were valued by Council staff as at 30 June 2022. All assets were valued using depreciated replacement cost (DRC), being gross replacement cost less accumulated depreciation to date, based on the current age profile compared to useful life.





## Infrastructural Assets

### Land under Roads

Land under roads has been valued at deemed cost at transition to NZIFRS. Deemed cost is the fair value being the current valuation at 30 June 2005.

### Roads, Bridges and Footpaths

Roads and Bridges and footpaths are valued at optimized depreciated replacement cost, being replacement cost less accumulated depreciation to date, based on the Current Age Profile compared to Useful Life. Valuation has been completed by Council staff and reviewed by IAM Consulting. The current valuation is as at 30 June 2023. Valuations are completed three yearly.

### Stormwater, Wastewater and Water Systems

Assets are valued at depreciated replacement cost, being gross replacement cost less accumulated depreciation to date, based on the Current Age Profile compared to Useful Life. Council's water, stormwater and waste water assets were valued by Beca Limited. The current valuation is as at 30 June 2022. Valuations are completed three yearly.

### Vested assets

Certain infrastructure assets and land have been vested in the Council as part of the subdivisional consent process.

Vested infrastructural assets have been valued based on the actual quantities of infrastructural components vested and current "in the ground" cost of providing identical services. Unless there is a use or return condition attached to the asset.

### Accounting for revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve,

this balance is expensed in the surplus/deficit in the Statement of Comprehensive Revenue and Expenses.

Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the surplus/deficit in the Statement of Comprehensive Revenue and Expenses will be recognised first in the surplus/deficit in the Statement of Comprehensive Revenue and Expenses up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

The replacement costs where appropriate, reflect optimisation due to design or surplus capacity. Council has estimated that the necessary infrastructural asset network capacity to service the Invercargill City area is 100% of the existing capacity, i.e. no surplus capacity. The valuation of these assets therefore assumes that the existing assets will be replaced with assets of similar capacity.

### Restricted assets

Land and buildings in the 'Restricted Asset' category are subject to restrictions on either their use or disposal or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings acquired through a bequest or donation that restricts the purpose for which the asset can be used).

### Intangible assets

Intangible assets that are acquired by Council which have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to the surplus/deficit in the Statement of Comprehensive Revenue and Expenses on a straight-line basis over the estimated useful economic lives of the intangible assets. The amortisation rates for the current period are as follows: Software 12.5 – 48%

Straight Line/Diminishing Value.

### Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the acquisition over Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Goodwill on acquisition of subsidiaries is included in intangible assets by applying the purchase method. Goodwill on acquisition of associates is included in investments in associates by applying the equity method.

### Carbon Credits Intangible Assets

Carbon credits intangible assets that are acquired by Council have been measured at fair value upon acquisition and subsequently revalued to fair value annually.

Any revaluation gains/losses are recognised in Other Comprehensive Revenue and Expenses.

### Forestry assets

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. The forests are valued annually effective 30 June. The 2023 valuation was performed by Allan Bell & Associates. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the surplus/deficit in the Statement of Comprehensive Revenue and Expenses.

The costs to maintain the forestry assets are included in the surplus/deficit in the Statement of Comprehensive Revenue and Expenses.

## Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

Investment land and buildings have been valued at fair value by Registered Valuer, Robert Todd of Telfer Young. This valuation was as at 30 June 2023 and will be carried out on an annual basis. Any adjustment to the values has been accounted for as an increase (decrease) in the surplus/deficit in the Statement of Comprehensive Revenue and Expenses. Fair value measurement of self-constructed investment property can begin before the construction is completed.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus/deficit in the Statement of Comprehensive Revenue and Expenses.

## Impairment of non-financial assets

For the purpose of assessing impairment indicators and impairment testing of non-financial assets, the Council classifies non-financial assets as either cash-generating or non-cash-generating assets. The Council classifies a non-financial asset as a cash-generating asset if its primary objective is to generate a commercial return. All other assets are classified as non-cash-generating assets. Impairment losses are recognised through surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

Property, plant and equipment measured at fair value however is reviewed and tested for impairment. The

carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The carrying amounts of the Council's other assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount.

## Provisions

The Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

### Landfill Post Closure Costs

The Council has a legal obligation under the Resource Consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure arises. The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known

improvements in technology. The provision includes all costs associated with landfill post closure. The discount rate applied is 7% which represents the risk free discount rate.

### Provision for onerous contracts

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits or service potential expected to be received under it, which includes amounts recoverable. The cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both:

- The incremental costs of fulfilling that contract—for example, direct labour and materials; and
- And an allocation of other costs that relate directly to fulfilling the contract.

## Employee benefits

### Short-term benefits

Employee benefits Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

### Long-term benefits

Council's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of Council's obligations. The calculation is performed

using the projected unit credit method. Any actuarial gains or losses are recognised in the surplus/deficit in the Statement of Comprehensive Revenue and Expenses in the period in which they arise.

### Superannuation schemes

Defined contribution schemes:

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Revenue and Expenses as incurred.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

### Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings
- Council reserves (includes sinking funds, special reserves and endowment reserves)
- Fair value and hedging reserves
- Asset revaluation reserves

### 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.

### Cost allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Council operates an internal treasury function that funds the net debt balance of each activity. Finance costs are allocated based on the net debt balance. The funding impact statements for each activity show the finance cost and debt movement for the year.

### Critical accounting estimates and assumptions

Preparing financial statements to conform to PBE IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and

reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions have been based on historical experience and other factors that are believed to be reasonable under the circumstances.

These estimates and assumptions have formed the basis for making judgements about the carrying values of assets and liabilities, where these are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the period if the change affects only that period, or in future periods if it also affects future periods. In the process of applying these accounting policies, management has made the following judgements, estimates and assumptions that have had the most significant impact on the amounts recognised in these financial statements:

#### Classification of non-financial assets as cash-generating assets or non-cash-generating assets

For the purpose of assessing impairment indicators and impairment testing, Council classifies nonfinancial assets as either cash-generating or non-cash-generating assets. Council classifies a nonfinancial asset if the primary objective of the asset is to generate a commercial return. All other assets are classified as non-cash-generating assets.

All property, plant and equipment and intangible assets (excluding goodwill) held by Council are classified as non-cash-generating assets, except for rental properties that are earning a market rental. This includes assets that generate fee revenue or other cash flows for Council as these cash flows are generally not sufficient to represent commercial return on the assets.

### Properties

Council owns a number of properties, which are maintained primarily to provide the elderly persons housing activity. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of Council's social housing policy. These properties are accounted for as property, plant and equipment.

### Infrastructural Assets

There are a number of assumptions and estimates used when performing ODRC valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets that are not visible; for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted

for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates. Experienced independent valuers review Council's infrastructural asset revaluations.

- As a result of rounding there may be slight discrepancies in subtotals and the financial statement in section 5 and funding impact statements.

### Landfill Aftercare Provision

Council's current resource consent for the operation of its landfill expired in 2006. The Council has responsibility under the resource consent to provide maintenance and monitoring of the landfill after the site is closed and a provision has been established for this purpose. Maintaining the provision at current levels is appropriate given the uncertainty around future consent requirements. Infrastructural Assets There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns

and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates. Experienced independent valuers review the Council's infrastructural asset revaluations.

### Land and Buildings

There are a number of assumptions and estimates used when valuing the assets on a fair value basis in accordance with PBE IPSAS 17. Where relevant fair value was determined under a highest and best use scenario. Three approaches were used to provide fair value parameters; direct sales comparison approach, income approach or in the situation where the asset is specialised and no market evidence exists the optimised depreciated replacement cost (ODRC) approach.

- The Direct Sales Comparison approach is an estimate of value based on a comparison of the asset to similar assets that have recently sold. Adjustments are made to allow for factors such as; age of sale, size, location, quality, condition, marketability, shape of site, access, contour, aspect and tenure.
- The Income approach is a market value-based valuation approach. It reflects what a prudent investor would pay for an asset, given an expected return with consideration of the risks involved in the investment.



- The ODRC approach is only used when the fair value of an asset cannot be determined by reference to the price in an active market for the same asset or a similar asset. Under these circumstances, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.

#### **Non-current asset held for sale**

All non-current assets intended for sale are measured at the lower of carrying amount and fair value less costs to sell. Interest and other expenses relating to the liabilities of properties held for sale continue to be recognised. Non-current assets held for sale are classified as held for sale if they meet all of the following conditions:

- their carrying amount will be recovered principally through a sale transaction and not through continuing use; and
- the intention is to sell them within 12 months of the end of year; and
- they are being actively marketed or their sale is under negotiation.

Any ECL of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

#### **Other expenses**

Expenses are recognised in the period to which they relate.

#### **Prospective financial information**

The financial information contained within this document is prospective financial information in terms of accounting standard FRS42 and complies with the standard. The purpose for which it has been prepared is to enable ratepayers, residents and any other interest parties to obtain information about the expected future financial performance, position and cash flow of the Council. The actual result achieved for any particular financial year is also likely to vary from the information presented and may vary materially depending on the circumstances that arise during the period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The prospective financial statements of Council are for the ten years ended 30 June 2024–2034. The prospective financial statements were authorised for issue by Council on 30 June 2024.

Council does not have the power to amend the prospective financial statements after issue. Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

### Changes in accounting policies

The following changes to the accounting policies occurred during the year ended 30 June 2024.

- PBE IPSAS 16 Investment Property: The amendments clarified that fair value measurement of self-constructed investment property can begin before the construction is completed.
- PBE IPSAS 17 Property, Plant and Equipment: The amendments changed the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets: The amendment clarified the costs of fulfilling a contract that the Council includes when assessing whether a contract will be loss-making or onerous and therefore whether a provision needs to be recognised. PBE IFRS 17 Insurance Contracts: the adoption of the standard has not had a significant impact on financial statements disclosure.

### Funding Impact Statement (FIS)

The purpose of the funding impact statement is to provide information about the income and funding streams Council will use and an indication of the amount of funding Council will generate from each stream.

Council will use a mix of revenue sources to meet operating expenses, with major sources being general and targeted rates, NZTA/Waka Kotahi subsidies and fees and charges.

Capital expenditure for new works will be funded from loans, with capital renewals being funded from reserves (funded by rates). Council has resolved to partially rate fund depreciation for a number of years of the Long-term Plan. The rates funding of depreciation is used to fund asset renewals.

Where the revenue stream is rates an indicative level of rate, the mechanism used to assess the rate, and the activities that the rate funds, is described. These indicative figures support the calculations in the rate sample models and are included to provide you with an indication of the level of rates Council are likely to assess on your rating unit in the coming year. So long as we set the rates in accordance with the system described in this statement, the amounts may change. The Funding Impact Statement should be read in conjunction with the Revenue and Financing Policy.





**Strategies  
and policies**

Ngā rautaki me  
ngā ture



PHOTO: GREAT SOUTH



# Strategies and policies

## Ngā rautaki me ngā ture

The six key Strategy and Policy documents included within the 2024/2034 Long-term Plan are

- Infrastructure Strategy
- Financial Strategy
- Finance and Revenue Policy
- Rating of Māori Freehold Land Policy
- Development Contributions Policy
- Significance and Engagement Policy.





# Infrastructure strategy: 2024-2054

## He ara whakaoho: 2024-2054

Infrastructure provides a foundation for building strong and resilient communities. This Strategy sets out how Invercargill City Council will manage the city's roading, water supply, sewerage and stormwater infrastructure.

Following the change in Central Government policy, Council is planning to retain three waters operations, noting that in the future we plan to explore options such as providing services through a Council Controlled Organisation.

The Infrastructure Strategy should be read alongside Council's Financial Strategy which provides more detail on how Council will fund and manage the expenditure of its infrastructure programme.

At the time of drafting this document, it is unclear what the future of water provision will look like under the Government's Local Water Done Well policy. In response to this uncertainty, Council has taken an approach of business as usual, while also preparing for a potential transition to a new entity, for example a Council Controlled Organisation. In practice, this means that Council will continue to deliver three waters services according to our plans, and if new centralised entities are formed in the future, then they will inherit

assets and a revenue base that has been maintained. Council is at a critical juncture in its 3 waters delivery space with its major waste water treatment infrastructure to be re-consented with associated upgrades during the next 10 years. It is also Council's intention to address the risk of the city being reliant on a single water supply with a secondary supply to be consented and delivered in the coming years. Ensuring we move ahead with these projects despite broader uncertainty in the three waters space is critical to ensuring good outcomes. The focus of Council throughout has been on kaitiakitanga and the benefit and wellbeing of the community.



# About our infrastructure

Invercargill city is a relatively small and compact city extending from Makarewa in the north to Bluff in the south, Kennington in the east and Ōreti Beach in the west.

The Invercargill City District encompasses an area of 49,142 hectares, and generally we cover a land area 33.8 km by 20.1 km.

Landscape features of importance to the community include Bluff Hill (Motupōhue) and four major waterways which thread through the City (Waikiwi, Waihōpai, Ōtepunī, and Kingswell rivers). These, along with the Ōreti River all flow into the New River Estuary (the Waikiwi Stream flows to the Ōreti River).

The urban areas of Invercargill and Bluff contain extensive areas of open space as well as distinct heritage buildings. Invercargill has many extensive parks and recreational areas that are both close and accessible to residents. Queens Park is a centrally located, nationally recognised and award winning park offering wide and varied recreational use. Sandy Point area is a large environment and recreational area and is close to the city residents.

Road networks are generally formed on a grid layout and with relatively flat terrain, which makes mobility and accessibility easy for all modes of transport. The roading network has

plenty of capacity and is well connected to the state highways (1 & 6) which are maintained by Waka Kotahi. This ensures travel reliability for all road users. The streets are suitable for active transport and many have marked cycleways.

The pipe networks provide potable water supply, wastewater (sewerage) reticulation and stormwater reticulation. The piped networks are compact and generally contained within road reserves, and usually (though not exclusively) not located in residents' private property where access is more difficult. They are well structured and historically sized to provide for the city's requirements with reasonably short distances to and from treatment facilities. The majority of the system is serviced by gravity although a number of pumped mains transfer mostly sewerage towards the one wastewater treatment plant (at Clifton) for the Invercargill urban area. Water is sourced and treated at Branxholme to the north of the city and piped 16.5km to reservoirs within the urban areas of Invercargill and Bluff. Invercargill has only one source of water supply. Areas of Ōtātara do not have a potable supply and water is piped to supply the Bluff township.



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



# What we deliver

**Roading** – The Roothing Activity provides a safe, convenient and efficient transport system for all transport modes including pavements, streetlights, traffic signs and signals, footpaths, drainage, kerbing, bridges, culverts, street furniture, parking facilities, vehicle access crossings, and cycle tracks.

**\*Water Supply** – The Water Supply Activity owns and maintains multiple assets including treatment plants, reservoirs, pump stations plus a pipe network to supply potable water to residential, industrial and commercial properties, protect public health, provide water for firefighting, support city growth and contribute to the general well-being of the community.

**\*Sewerage** – The Sewerage Activity owns and maintains assets which include pipes, pump stations and treatment plants for the removal of sewage from residential, industrial and commercial properties in urban areas of Invercargill, Bluff, parts of Ōtātara and Ōmaui. Treated effluent is discharged to Foveaux Strait at Bluff, to the New River Estuary at Invercargill, and to land at Ōmaui. Consents for the treatment plants at Bluff and Clifton expire in 2025 and 2029.

**\*Stormwater** – The Stormwater Activity owns and maintains assets which include pipes and pump stations to provide for the removal of stormwater from residential, industrial and commercial properties to reduce the risk of property damage by flooding. Stormwater is discharged to natural waterways including the Waikiwi Stream, Waihōpai River, Kingswell Creek, Clifton Channel, Ōtepunī Stream, the Ōreti River, the New River Estuary and Bluff Harbour. Council has a consent for discharge which expires in September 2032.

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

\*The majority of the city's three waters network, with the exception of the Water Tower, parts of the stormwater drainage network, and the tidal protection banks may be transferred to a new water entity as part of the reforms.



# Core infrastructure

We own and manage \$2.2b (replacement value as at June 2022) of core public infrastructure.

## ROADING



**\$734m**

Urban sealed roads	295 km
Rural sealed roads	179 km
Rural unsealed roads	123 km
Kerb and channel	555 km
Bridges	55
Footpaths	500 km
Street lights	7000
Carparks	6

## STORMWATER



**\$435m**

Pipe network	416 km
Pump stations	9
Open drains	47 km
Stopbanks	3 km

## WATER



**\$434m**

Pipe network	419 km
Pump stations	6
Branxholme water treatment plant Reservoirs	7

## SEWERAGE



**\$465m**

Pipe network	368 km
Pump stations	32
Treatment plants	3

This information has been developed from the valuations undertaken for 30 June 2022, for more detail please see individual Asset Management Plans.



# Council's vision

## Our City with heart - He Ngākau Aroha

This infrastructure strategy supports the delivery of Council's vision by ensuring the city roading and water network appropriately serves the activities the community wants to undertake in the city centre and beyond.

It aligns with our mission – Waihōpai – To leave in good order – through supporting appropriate management of this infrastructure to ensure it meets the needs of the community now and into the future in a cost effective manner and meeting the future expectations of good guardianship. Council will work closely with Iwi, and recognises its responsibilities as these are strengthened as future maintenance and renewals are developed and delivered.



## Looking ahead – Our strategic priorities

- Meeting the changing needs of our rangatahi as part of our wider population, which is growing older and more diverse.
- Delivering City Centre vibrancy through appropriate renewals and improvements.
- Enabling the housing, health, security, and social infrastructure our city needs to grow.
- Navigating increasingly complex environmental challenges including climate change, land contamination, and earthquake risks.
- Ensuring Community affordability in a time of economic volatility - with financial prudence and efficiency.

- Ensuring Council leadership and delivery is credible and effective, building community trust and engagement.

In addition, there are a number of specific infrastructure priorities:

- Allowing infrastructure growth where future land uses change and support other priorities.
- Maintaining our core infrastructure.
- Delivering Strategic Projects.
- Focusing investment on critical assets within the network.

No significant levels of service changes are planned beyond those projects that increase resilience for our existing network for example delivering a secondary water supply.

# Infrastructure challenges

- Our city's networks have largely met the needs of the size of population over the last 30 years. As incremental growth and spatial changes occur, future expectations need to be deliverable which supports the wider community aspirations. In addition, there are potential increases to industry which, while the location and specific requirements are not known, mean that a small increase in network growth is expected.
- Spatial land use change is likely to occur and the core infrastructure must be aligned to support those changes in a timely and effective manner.
- There will be both Central Government and community requirements for this core infrastructure, and as the legislation changes so must the response (e.g. Sewer discharge consents, Environment Southland Regional Land and Water Plans (Stormwater discharges) Drinking Water Standards etc.).
- Our city's infrastructure is ageing and there will be affordability challenges for the community. We are approaching the potential peak for pipe renewals of infrastructure. Much of the original pipework was installed towards 100 years ago and the peak is reached in the next 10 – 20 years. These will have affordability challenges and Council must focus on criticality and value decision making.
- Stage 1 of the re-invigoration of the city centre has been completed. The benefits of future stages have been highlighted but the cost of these work stages within constraining budget environments will be challenging. Completion and connection of the work to date is required and timed with other City development and with required underground infrastructure renewals.
- Ongoing improvements in asset management will be required to have stronger business cases for investing the significant financial requirements set out in this strategy. Council will need systems which have reliable data to support informed business cases and approaches to ongoing improvements in asset management and delivery.
- An increasing frequency of high intensity rainfall events is seen as more likely. Localised flood events may occur more frequently. This will test the current and future infrastructure and the community's response to these events.
- We need better and deeper understanding about the impacts of sea level rise, and what this will mean for the city's infrastructure. Council is working with Environment Southland and Te Āo Marama on this issue.
- New design standards are likely to require larger pipes for new work but network restriction may occur due to near-new pipes which are now too small in capacity.
- Key projects like the Stead Street Stopbank upgrade have been completed reflecting a strong commitment to meeting future challenges. Central Government funding assistance may be key to some projects.
- We must continue to meet our legislative requirements through discharge consent for treatment plants and stormwater discharge conditions which will require ongoing improvements, future thinking and investment.
- Balancing the Local Government Act requirements for community affordability with the Resource Management Act requirements means there is still a high level of uncertainty in this space. As we proceed further through the long list, then shortlist options analysis for each project we achieve additional funding certainty in this space. For the large projects like Alternative Water and Clifton these figures will be addressed in more detail through the 2027 Long-term Plan.
- There are known areas where industrial and landfill contamination has occurred which is impacting waterways and networks. We are investing to understand more about these issues and develop appropriate responses.
- The need to reduce impacts on our community by making our roads safer will continue to be a focus. Council is supporting this with a range of additional investment in road safety infrastructure projects which will support the speed limit reduction changes already made.
- Contributing to longer-term climate sustainability and resilience will need more support for mode shift in transport use to occur, including vehicle use and types (including heavy industry). Greater Central Government direction will need to be included in future plans (e.g. vehicles, cycle paths, school travel plans, etc.).
- Preparing for increasing community requirements as parts of the community become more urbanised and the community responds to climate issues such that travel mode shift occurs. Communities may seek to have services not previously delivered.
- Working closely with the construction industry and planning delivery in a manner which is sustainable and deliverable. The industry needs to have capability to meet the programmes with sufficient suitably skilled staff.
- Council is proposing a significant increase in its infrastructure programme over the next ten years. Although we have endeavoured to budget for a programme that is deliverable, there is uncertainty over whether the construction industry will be able to meet demand in the coming years, particularly for Three Waters asset projects. If projects are delayed this could impact costs and levels of service. Council is investing in critical assets and reducing levels of investment in non critical assets in order to manage these issues of affordability and deliverability. This means that in the event of a failure in the network other work may need to be reprioritised. Council will be using criticality to support and guide planning and renewals of assets. This will highlight those assets which we will be replaced earlier than others to limit impacts on the networks operation. If an asset fails earlier than expected, the programme is sufficiently agile that work can be reprioritised and rescheduled again focusing on network level criticality. Given the age profile of the current assets there will always be longer periods of likely renewals which vary (as Invercargill had two significant growths in the 1950 and 70s) and this can be seen over the planned AMP period. As these pipes approach end of life, their assessment and prioritisation occurs and a smoother (and more achievable) renewal programme continues to be established.



# Key Assumptions

## Ngā whakaaro



ASSUMPTIONS	POPULATION <sup>1</sup>			
	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Population growth</b> As at 30 June 2023, the estimated population of Invercargill is approximately 57,900<sup>2</sup>. The population is projected to increase over the next ten years but growth will depend significantly whether or not various industries are developed as envisaged in the Beyond 2025 Regional Long-term Plan. By 2034 between 61,900 and 62,900 people will live here.</p>	Likely	Medium	Moderate	Although population growth in excess of the assumptions will have a moderate to significant impact on the Council finances this will have significant lead time. Council will be able to monitor the applications for resource consents and use this as guidance for the population growth into the future. A population decline would be a more significant impact but is not expected.
<p><b>Diversity</b> The population will continue to become more diverse. The Māori population will grow from 19% to 25%. The Asian population will grow from 8% to 13%.</p>	Likely	High	Minor	Council will increase engagement opportunities for different parts of the community to help support all voices being heard. Changes to Council services are expected to be able to be accommodated from within existing operational budgets through adjustment of focus.

<sup>1</sup> Infometrics report "Southland Region forecasting scenarios for Beyond 2025 Southland", June 2023

<sup>2</sup> Stats NZ Tatauranga Aotearoa Infoshare data, retrieved 24 January 2024 (<https://infoshare.stats.govt.nz/Default.aspx>)



ASSUMPTIONS	POPULATION <sup>1</sup>			
	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Ageing population</b> Those aged 65 and older will form 24% of the population in 2034, which is higher than the current aged population in 2023 (estimated as 10,790 of 57,900 (19%)).</p>	Likely/ Almost Certain	High	Moderate	Demographic changes are clear and while future migration patterns may offset ageing to some extent, this is not expected to be of a high enough level to counter the known level of ageing. Council is considering how to respond to changing housing needs for older people through provision of elderly housing, adjustment to the District Plan and potential partnership projects. Impacts on other services including public transport, libraries and pools (e.g. hydrotherapy pool) are being planned for.
<p><b>Households</b> Households will increase from 23,256 in 2022 to 26,087 in 2034. The number of households stagnated over 2020-2021, but is projected to show positive growth over the course of this LTP, with growth peaking at 1.1% in 2032.</p> <p>The average size of households is expected to reduce from 2.39 to 2.34 by the end of this LTP.</p>	Moderate/ Likely	Medium	Moderate/ Major	The number of households underpins the rating base and Council revenue for activities. A decline or slower growth in households would require Council to review services and/or financial strategy.
<p><b>Socio-economic</b> Inflation will continue to squeeze household budgets and impact abilities to pay rates. Inflation is expected to stay above 3% until 2025/2026.<sup>34</sup></p>	Moderate/ Likely	Medium	Major	Economic volatility remains high with economists urging caution on reliability of forecasting. Significant increases in inflation will impact not only Council's planned expenditure but the community's ability to pay. Higher than expected inflation may require review of services, capital investment and/or financial strategy. Lower inflation will improve Council's position and ability to deliver.



ASSUMPTIONS	SOCIAL			
	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Community resilience</b> Tiwai Point Aluminium Smelter is expected to continue operating for the time of the Long-term Plan.</p>	Likely	High	Moderate	Council has plans in place, including community support for the Just Transitions Connected Murihiku programme and support for Great South to deliver economic diversification options. Additional investment may be required on any future announcement of closure.
<p><b>Community resilience</b> Although the Zero Fees scheme has been extended through 2024 for Southern Institute of Technology   Te Pūkenga, it is uncertain to continue throughout the life of the Long-term Plan. This will have an uncertain level of negative impact on Invercargill's population and economy.</p>	Possible	Moderate	Minor	The Zero Fees Scheme has been an important tool in lifting the skill base of the local community as well as attracting new people live in the city. Loss of Zero Fees will remove a competitive edge for the city which has potential unknown longer term impacts.
<p><b>Housing stock</b> Urban Invercargill's housing supply rate will increase slightly from 0.5% a year to 0.7% a year based on Council's intended District Plan changes, known future developments and proposed partnership projects.<sup>5</sup></p>	Possible/Moderate	Medium	Moderate	Housing has been identified as a potential constraint to growth. Failure of responses to increase the supply could limit future population growth. Council would need to consider alternative responses.

<sup>3</sup> Infometrics report "Economic update for Long Term Planning for Invercargill City Council", April 2022, p11

<sup>4</sup> RBNZ "Household inflation expectations (H1)", August 2023

<sup>5</sup> Rationale report "Murihiku Southland Housing Needs Assessment", May 2023, p26

ASSUMPTIONS	ECONOMIC			
	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Economy</b></p> <p>CPI Inflation will peak in June 2023 and stay above 3% until 2025/2026.<sup>6</sup> Employment is expected to weather any recessionary conditions fairly well but unemployment is expected to increase nationally.<sup>7</sup> A short term dip is forecast for the early years of the plan with stronger growth in professional and highly skilled occupations.<sup>8</sup></p>	Moderate/Likely	Medium	Moderate	<p>Inflation increases would have significant impact on budgets. Council would need to consider changes to services and/or the financial strategy.</p> <p>If LGCI inflation was 0.5% higher than forecast this would increase Council operational costs by \$0.5 – \$1.6 million per annum for the first 3 years of the plan. Council capital costs would increase by \$0.4 – \$1.3 million per annum for the first 3 years of the plan.</p> <p>Increases in operational costs would impact the expected rates increase in those future years.</p>
<p><b>Community funding</b></p> <p>Despite recent economic challenges, Community Trust South and the Invercargill Licensing Trust Group have managed to return their funding levels to pre Covid-19 levels. This is anticipated to take some pressure off Council's funding pool.</p>	Likely	High	Minor	<p>Council will continue to liaise with other funding partners, including to monitor forecast security of investment, to assist control of this risk.</p>

<sup>6</sup> Infometrics report "Economic update for Long Term Planning for Invercargill City Council", April 2022, p11

<sup>7</sup> Infometrics report "Southland Region forecasting scenarios for Beyond 2025 Southland", June 2023, p15

<sup>8</sup> Id. p15-18

ECONOMIC				
ASSUMPTIONS	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Economic diversification</b></p> <p>Volatility in the global economy may affect one or more of Invercargill's key export industries. This will drive diversification but will slow growth. Employment growth in new industries such as aquaculture and green hydrogen is not expected to offset any declines in agriculture.<sup>9</sup> There may be a delayed effect through the risk of impacted industries abandoning properties. Growth in the forestry industry as a result of carbon farming has the potential to negatively impact Invercargill's economy.<sup>10</sup></p>	Possible	Low	Moderate	<p>Council will continue to work closely with the Regional Council, Great South, the Chamber of Commerce and other stakeholders to support economic diversification for the region. In the case of significant industry decline a targeted response may need to be developed.</p> <p>The financial impact of this assumption is on the city's rating base, infrastructure network needs and the community's rates affordability. Changes in this assumption are not expected to be sharp shocks and as a result we will be able to flex annual plans and future LTPs to take account of these changes.</p> <p>At this point in time we do not expect this to have a significant effect on financial modelling for Years 1-3 of this Long-term Plan.</p>
<p><b>Central Business District</b></p> <p>The City Block development has been successfully completed and has attracted new development, including two new hotels in the city centre. Council will continue to support initiatives to drive the success of a thriving CBD. GDP will increase by \$14 million annually as a result of the investment until 2030.<sup>11</sup></p>	Likely	High	Moderate	<p>Council remains strongly committed to its vision "Our City with Heart – Hē Ngākau Aroha." Any divergence from this vision could impact the financial viability of ICL but is not expected. Further investment may be required either in the City Block or associated city streets improvements.</p>

<sup>9</sup> Beyond 2025 Southland Regional Long Term Plan, p20-21

<sup>10</sup> Id. p20

<sup>11</sup> NZIER report "Invercargill CBD regeneration", May 2023, p17

ECONOMIC				
ASSUMPTIONS	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Tourism</b> Tourism in the Visit Southland area is expected to increase to between 160% - 165% of pre-Covid levels by 2029.<sup>12</sup> Invercargill is expected to proportionally benefit from this increase and demand for accommodation to increase and to be met from within existing stock.</p>	Moderate/Likely	Medium	Minor	Tourism, while important, is not currently a major driver of the Invercargill economy, although it has great potential to grow. Council may need to invest in further infrastructure if tourism grows faster than expected and manage any flow on impact on housing availability given housing constraints.
<p><b>International education</b> The numbers of international students studying at Southern Institute of Technology (SIT)   Te Pūkenga are not expected to return to pre-Covid levels until 2028 at the earliest.<sup>13</sup> The decline as a result of Covid would be compounded if there was a change in policy at Te Pūkenga with reduced focus on recruiting international students, and by reduced domestic competitiveness as a result of the likely end of the Zero Fees policy.</p>	Moderate/Likely	Medium	Minor	International students and their families create significant demand for certain categories of housing, including city centre housing. Lower numbers of international students will likely be a factor in the trend of an increasingly aged population. Lower or higher than expected numbers of international students may require an adjustment in Council response to City centre strategy and/or other provisions/ partnerships impacting housing availability.
<p><b>Climate change regulatory change</b> Legislative change is expected to increase requirements, reflected in the Emissions Reduction Plan and the National Adaptation Plan, on businesses and Council with an impact on economic growth as yet unknown.<sup>14</sup></p>	Likely	Medium	Moderate/ Major	Council is working with the regional Climate Change Working Group to set a strategy for the region and action plan for Council. Further investment will be required in activities to reduce emissions and to better understand climate change risk to Council assets.

<sup>12</sup> Beyond 2025 Southland Regional Long Term Plan, p56

<sup>13</sup> Infometrics report "Economic update for Long Term Planning for Invercargill City Council", April 2022, p18

<sup>14</sup> Ministry for the Environment "Implementing Aotearoa New Zealand's first emissions reduction and national adaptation plans", 2023

ENVIRONMENTAL				
ASSUMPTIONS	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Mean annual and extreme temperature</b> (days where temp. exceeds 25°C) are expected to increase with time:</p> <p>By 2040: mean annual temperature increase of 0.5-1.0°C with 0-10 more hot days per annum.</p> <p>By 2090: mean annual temperature increase of 0.7-3.0°C, with 5-55 more hot days per annum.</p>	Moderate	Low	Minor	<p>Temperature increase while important has an indirect impact on Council operations, which are expected to be accommodated within Council plans. It is not possible to forecast the impact of climate change in more detail on the capital programme until more accurate data and modelling is complete.</p>
<p><b>Annual rainfall is expected to increase</b> By 2040: +0-10%</p> <p>By 2090: +5-20%</p> <p>Increased frequency of high rainfall days, i.e. increase in intensity of rainfall.</p>	Moderate	Low	Moderate/ Major	<p>Increased intensity of rainfall is expected to result in increased flooding. Council has adjusted its stormwater asset profiles to plan for increased major flooding events but there remain significant areas of the network which have not yet been renewed. There are also impacts on efficiency of the Sewerage treatment system as a result of overflow from the stormwater system during high rainfall events. The Branhholme Water Treatment Plant is designed to cope with rainfall events to the level forecast in the 2018 NIWA study and outlined in our assumptions. There will be no impact on quality but there will be a reduction in flow. Supply will be maintained but with possible water restrictions.</p> <p>Dependent on the Affordable Water Reform and Council's ongoing areas of responsibility, adjustment may need to be made the renewal programme.</p> <p>It is not possible to forecast the impact of climate change in more detail on the capital programme until more accurate data and modelling is complete.</p>

ENVIRONMENTAL				
ASSUMPTIONS	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Mean sea level is expected to rise</b></p> <p>By 2040: 0.2-0.3m By 2090: 0.4-0.9m</p>	Uncertain	Low	Major	<p>There remains significant modelling which must be completed at a regional level to attain an understanding of what sea level rise is likely and its potential impact. There are known risk areas including the Airport and Bluff which need further investigation. Council has invested in major infrastructure upgrades at Stead Street to increase protection for the city. Further work will be required on associated flood banks to maximise this investment. Environment Southland has responsibility for managing and maintaining the remainder of the city's floodbank network.</p> <p>It is not possible to forecast the impact of climate change in more detail on the capital programme until more accurate data and modelling is complete.</p>
<p><b>Natural disaster</b></p> <p>Extreme weather events are happening more frequently and this trend is likely to continue due to climate change. There is a 75% probability of the Alpine Fault rupturing within the next 50 years. <sup>15</sup></p>	Possible	Medium	Major/ Catastrophic	<p>A major disaster which impacted Council's ability to operate at the same time that the community's need for disaster relief was required to be supported would require a major shift in strategy and operations. Council supports Emergency Management Southland to coordinate the response in such a situation.</p>
<p><b>Environmental renewal</b></p> <p>Council will invest to understand more about the levels of environmental damage at Ocean Beach and New River Estuary. It is possible that further investment in renewal will be required within the life of the infrastructure Strategy.</p>	Likely	High	Moderate	<p>There is potential significant investment required for contamination management. The scale of this work is as yet unknown.</p>

CULTURAL				
ASSUMPTIONS	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Māori culture</b> Māori culture has become more visible in the city since the time of the last Long-term Plan and will continue to become more visible.</p>	Likely/ Almost certain	High	Low	Council is working closely in partnership with Mana whenua and would seek to manage impacts through this relationship.
<p><b>Project 1225</b> Te Unua Museum of Southland will be built by December 2025, and open to the public in the second half of 2026. <sup>16</sup></p>	Almost certain	High	Moderate	The programme is on schedule and remains a primary focus of Council. The impact of delay on service delivery is low, however the reputational risk of late delivery is significant. Council continues to actively manage this project through its Project Management Office.
<p><b>Civic pride</b> Resident pride in the city following the redevelopment has increased (in 2023 80% of people said they would speak more positively about the city)<sup>17</sup> and will continue to increase as new projects including Project 1225 are completed.</p>	Likely/ Almost certain	High	Minor	Council sees both City Block and Project 1225 as major cornerstone projects to achieving of its vision – Our City with Heart – He Ngākau Aroha. The social and economic benefits are already being realised. Continued commitment to the strategy will be required for full delivery.
<p><b>Cultural activation</b> An increase in activities and events reflecting the diverse culture of Southland will take place following Council investment in activation and private uptake of new facilities available.</p>	Likely	High	Minor/Moderate	Activation is essential to leverage Council’s capital investment in the city centre. Council will continue to explore a range of mechanisms to support activation in the community.

<sup>16</sup> www.project1225.co.nz

<sup>17</sup> Southland CBD Rejuvenation Community and Business Survey Report, March 2023, p9

COUNCIL OPERATIONS				
ASSUMPTIONS	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Water Reform<sup>18</sup></b></p> <p>At present it is assumed that Council will retain three waters for the short term but that in the medium term a new structure such as a CCO is likely.</p> <p>This will result in a structural change for Council in relation to the ownership of assets and associated debt capacity.</p> <p>The services will continue to be delivered, but these will be provided by another party.</p> <p>This will include increased regulatory requirements as required by the new regulatory authority.</p> <p>There are a number of risks which may remain:</p> <ul style="list-style-type: none"> <li>▪ Some services which are a priority to the community (e.g. alternative water supply) may not be a priority to the new entity.</li> <li>▪ Some assets which have multiple purposes and value to the community may be better held by Council – e.g. Water Tower</li> <li>▪ Loss of key staff through the transition may result in loss of local knowledge and expertise</li> <li>▪ Impact on Council budgets through loss of water revenue and transfer of debt which may not be appropriately met through the transfer.</li> </ul>	Likely	Medium	Major	Depending on the future structure the impact to Council operations is major but moderate for the city, as services will be maintained in any scenario. Water items are included within the Infrastructure Strategy.

<sup>18</sup> [www.waterservicesreform.govt.nz/how-do-these-changes-affect-me/councils/](http://www.waterservicesreform.govt.nz/how-do-these-changes-affect-me/councils/) (retrieved 15/09/23)



COUNCIL OPERATIONS				
ASSUMPTIONS	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Legislative changes</b> There will be changes to legislation that have an impact on how Council will provide services. These changes may affect Council organisational structure but not change the level of service received by the customer/ratepayer in the first three years of the plan.</p>	Likely	Medium	Minor/ Moderate	Management will continue to engage with Central Government to ensure levels of service are maintained or improved and plan for changes in services in response to policy and regulation changes as they arise.
<p><b>Consents</b> Council will continue to carry out legislation-directed ordinary functions while factoring in an increase to required quality for consent conditions.</p>	Likely	High	Minor/ Moderate	Consent processes at Bluff and Clifton Water Treatment Plants have commenced, although under an increased level of uncertainty as a result of the reform programme. Any impact on the consent process as a result of this uncertainty would be significant.



COUNCIL OPERATIONS				
ASSUMPTIONS	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>The Funding Assistance Rate</b> (as advised from Waka Kotahi) NZTA will continue at 51% funding assistance until 2026/2027. It is assumed that it will then remain at 51% for the life of the Plan.</p>	Likely	Low	Moderate	<p>Significant changes would have an impact on Council's ability to maintain levels of service and may require changes to budgets. Council continues to work closely in partnership with Waka Kotahi to manage this risk.</p> <p>If the FAR (Funding Assistance Rate) rate decreased by 1%, there would be reduction of subsidy revenue of \$0.2 - \$0.3 million per annum</p> <p>If the funding was replaced with rates revenue, an additional 0.30% rates increase would be required each year.</p> <p>If the funding was replaced with borrowings, an additional 0.02% rates increase would be required each year to pay for interest and repayments and borrowings would increase by \$0.2 - \$0.3 million per annum.</p> <p>Capital and operational programmes would need to be reviewed if funding was not available.</p>
<p><b>Asset life</b> Assets will remain useful until the end of their average useful life, noting this requires underlying assumptions regarding asset condition to be correct.</p> <p>Infrastructure installed in the 1920s is nearing end of life and require renewal within the term of the Infrastructure Strategy.</p>	Moderate/Likely	High	Moderate	<p>Assets may need to be renewed earlier if this underlying assumption is incorrect. This may also change the renewal profile or may allow delayed renewal in other cases. Council will review the remaining asset life at each of the triennial asset revaluations and undertaken regular asset condition assessments.</p>

COUNCIL OPERATIONS

ASSUMPTIONS	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Infrastructure network development</b> It is anticipated that a 1% extension of the network (roading, three waters) will be required to service forecast growth needs of business and/or residential property. Locations are not yet known so more accurate forecasts are not possible.</p>	<p>Uncertain</p>	<p>Low</p>	<p>Moderate</p>	<p>Invercargill has not operated under a growth assumption in the immediate past as the network was constructed to support a higher level of population. However, new potential industries are expected, if they eventuate, they are likely to create significant new demands on the network. As a result, Council is planning for this uncertainty by allowing for growth.</p> <p>The additional cost would be met via contractual financial contributions, reprioritisation of the capital programme and if necessary an increase in the budget provided for the capital programme. At present our capital programme is on average \$84 million per annum. We expect that this may increase the capital programme by approximately 5% per annum.</p>
<p><b>Capital programme delivery</b> 100% of roadmap and strategic projects are expected to be delivered. 80% of the core capital programme will be delivered in Year 1 and 2, 85% in Year 3, and 90% thereafter, following implementation of the Local Water Done Well Reforms. Pipe renewals are expected to be delivered at 70%.</p>	<p>Possible</p>	<p>Low</p>	<p>Moderate</p>	<p>Council continues to invest in enhanced project management capacity and supporting construction sector capacity through new ways of working. The financials will be reforecast to reflect the delivery expectations each year.</p> <p>The financial impact this assumption not being met is the deferral of capital expenditure until later years, higher risk of asset failure meaning assets will be sweated longer and repairs and maintenance will increase and emergency rather than planned replacement may become more frequent.</p>

COUNCIL OPERATIONS				
ASSUMPTIONS	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Investment Property &amp; Biological assets</b> Investment Property &amp; Biological assets are valued on a yearly basis. They are expected to increase in value in line with inflation. This is reflected in our Financial Strategy, and Accounting policies.</p>	Likely	High	Low	Variations in valuations have no cash flow implications for Council. Council will continue to value Investment Property and forestry assets on an annual basis.
FINANCIAL				
ASSUMPTIONS	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Rating base growth</b> Rating base growth in line with population growth, household size changes and industry growth of 0.9%, rating base growth will be 0.5% for 2024/2025 and 2025/2026, 0.6% for 2026/2027, 0.7% for 2027/2028, 0.8% for 2028/2029 and 0.9% for 2029/2030 onwards</p>	Likely	High	Moderate/Major	The Rating base forecast is fundamental to the forecast revenue Council expects. A lower than expected level of growth would require Council to adjust rates or expenditure through the Annual planning process.
<p><b>Inflation</b> Operational forecasts and capital work programmes will increase by the accumulated Local Government Cost Index inflation forecast by BERL, being 2.9% for operational and 3.0% for capital in 2024/2025. Staff cost inflation will be 3.5%. Insurance cost inflation will be 12%.</p>	Likely	Medium	Moderate	<p>Cost change factors are based on information developed for councils by BERL. Significant variations to inflation would have an impact on Council's financial management. The significant changes in recent years in relation to inflation mean that level of uncertainty has increased as to whether increased fluctuations in the BERL cost estimates can be expected. Council will continue on the planned pathway for the Capital Works programme and review operational revenue and expenditure each year.</p> <p>If inflation was 0.5% higher than forecast this would increase Council operational costs by \$0.5 – \$1.6 million per annum for the first 3 years of the plan. Council capital costs would increase by \$0.4 - \$1.3 million per annum for the first 3 years of the Plan.</p> <p>Increases in operational costs would impact the expected rates increase in those future years.</p>

ASSUMPTIONS	FINANCIAL			
	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Asset revaluation</b> Asset values will increase by the accumulated Local Government Cost Index inflation forecast by BERL on the last valuation value. Revaluation occurs in 2024/2025 and every third year thereafter.</p>	Likely	Medium	Moderate/ Major	<p>Changes in valuation (cost price) or life of Council assets have a significant impact on Council's financial management and capital programme. Council will continue on the planned pathway for the Capital Works programme and monitor after each revaluation cycle.</p> <p>If revaluation values were 0.5% higher than forecast this would increase Council Property, plant and equipment revaluation gain / (loss) by \$0.3 million in 2024/2025.</p>
<p><b>Depreciation funding on existing assets</b></p> <p><b>Water</b> 95% in Year one increasing to 100% in Year two onwards</p> <p><b>Sewerage, Stormwater and Property</b> 75% in Year one, increasing by 5% per annum</p> <p><b>Roading</b> 80% every year</p>	Likely	Medium	Moderate	<p>Council will closely monitor asset condition data, critical and non-critical failure rates and capital delivery expenditure in order to ensure appropriate depreciation rates are funded at.</p>



FINANCIAL				
ASSUMPTIONS	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Depreciation rates on planned asset acquisitions</b></p> <p>Buildings 2.4%  Hard surfaces and appurtenance 6%  Intangible assets 32.8%  Investment property buildings 0%  Library collections 16%  Monuments and statues 0%  Motor vehicles 29.3%  Plants and equipment 23.5%  Restricted buildings 0%  Roads, bridges and footpaths 3.5%  Stormwater systems 1.5%  Wastewater Other Assets 1.4%  Wastewater treatment plants 6.4%  Water other assets 2.1%  Water treatment plants 2%</p>	Likely	High	Low	Regular reviews of appropriate rates incorporating asset life and value data are undertaken as part of the asset revaluation process.
<p><b>Interest rates - Borrowing</b></p> <p>Expected interest rates on borrowing will be 4.25% in 2024/2025 and 4.5% thereafter</p>	Moderate/Likely	Medium	Moderate	<p>A significant change in interest rates and the cost of borrowing would have a significant impact on Council budgets. Changes to services or the Financial Strategy would need to be considered.</p> <p>If interest rates was 0.5% higher than forecast this would increase Council finance expenses by \$0.8 – 1.1 million per annum for the first 3 years of the Plan.</p>
<p><b>Interest rates - Cash and Deposits</b></p> <p>Return on cash and term deposits are forecasted to be 5.5% in 2024/2025, 5% in 2025/2026, 4.5% in 2026/2027, and 4% thereafter.</p>	Likely/ Almost Certain	Medium	Minor	<p>Term deposit rates currently vary between providers but most providers have a discount on rates from their prime lending rates.</p> <p>If interest rates were 0.5% higher than forecast this would increase Council finance revenue by \$0.3 million per annum for each of the first 3 years of the Plan.</p>

ASSUMPTIONS	FINANCIAL			
	LIKELIHOOD	CERTAINTY	CONSEQUENCE	COUNCIL RESPONSE
<p><b>Dividends from ICHL</b> Dividends will be minimum \$5.5 million, plus an additional \$4 million special dividend for the ten years of the Long-term Plan, resulting in a combined dividend rate of \$9.5 million.</p>	Likely	Medium	Minor/ Moderate	There would be a negative impact on Council's overall revenue and cash position if the dividend level was not maintained, which would increase the burden on ratepayers. Council will consider strategic reliance on dividend noting increased levels of economic uncertainty and impact of Council future direction to ICHL regarding holding of non-financial strategic assets.
<p><b>External Funding</b> It is assumed Council will achieve the level of external funding as estimated.</p>	Possible/ Moderate	Medium	Minor/Moderate	Council is expecting external funding from Central Government, community and private investment into a number of strategic projects. While not all funding may be achieved, the estimates are based on expert analysis and are expected to be at least partially fulfilled. Council expects to be in a position to meet any shortfall.
<p><b>Land Sale Revenue</b> Revenue from the sale of land is forecast to amount to \$2.1 million in 2024/2025, \$1.4 million in 2025/2026, and \$10.0 million in 2026/2027.</p>	Possible/Moderate	Medium	Minor/Moderate	Some or all land may not be sold or may be sold for a lower value. Council expects to be in a position to meet any shortfall.

# Our strategy to respond to infrastructure challenges

## 1. Maintain our current asset base

We will be responding to priorities and challenges in a strategic manner.

We will ensure growth is focused on social, financial and operational sustainability and aligns to Council's vision, particularly spatial changes. We will use a business case approach where appropriate to support decisions.

Our focus is on gaining an ongoing better understanding of network capability to ensure optimum network performance, improve levels of service to meet consent and legislative requirements, and utilise current network capacity to meet forecast growth needs.

It is important to better manage expansion in infrastructure so that it does not exceed that which is currently serviced (or outlined in the Asset Management Plans or District Plan). By managing future growth of services, long-term financial responsibility can be better managed. Invercargill has, through the district planning process, clearly set where planned growth is desirable. As spatial reviews occur to support the City growth, so must the infrastructure respond. Where expansion of infrastructure is acceptable, the initial cost of this infrastructure is expected to be met by the development to standards set by Council. Managing infrastructure expansion to align with these processes is appropriate.

## 2. Renew assets at the rate of asset consumption

We will renew assets at the rate of asset consumption as set out in the Financial Strategy.

This ensures the long-term sustainability of our asset portfolio and planning long term renewal programmes to

minimise the impacts of past investment cycles. Council has long term programmes to continue to renew the roading and piped network at a rate equivalent to the consumption (i.e. fund depreciation at the rates set out in the Financial Strategy).

The Financial Strategy notes that it will not be possible to achieve a balanced budget right away, and that in light of the above considerations it is proposed that Council modify the current strategy, as follows:

Partially fund depreciation on all asset classes

- Water 95% in Year 1 increasing to 100% in Year 2 onwards.
- Sewerage, stormwater and property at 75% in Year 1, increasing by 5% per annum
- Roading 80% every year

Set the initial rates funded depreciation in the infrastructure network asset classes at a level which:

- At least covers the proposed renewal programme for that asset class in all years, and
- Increases incrementally so that by year 6 of this Long-term Plan depreciation is fully funded (with the exception of roading, which remains at 80% in all years due to NZTA/Waka Kotahi subsidy funding).

The assumption on asset value increase will be set with reference to the BERL inflation index for capital expenditure for assets.

Taking this approach to the Financial Strategy continues to reflect:

- Depreciation is still considered to be the best proxy for the use of our assets, and by rating on use we better allocate the cost to those ratepayers that actually use the assets.

- Staging the recovery of the significant asset increase reflects Council's commitment to rates affordability.
- Ensuring we get to a position where we have a balanced budget reflects our core commitment to financial prudence.

The asset teams have developed detailed renewal plans based on the criticality, asset condition, age, demand and other planned renewal requirements. Renewals are undertaken at the end of a long life (i.e. 80 to 100 years) so there is some flexibility as to when the most appropriate time is.

Some renewals are brought forward to align with projects. For instance, if road surfacing is occurring then piped asset renewals may be brought forward to ensure they are completed in advance.

Renewal programmes have periods where peak renewals may be needed however the programme has been reviewed and some smoothing of financial demand applied in order to support deliverability of funding and contracting capability. Contractors need to have a reasonable timeframe to resource up or down so consistency in work load is sensible to avoid peak pricing.

## 3. Focus on asset criticality

Our focus is on replacing critical assets before failure.

Non-critical assets will be allowed to operate to their expected lives and / or beyond, recognising that some limited failures in these assets may occur before renewal.





Given that Local Water Done Well Reforms are continuing to be discussed, and to reduce large and sudden increases in rates on the community, this strategy looks to balance the risks of failure of some elements of each system (e.g. water pipes). Pipes with a lower criticality rating may have their replacement delayed and be monitored. This strategy will enable a focused financial response in the short-term.

This approach has the potential to increase failure risks, but Council must have supporting financial mechanisms available should additional renewals be required to action these in a timely manner. These risks, both infrastructural and financial, require improvements to our asset management maturity to support their implementation.

Should unplanned failures occur, Council will use its financial "good health", accumulated reserves, and / or insurances (where appropriate) to manage these risks.

Council is undertaking a continuous programme to improve asset condition knowledge. This will be used to monitor and plan critical and non-critical work to ensure prioritisation is responsive. By delaying non-critical work, the programme needs to be managed to ensure smoothing of a potential bow wave of work which cannot be delayed further in the later years of the Infrastructure Strategy. The combined approach to building back depreciation funding, increased renewal spending in later years, supporting the development of the contractor market and maturing project management processes are intended to build to capacity to respond to increasing future workloads.

Any delays in delivery of the capital programme could result in increased maintenance costs. Replacement of failing assets will be managed through reprioritisation

of the capital programme. The level of service will not be significantly impacted. Funding in later years is planned to increase to cover higher levels of renewals.

Any significant delays in capital expenditure will have the impact of improving our expected net debt position as less borrowing will be required, which will also impact our interest costs. There is still room to increase the debt ceiling further in future years to deal with any peaks in the capital works should debt be determined to be the best way to fund.

#### **4. Plan and invest for resilience for critical assets**

A high priority for Council is to protect the access for the city to quality drinking water in the event of extreme weather events (flooding and droughts), coastal inundation and natural disaster (e.g. earthquakes).

Council is working with the Regional Council and Te Āo Marama to develop a regional climate change strategy, including identifying the further data and modelling required to better understand and plan for climate adaptation. This work includes analysis of recently completed LIDAR data, river flood modelling, coastal inundation modelling, interaction of river and coastal models and asset condition data assessment. The Regional Council forecasts this work will take approximately 5-7 years based on current NIWA forecasts of national data availability.

The development of an alternative water supply and providing improved connectivity for redundancy for the current Branxholme water supply are two priority projects intended to reduce the risk to the community of an interruption in water supply.

Council must seek to renew its discharge consent and is planning for these renewals of the Wastewater discharge consents at Bluff and Clifton. Conditions of consent may require a change in the approach required, the technology used, and the methods of disposal. Significant additional investment is expected to be needed to meet community requirements.

#### **5. Design pipe network renewals to accommodate understood impacts of climate change**

Council's pipe network and tidal protection barriers are designed to meet the forecast impacts of climate change outlined in the 2018 NIWA study of climate change in Southland. Council is working with the Regional Council and Te Ao Mārama to better understand the impacts of climate change on our region to inform enhanced planning, and agreeing an appropriate level of protection for its future design.

New design standards can impact the cost of works and also the defectiveness of the network, as near new pipes laid in the last 10 to 20 years may be a limiting barrier for the network to carry the new stormwater loads.

Climate change has been noticeable in various forms for a number of years. There is no doubt that weather patterns have developed more extremities. The Southland Climate Change Report 2018 by NIWA forecasts more extreme weather events including both droughts and floods. These higher extremes place more pressure on Council



infrastructure services. Higher frequency of storms leads to increased costs on roads to recover from storm damage. The frequency of flooding could lead to a need to upgrade the capacity of the stormwater network to mitigate flooding of buildings. Droughts create more frequency and longer duration of peak water use, and that puts stress on the current single source of water. Pipe renewals are being installed on the basis of the forecasts provided by NIWA in line with Council's climate change assumptions.

In addition to the weather pattern changes, rising sea levels are a future concern. Invercargill is a flat and low-lying city; parts of the city are likely to be impacted by rising sea levels. Council is working with the Regional Council to identify the further modelling and analysis required to identify areas of risk following the recent completion of LIDAR flights. There remains significant modelling needed at a regional level to understand likely sea level rise and its potential impact. There are known risk areas including the Airport and Bluff which need further investigation. Council has invested in major infrastructure upgrades at Stead Street to increase protection for the city. Further work will be required on associated flood banks to maximise this investment. Environment Southland has responsibility for managing and maintaining the remainder of the city's floodbank network.

It is expected that rising sea levels will have an impact on some Invercargill properties, especially those that are low lying and close to the sea. However, current assessments of the impact of the mid-range forecast of sea level rise for the Southland region shows that the number of areas impacted by a 1m rise in Invercargill are very minimal. The potential

impact of more significant sea level rises will emerge over time and individual property owners will become aware of the impacts well in advance. Again, Council is aware of the need for further modelling and analysis on these issues.

Council will be aware of future developments and will be mindful of rising sea levels when considering Resource Consents for new properties, and the impact on future District Plans. Council will not impact individuals' property rights by taking pre-emptive action on existing properties while the current uncertainty remains. Such action could turn a future possible loss for a property owner into a certain current loss. At this stage that would be unfair to both the property owner and the ratepayers who may then have to fund that loss.

## **6. Focus on sound evidence-based and cost efficient activity investment decisions**

We will use risk analysis, business cases and other advanced modelling techniques to develop robust and tested cases for investment rather than just the management of assets (e.g. age and condition).

Council has identified that making better investment decisions is an important response for managing long-term assets. Using tools such as the better business case approach is another way of supporting good asset decisions. Council uses a strategic assessment approach to determine the extent to which investments align with and deliver community outcomes.

We coordinate across the infrastructure team to support efficient cost effective delivery.

## **7. Better understand and meet our community's needs, through consultation and delivery of agreed levels of service**

Council has recognised that a better understanding and improved communication with the community will enhance the way in which infrastructural assets are managed. It is vital to align the community's expectations and needs with the service delivered by the assets, given that they are long-life assets and a significant financial investment. The assumptions made in any planning process create tangible inputs to future design and decision making. Council is strengthening its engagement strategy to assist in developing a better understanding of community views. There will be a particular focus on targeted engagement approaches for communities where needs have changed over time and a corresponding change in infrastructure is likely to be required.

## **8. Ensure a viable competitive supplier market exists and is maintained in the region**

Council is aware that the extent of work that is planned for asset renewal and new projects could place significant resource pressure on the construction industry, and impact its ability and / or its capacity to deliver projects within the time and cost budgets allocated.

Advance communication and regular dialogue with contractors will set the initial expectations such that long-term planning and a robust and successful delivery market can be sustained.



Council will contract in an appropriate manner such that the industry has confidence in us, and Council is seen as a partner of choice.

## 9. Strengthen asset management processes, tools, data and expertise

Council has recognised that strengthening its asset management processes will produce more robust long-term outcomes. Council has established a whole of organisation approach to asset management, and aligned desired outcomes with the Asset Management Policy and Strategy.

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

Having a strong platform for delivering asset management will allow robust plans to be developed and then delivered. Ongoing investment in and upskilling of asset managers and their support teams is needed with a goal to continually improve asset management knowledge within the organisation. The long-term understanding (in its widest context) of when the best outcome can be achieved by renewal of assets, is the key to ensuring assets are being managed at the right level in the most appropriate way.

The Asset Management Policy confirms for Council the asset management objectives and responsibilities, with the high level commitment of Councillors ensuring the appropriate stewardship

decisions are developed and understood, and that through the business case process appropriate investment decisions are being made.

Council needs to ensure that its Asset Management Strategy and Policy defines how it wants to position its skills. Ongoing investment in the quality of our asset data and better understanding of how the assets need to be managed is required.

## 10. Deliverability

The programme planned by this strategy is recognised as a large deliverable package for Council and its resources. Detailed forward planning will be required to ensure that suitable and adequate resources are available. This is equally applicable to both internal and external services where the industry must also match ability to do work aligned to the programme. An undersupply in either market will have impacts on timing or on cost.

Council will look to have skills for various scaled projects either through its teams, its Project Management Office and or through the use of experienced outside businesses. It will be crucial to establish suitable governance and approval processes to ensure that barriers are not created which would slow projects. The use of advanced procurement techniques can be developed to ensure that larger projects are successful and timely.

It is noted that we would assume that in the early years of the Plan, the deliverability assumption for renewals is 80% for the first year, and increasing to 90% by the third year and remain at this level each

year after (three waters pipe renewals remains at 70%). This will provide a stronger signal to the industry that is able to gear up and then potentially recover any under-development. This strategy also recognises that many of the local authorities will have larger programmes and a regional approach to delivery, and some consolidation of deliverability principles may be required to ensure that these do not have negative impacts on the industry and cost of works.

The Financial Strategy looks at the deliverability issue with respect to funding and also highlights similar challenges. It will be important to develop a capital programme that is able to be delivered both by Council staff and by the contracting market, while remaining within the constraints of the Financial Strategy. It is noted that this deliverability approach means that the renewals programme will take longer to deliver than would otherwise have been the case.



# Our Significant Decisions over the next thirty years

The key decisions regarding provision of roading, three waters and tidal protection infrastructure over the next thirty years (noting that the Local Water Done Well Reforms may influence many of these) are summarised as follows.

The projects which will be included in the proposed Long-term Plan are noted whilst others will be for consideration in the following periods of 10 to 30 years. This Strategy is for 30 years and these are included to provide visibility of the more significant activities which have importance to the community but are currently not funded.

## City Centre Streetscapes

Council will need to strengthen its City Centre Masterplan and use it to assist with future decision making. There will need to be a future strategic focus on where the City will develop and what, if any, further investment should be made in City streetscapes design in response to changing corporate investment (e.g. new hotels and office blocks) and changing community need.

Following the investment already made in the city centre, including on Esk and Don Streets, additional investment in city centre cleaning and maintenance will maintain the developed level of service.

Future options for the City Centre could include:

- No further improvements. Renewal of existing core infrastructure only. Ongoing maintenance, cleaning and repairs to streetscape. Additional operational expenditure of \$100,000 per annum + inflation. This amounts to a total of \$1.1 million during years one to ten of this strategy, and \$4.2 million during years one to thirty.
- Implement Stage 2 of the original City Streets plan, involving improvements to Esk Street from the corner of Kelvin Street to outside the new SIT campus and to Kelvin Street from outside the Kelvin Hotel to the corner of Don Street. Additional \$15.5 million capital investment. This includes \$4.4 million capital for Esk Street West.

It is anticipated that a decision on future options for the City Centre will be made within the first five years of this strategy.

## Roading Safety Improvements

Council continues to work on ways to improve road safety and reduce serious crashes and fatalities on the roads. In addition to education and enforcement approaches, which include support for Road Safety Southland and recent reductions in speed limits throughout the District, it will be necessary to make further investment in infrastructure.

### Option 1

Focus only on initiatives which are included within the Long-term Plan:

- Additional investment in low risk low cost improvements to address areas such as intersection design, traffic lights, raised platforms – total of \$7.6 million between 2024 – 2027 (aligned to Waka Kotahi funding planning cycle).
- Safety improvements to Local Area Traffic Management which include minor infrastructure changes to manage speed – total of \$2.8 million between 2025 – 2030.
- Implementation of speed improvements in Council priority areas such as outside schools – total of \$1.1 million over the first ten years of the Long-term Plan.

### Option 2

In addition to the items above, further future improvements to improve road safety could include provision of higher quality pavements in areas such as Bluff (up to \$100,000 capital per annum plus inflation. This amounts to a total of \$1.0 million during years one to ten, and \$4.1 million during years one to thirty), and the addition of pavements, street lights and ditch improvements in Ōtātara (total of \$1.0 million spread over three years).

A decision on these items is expected by 2027/2028.

## Stirling Point - Bluff

At the height of the tourism season, traffic congestion often occurs at Stirling Point with impacts on pedestrians, road safety and visitor experience. The topography is extremely challenging with no obvious solutions for changes in road layout or parking options. While there are risks to pedestrians as a result of congestion in the parking area, the risks presented are reduced as a result of the slow speeds in the area. Further investigation of options is required. These options are likely to include a park and ride scheme, purchase of private land, movement of the sign or other as yet unknown options.



### Option 1

Scoping is required for a solution before a decision on the appropriate solution can be made - \$213,000 is estimated. A decision on this investment is expected in 2026/2027.

### Option 2

If travel patterns do not resume to pre-Covid levels it may be decided that no further action is needed.

## Infrastructure to support modal shift active transport

Council has made significant investment in its cycling network, including the completion of the Bluff-Invercargill Cycleway.

Future considerations will need to be made regarding what the community needs are to support and promote active transport. This would likely include an integrated cycle network, more formed and separated paths, and provision of supporting infrastructure (such as stands, shed, repair station etc.) which encourage and support those who choose to change their mode of travel.

### Option 1

Greenway cycleway connecting the existing estuary and stopbanks with cycleways around the north and west of the city with a South/East city greenway connection - \$1.3 million capital investment.

### Option 2

No additional investment in cycling tracks.

A decision is expected in 2027/2028.

## Infrastructure for new subdivisions or industry

The Beyond 2025 Regional Long-term Plan has identified that under various high growth scenarios more housing may be needed for Invercargill. While the likelihood of the high growth scenarios is not high, Council may still need to consider the availability of core services to support any new development. The key issue is to understand the downstream impacts of any development through having a reliable, robust, and up to date data model. As Council looks to develop a future spatial plan, so will district planning need to change and support the direction agreed. This could include extension of some networks. Due to the unknown locations of proposed new industries and lack of specific requirements, a forecast for network growth of 1% has been included.

There is land identified for a planned subdivision of 600 houses in the South East of the city. A number of growth industries are identified within the Beyond 2025 Regional Long-term Plan, including green hydrogen, data centres and aquaculture. While none of these industries are expected to bring the same associated employment as Tiwai did, these new industries may require additional core infrastructure mostly within the Three Waters space.

Council would work to address changes which are required by legislative change to appropriately respond to and manage future growth.

It would be expected that costs would be met by the new industries or developers.

The Awarua Industrial Park is a location where future industry growth will be expected. Services to this area will be required and if larger volumes of water are required for those industries then additional services will be required. Council is also planning for providing its Alternative Water Supply, and this supply connected to both storage in the Skye Street area and supply mains will have sufficient capability to provide improved levels of service.

Some industries will, as part of the development, provide their own water supplies, depending on their need, lead times, quality required and costs. Council would see cost recovery either via water billing or other commercial agreements. Providing disposal options for wastewater is a more complex issue and Council has some core services at Awarua. Additional support mains would be required.

Dependent on industry demand Council is considering additional water capacity to Bluff over the term of the Infrastructure Strategy. A number of options exist which include new pipelines and/or boosting supply pressures to the existing line. Council plans to respond to these developments when their requirements become known. Recovery of some of the cost is likely.

### Option 1

Increasing water capacity to Bluff would cost an estimated \$32.3 million.

A decision on this is not expected before 2035.

### Option 2

No extension of services if anticipated demand does not eventuate. No required investment.

## Alternative discharge solutions for Bluff and Clifton Wastewater Treatment Plants.

In common with the majority of the country, as community expectations about water treatment and discharge change, it is likely that the way Invercargill District discharges are managed will also need to change.

### **Bluff Options**

Options which will need to be worked with partners and stakeholders may include:

- Short outfall to Foveaux Strait  
This is the current consented option.
- Long outfall to Foveaux Strait  
This options would include a longer pipe outfall into the sea at a similar location to present and this has more significant construction challenges.
- Discharge to land  
There is no specific land identified, although the size of land required is approximately twice the size of the Bluff township. Appropriate soil type and grade would need to be identified at some point around Greenhill's/Awarua area. Land can then only be used for baleage. Prime agricultural land would need to be purchased for this activity.
- Pipe back to Clifton for discharge  
The effluent could be piped to the maturation ponds before discharge via the Clifton Consent. The additional pipes from Bluff would need to be within the State Highway corridor.

\$7.7 million has been provided in the Long-term Plan for the consent of the Bluff Wastewater Treatment Plant. This has been allocated over the first three years of the Long-term Plan - \$0.3 million 2024/2025, \$0.4 million 2025/2026 and \$7 million 2026/2027.

There is a high level of budget uncertainty for this project as we work through the Resource Management Act process for determining the Best Practicable Option. The options being considered range from an ocean outfall (current method) to various land contact or land treatment options. Initial cost estimates for these options range from \$5 - \$27 million. We have placed a figure in the Long-term plan towards the lower end of the range reflecting the current pressure on cost affordability within the community.

A decision is expected in 2025 for the Bluff treatment plant.

### **Clifton Options**

Options which will need to be worked with partners and stakeholders may include:

- Effluent charged to estuary  
This is the current consented option.
- Long-sea outfall to sea  
This option is to install new pipes to pump treated effluent from Clifton via Ōreti Beach into sea where the flow patterns are optimal.
- Alternative uses for effluent  
There is an as yet unscoped potential future use for effluent to transfer it to third parties for use during industrial processes prior to discharge. Alternative uses could use up to two thirds of the volume currently produced at Clifton.
- Discharge to land  
This is an unscoped option and would require land of appropriate soil type and grade to be identified in a region where a new pipeline could be established. It would be likely to require significant prime agricultural land for discharge. There are likely to be significant cultural issues to identify appropriate land.

Provision of \$103.7 million for Clifton (\$0.1 million 2024/2025, \$0.1 million 2025/2026, \$0.5 million 2026/2027, \$0.5 million 2027/2028, \$28.2 million 2028/2029, \$21.9 million 2029/2030, \$20 million 2030/2031 and \$32.4 million 2031/2032) is allowed for within the Long-term Plan. This project has a high level of budget uncertainty as we start working through the Resource Management Act process for determining a Best Practicable Option. Clifton has currently been assessed as having options ranging from \$40 million to in excess of \$200 million these could include improved treatment options and options with different levels of land based treatment. Until such time as the long and short list of options is agreed Council has placed a figure in the Long-term Plan at the lower end of the cost mid point. This reflects the current pressure on community affordability as well as the Government's indication that changes are likely in the Resource Management Act space to improve affordability. As this project is scheduled in the later years of the current plan any change in this figure will be addressed in the 2027 Long-term Plan. We have outlined our financing approach on page 231 if the project's cost is greater than what has been allowed in the Long-term Plan. Given the current regulatory process and length of time till the consent expires a decision on the preferred option is not expected until 2028-2029.

## Resilience and redundancy in the three water networks

### **Water Supply**

Council considers having a robust and resilient water supply and distribution as a key utility.

We have invested over a number of years in improving the connection from the Branxholme Water Treatment Plant to the city, in order to ensure greater resilience in



the case of an earthquake, flood or drought.

Further investment has been made in identifying an alternative water source to the current source from the Ōreti River.

Options for consideration during the lifetime of the Plan are:

#### **Pipeline between Waikiwi and Gala Street**

The only remaining part of the Branhholme water pipeline project which still needs to be designed to provide for additional resilience is providing connection between the two main pumping sites (Waikiwi and Gala). This project is considered a renewal in nature as this pipeline is nearing the end of its operational life.

The main is located in Queens Drive, which is a main road, and construction of this larger diameter pipe will have both cost and construction disruption issues. No alternative options have been considered for alignment but the methodology of renewal would include:

- New pipe in same location via excavation or via pipe burst existing – \$11.8 million in 2030- 2032.
- Rehabilitation of existing pipe (relining) – estimated \$10.0 million but technology has potential limitations.
- Resizing and slip replacement of pipe – estimated \$10.0 million but has limitations in size and capacity and is not the preferred option.

\$11.8 million planned in 2030-2032.

#### **Alternative Water Supply**

Council has been investigating a source at Awarua and has identified quality water. Further testing of volumes are still to be confirmed before commitment to development.

Additional storage capability (Skye Street), treatment options (dependent on the quality) and connecting back

to the urban network (pipes) are all elements of the planned alternative water supply options. Options will be developed for consideration as each of these phases are worked through.

#### **Option 1**

\$60.8 million is budgeted for the alternative water supply project (\$0.5 million 2024/2025, \$1 million 2026/2027, \$1.1 million 2027/2028, \$28.4 million 2028/2029 and \$28.9 million 2029/2030).

Whilst the option of an alternative source at Awarua via aquifer is being investigated in depth a number of options for an alternative source are being considered for business casing including increasing reservoir capacity and alternate river sources, these have cost ranges of \$53 –\$155 million. A number of other options were also initially considered with cost estimates in excess of \$500 million. The current budgeted figures reflects a reasonable level of confidence in the viability of the current Awarua supply option. It should be noted that while this project is in response to risk associated with a single water supply for the city there is no legislative mandate for a secondary source at this time. If the Awarua option is found to not be viable this project may be delayed whilst alternative options are explored in more depth or established as an emergency supply only, or may not proceed at all depending on how much the options cost.

The decision would be made in 2027.

#### **Option 2**

No alternative water supply and use restrictive measures to limit flows. An estimated \$45.4 million will be required for reservoirs to improve storage.

The decision is expected in 2027.

#### **Stormwater and Foul Sewer**

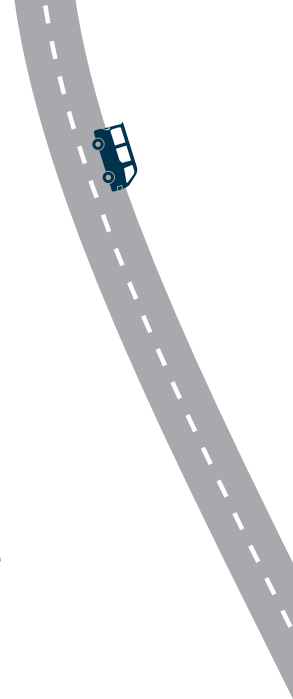
The City has a number of pumped sewer mains which are considered as critical components of the network, and the asset plans look to have a level of redundancy available for those pipes to ensure the continuity of service and to mitigate risk.

The Sewerage Activity Management Plan looks to have developed options for both the Mersey and Lindisfarne mains as these transport approximately 43% of the city volumes. These will provide additional redundancy and would provide greater resilience in case of failures in the primary lines. These projects have been risk assessed against the corporate risk model and have a medium rating.

The options which will be considered are:

- Replace pipeline in current alignment (not practical due to pump cycle and as a result has not been costed).
- New pipeline in new alignment
  1. Mersey Street Wastewater main duplication – \$21.7 million (2025 – 2028)
  2. Lindisfarne Wastewater rising main duplication – \$5.8 million (2029-2031)
- Refurbish existing pipe – additional 25% expected cost.
  3. Mersey Street Wastewater main duplication – \$27.1 million (2025 – 2027)
  4. Lindisfarne Wastewater rising main duplication – \$7.3 million (2029-2031)

The decisions would be made in 2025 and 2027.



## Water Meters

Council is looking to reduce loss of water by leakage by metering areas of its network. This may extend to universal metering of all properties to promote further reduction from onsite leakage. Additionally Council is considering the benefit that metering provides as a fairer more effective method of charging for water supplied.

### Option 1

Installation of area zone water meters over 2025/2026 – 2028/2029 - \$0.9 million.

### Option 2

Proceed with Installation of universal water meters would take place in 2033/2034 - \$9.9 million.

The decisions would be made in 2025 and 2029.

## Suburb Improvements

There are three main suburban shopping areas within the District – Bluff, South City and Windsor. Over the life of the Infrastructure Strategy, Council will need to determine the appropriate timing for renewals of these areas. The primary decision is whether to delay renewals, accepting levels of service may be impacted.

In addition, Invercargill has a large semi-rural suburb which has been growing: Ōtātara. Council may consider over the life of the Plan the development of service level improvements for footpaths, streetlighting and ditch improvements in the Ōtātara area. These have been highlighted as an opportunity to consider in more depth as to the benefits which investment will bring. These have been considered for the Long-term Plan but are not included in the first ten years. These improvements would support a stronger mode shift for more walking and cycling to occur.

### Option 1

Suburban refresh for Bluff (estimated \$3.3 million), South City (estimated \$3.0 million), and Windsor (estimated \$2.9 million) shopping areas.

Decisions are expected between 2027-2032.

### Option 2

Suburban refresh for Bluff, South City and additional Ōtātara improvements including:

- Construction of footpaths - \$250,000 per annum plus inflation from 2024/2025 ongoing, amounting to a total of \$2.8 million during years one to ten of this strategy, and \$10.6 million in years one to thirty.
- Streetlighting - \$250,000 per annum plus inflation from 2024/2025 to 2029/2030, amounting to \$1.6 million.
- Ditch improvements - \$300,000 per annum plus inflation from 2028/2029, for ten years. amounting to a total of \$3.7 million.

The decisions are expected to be made in 2026/2027.

## Decommissioning of the Water Tower

Council has identified the Water Tower as an important icon and heritage asset for the city and that, as such, it prefers to retain control of this asset after any transfer as part of the Local Water Done Well Reforms. At present the Water Tower remains a working part of the water network although it is not expected to be technically challenging to decommission it, and this will not affect the wider network. The outcome of this issue will depend on water reforms. The Water Tower will then need to be brought up to either 34% or 67% of the National Building Standard. The cost for this is estimated at \$5.4 million but no decision is expected before 2033.





# Long Term Financial Estimates

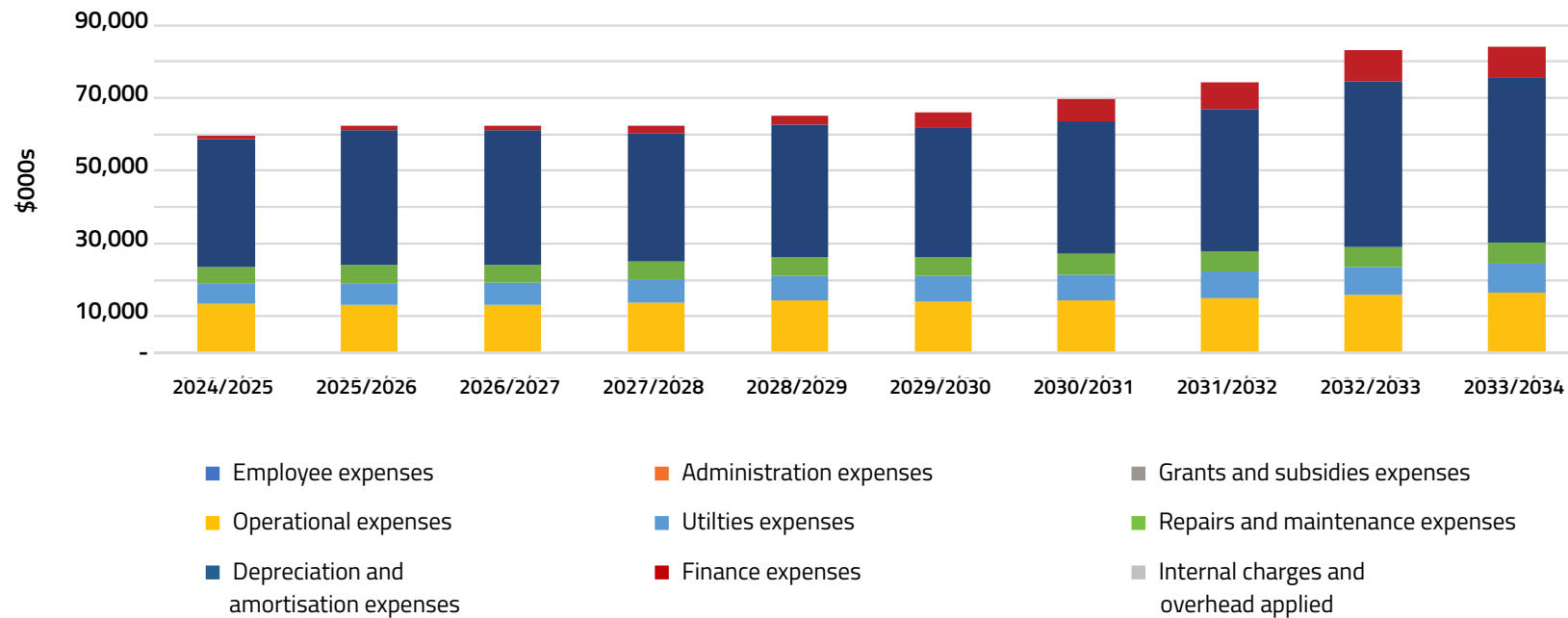
## Ngā whakatauranga tata pūtea

The financial estimates shown below are based upon the Financial Strategy's inflation model and these estimates include inflation

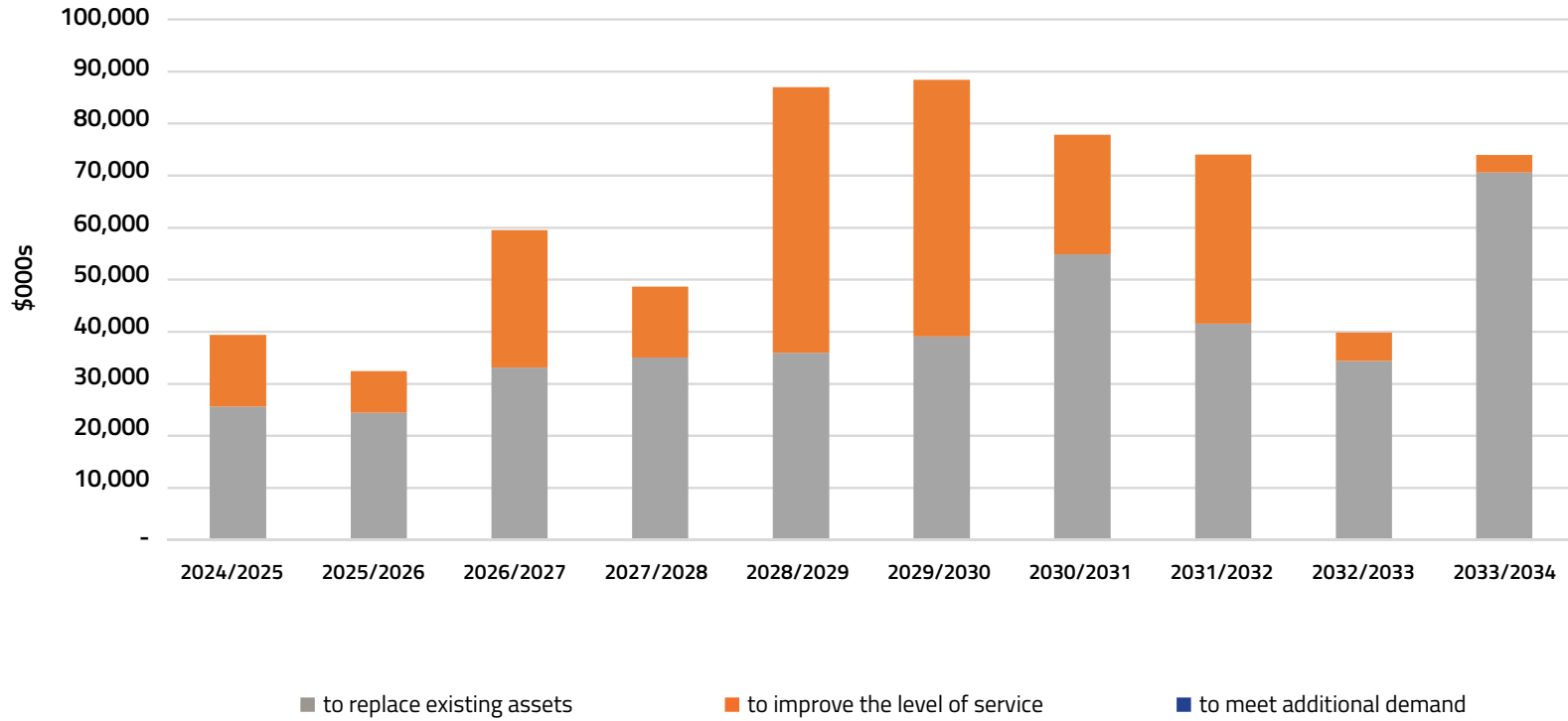
### Core infrastructure expenditure

The two graphs below show, in detail for the first 10 years.

OPERATING EXPENDITURE (10 YEARS)



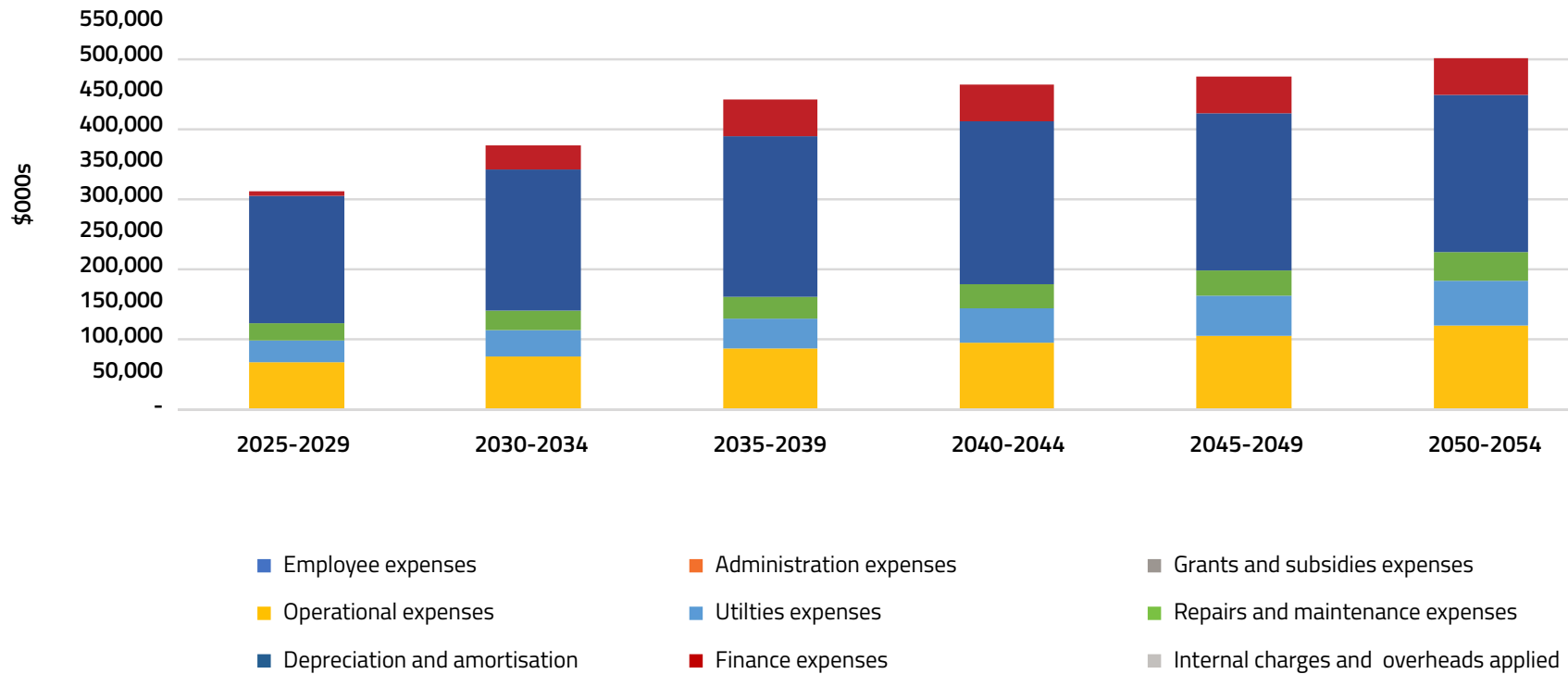
### CAPITAL EXPENDITURE (10 YEARS)



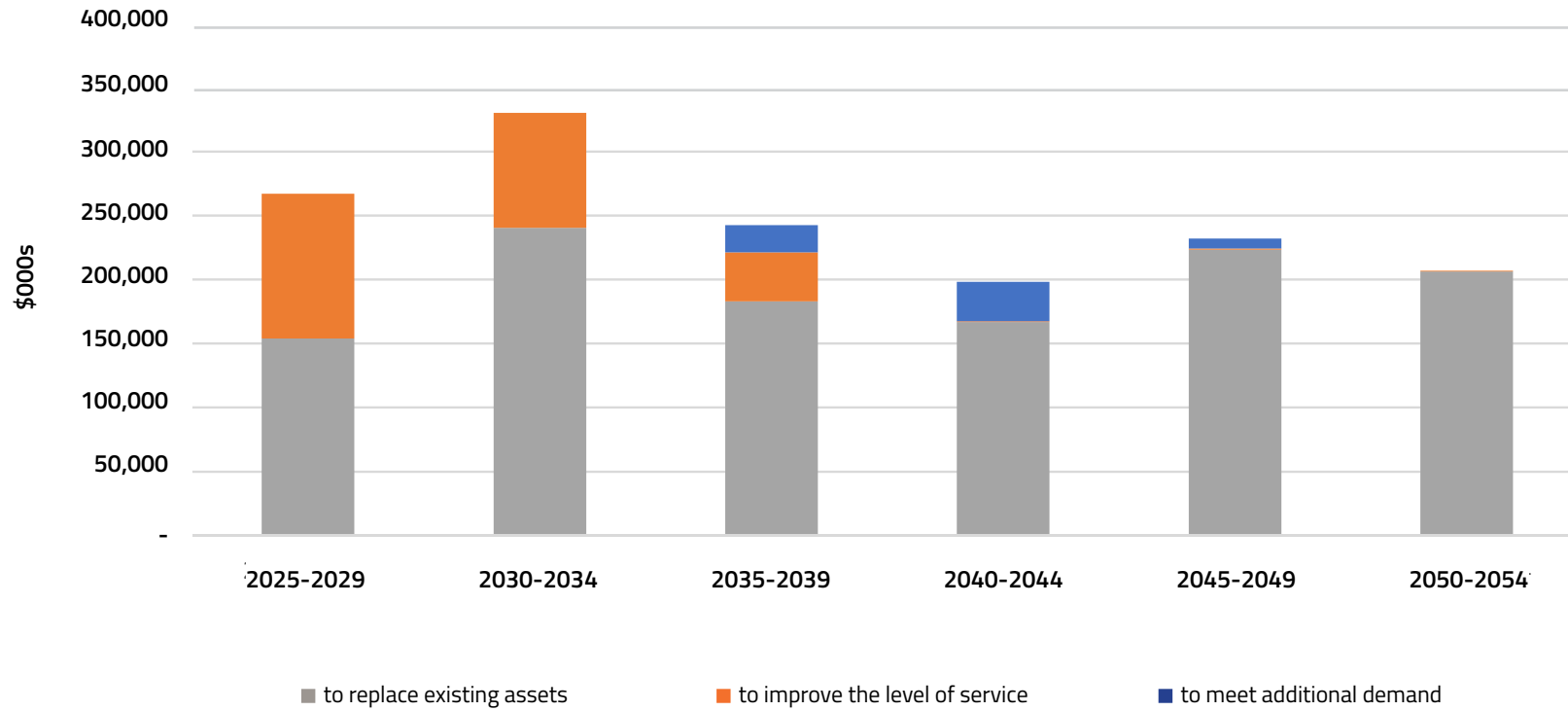
## Core infrastructure expenditure

The two graphs below show the core infrastructure funding anticipated over the next 30 years.

### OPERATING EXPENDITURE (30 YEARS)



### CAPITAL EXPENDITURE (30 YEARS)



## Total infrastructure financials

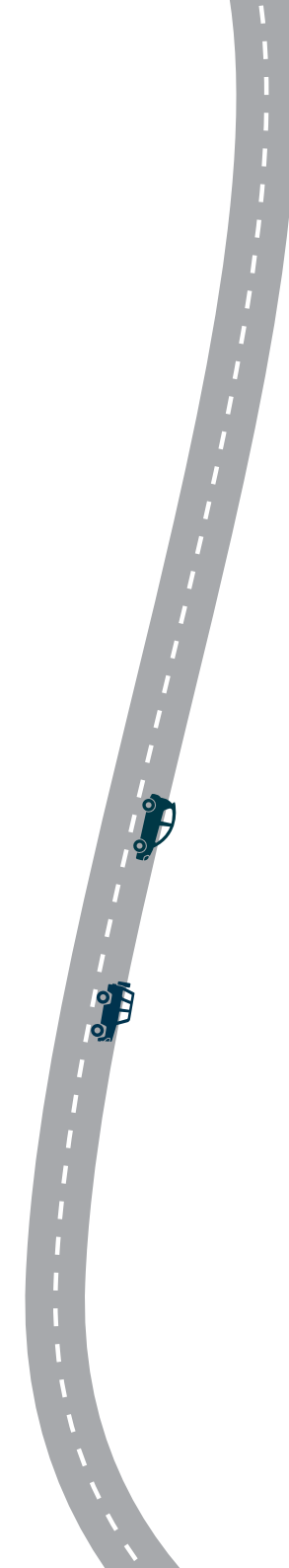
Below are details for the first 10 years, of the total infrastructure financials anticipated over the next 10 years

	2023/24 ANNUAL PLAN (\$'000)	2023/24 FORECAST (\$'000)	2024/25 LTP (\$'000)	2025/26 LTP (\$'000)	2026/27 LTP (\$'000)	2027/28 LTP (\$'000)	2028/29 LTP (\$'000)	2029/30 LTP (\$'000)	2030/31 LTP (\$'000)	2031/32 LTP (\$'000)	2032/33 LTP (\$'000)	2033/34 LTP (\$'000)
<b>OPERATING</b>												
Rates revenue	32,501	32,519	35,621	38,843	42,398	43,410	45,944	48,211	52,478	55,070	57,510	67,317
Subsidies and grants (Capital)	5,160	4,760	6,863	6,310	8,911	8,057	8,452	8,643	8,096	8,258	8,423	8,583
Subsidies and grants (Operational)	3,763	3,428	3,302	3,366	3,464	3,582	3,604	3,621	3,693	3,767	3,838	3,911
Direct charges revenue	4,867	4,813	7,805	8,195	8,604	9,034	9,487	9,960	10,458	10,981	11,531	12,107
Rental revenue	228	3	3	3	3	3	3	3	4	4	4	4
Finance revenue	188	43	106	149	229	59	65	70	75	80	84	88
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	6	1,423	692	707	724	741	757	773	788	804	819	835
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>46,713</b>	<b>46,989</b>	<b>54,392</b>	<b>57,573</b>	<b>64,333</b>	<b>64,886</b>	<b>68,312</b>	<b>71,281</b>	<b>75,592</b>	<b>78,964</b>	<b>82,209</b>	<b>92,845</b>
<b>OPERATING EXPENSES</b>												
Employee expenses	14	-	-	-	-	-	-	-	-	-	-	-
Administration expenses	2,046	42	44	45	46	47	48	49	50	51	52	53
Grants & subsidies expenses	-	-	-	-	-	-	-	-	-	-	-	-
Operational expenses	12,586	11,772	13,467	13,229	13,044	13,703	14,477	14,124	14,439	15,060	15,754	16,526
Utilities expenses	2,704	4,842	5,568	5,831	6,117	6,382	6,629	6,856	7,055	7,245	7,775	7,979
Repairs & maintenance expenses	2,700	3,993	4,606	5,106	4,817	4,905	5,041	5,122	5,548	5,482	5,613	5,693
Depreciation and amortisation	31,651	32,941	35,127	36,954	37,022	35,271	36,543	35,671	36,591	39,048	45,253	45,218
Finance expenses	457	800	898	1,217	1,354	1,948	2,395	4,213	6,073	7,499	8,735	8,634
Internal charges and overheads applied	30	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>52,188</b>	<b>54,390</b>	<b>59,710</b>	<b>62,382</b>	<b>62,400</b>	<b>62,256</b>	<b>65,133</b>	<b>66,035</b>	<b>69,756</b>	<b>74,385</b>	<b>83,182</b>	<b>84,103</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(5,475)</b>	<b>(7,401)</b>	<b>(5,318)</b>	<b>(4,809)</b>	<b>1,933</b>	<b>2,630</b>	<b>3,179</b>	<b>5,246</b>	<b>5,836</b>	<b>4,579</b>	<b>(973)</b>	<b>8,742</b>
<b>CAPITAL EXPENDITURE - FUNDED</b>												
▪ to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	-
▪ to improve the level of service	12,534	8,455	13,790	8,019	26,407	13,674	51,074	49,328	23,026	32,474	5,500	3,413
▪ to replace existing assets	15,855	14,999	25,623	24,411	33,100	35,027	35,941	39,070	54,866	41,553	34,386	70,568
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>28,389</b>	<b>23,454</b>	<b>39,413</b>	<b>32,430</b>	<b>59,507</b>	<b>48,701</b>	<b>87,015</b>	<b>88,398</b>	<b>77,892</b>	<b>74,027</b>	<b>39,886</b>	<b>73,981</b>
Gross proceeds from sale of assets	-	-	-	600	-	-	-	-	-	-	-	-

## Total infrastructure financials

Below are details in five year blocks, of the total infrastructure financials anticipated over the next 30 years

	2025/29 LTP (\$'000)	2030/34 LTP (\$'000)	2035/39 LTP (\$'000)	2040/44 LTP (\$'000)	2045/49 LTP (\$'000)	2050/54 LTP (\$'000)
<b>OPERATING</b>						
Rates revenue	206,216	280,586	373,620	443,743	527,027	625,943
Subsidies and grants (Capital)	38,593	42,003	45,558	50,300	55,536	61,316
Subsidies and grants (Operational)	17,318	18,830	20,853	22,923	25,419	27,943
Direct charges revenue	43,125	55,037	70,245	89,650	114,417	146,033
Rental revenue	15	19	20	21	25	26
Finance revenue	608	397	486	550	629	724
Dividends	-	-	-	-	-	-
Fines	-	-	-	-	-	-
Other revenue	3,621	4,019	4,433	4,895	5,402	5,966
Internal charges and overheads recovered	-	-	-	-	-	-
<b>Total revenue</b>	<b>309,496</b>	<b>400,891</b>	<b>515,215</b>	<b>612,082</b>	<b>728,455</b>	<b>867,951</b>
Employee expenses	-	-	-	-	-	-
Administration expenses	230	255	280	308	340	376
Grants & subsidies expenses	-	-	-	-	-	-
Operational expenses	67,920	75,903	86,704	95,378	104,903	119,362
Utilities expenses	30,527	36,910	43,236	49,419	56,562	64,824
Repairs & maintenance expenses	24,475	27,458	30,468	33,605	37,140	40,967
Depreciation and amortisation	180,917	201,781	228,678	232,644	223,831	223,831
Finance expenses	7,812	35,154	52,190	52,190	52,190	52,190
Internal charges and overheads applied	-	-	-	-	-	-
<b>Total expenses</b>	<b>311,881</b>	<b>377,461</b>	<b>441,556</b>	<b>463,544</b>	<b>474,966</b>	<b>501,550</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(2,385)</b>	<b>23,430</b>	<b>73,659</b>	<b>148,538</b>	<b>253,489</b>	<b>366,401</b>
<b>CAPITAL EXPENDITURE</b>						
▪ to meet additional demand	-	-	21,362	30,768	7,928	-
▪ to improve the level of service	112,964	113,741	38,220	730	806	704
▪ to replace existing assets	154,102	240,443	182,993	166,865	223,409	206,368
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>267,066</b>	<b>354,184</b>	<b>242,575</b>	<b>198,363</b>	<b>232,143</b>	<b>207,072</b>
Gross proceeds from sale of assets	600	-	-	-	-	-



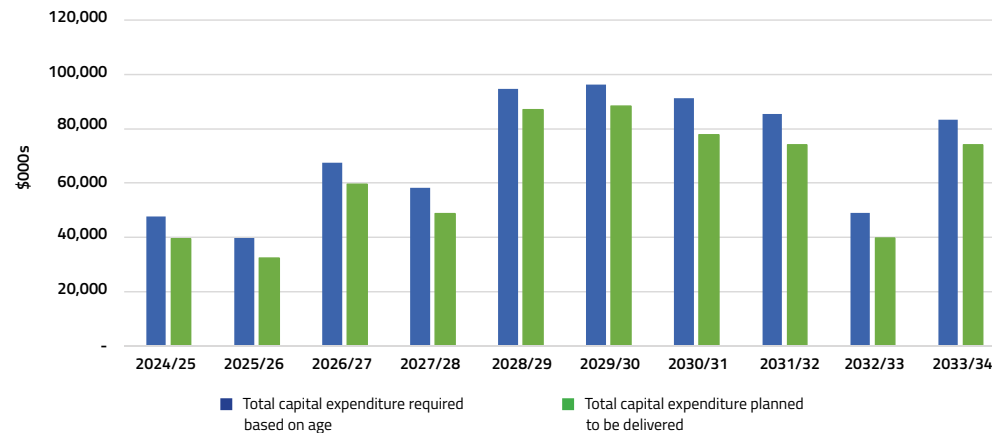
## Total infrastructure financials

Below are details of the capital expenditure planned to be delivered vs what is required based on age over the next ten years

	2023/24 ANNUAL PLAN (\$'000)	2023/24 FORECAST (\$'000)	2024/25 LTP (\$'000)	2025/26 LTP (\$'000)	2026/27 LTP (\$'000)	2027/28 LTP (\$'000)	2028/29 LTP (\$'000)	2029/30 LTP (\$'000)	2030/31 LTP (\$'000)	2031/32 LTP (\$'000)	2032/33 LTP (\$'000)	2033/34 LTP (\$'000)
<b>Capital expenditure required based on age</b>												
▪ to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	-
▪ to improve the level of service	12,534	8,605	13,789	8,019	26,407	13,674	51,075	49,328	23,026	32,474	5,500	3,413
▪ to replace existing assets	18,397	17,637	34,014	31,737	41,163	44,579	43,677	46,991	68,127	52,992	43,473	79,829
<b>TOTAL CAPITAL EXPENDITURE REQUIRED BASED ON AGE</b>	<b>30,931</b>	<b>26,242</b>	<b>47,803</b>	<b>39,756</b>	<b>67,570</b>	<b>58,253</b>	<b>94,752</b>	<b>96,319</b>	<b>91,153</b>	<b>85,466</b>	<b>48,973</b>	<b>83,242</b>
<b>Capital expenditure planned to be delivered</b>												
▪ to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	-
▪ to improve the level of service	12,534	8,455	13,790	8,019	26,407	13,674	51,074	49,328	23,026	32,474	5,500	3,413
▪ to replace existing assets	15,855	14,999	25,623	24,411	33,100	35,027	35,941	39,070	54,866	41,553	34,386	70,568
<b>TOTAL CAPITAL EXPENDITURE PLANNED TO BE DELIVERED</b>	<b>28,389</b>	<b>23,454</b>	<b>39,413</b>	<b>32,430</b>	<b>59,507</b>	<b>48,701</b>	<b>87,015</b>	<b>88,398</b>	<b>77,892</b>	<b>74,027</b>	<b>39,886</b>	<b>73,981</b>

## Financial implications

### CAPITAL EXPENDITURE PLANNED TO BE DELIVERED VS REQUIRED



# What can residents expect in 2054?

The Central Business District of Invercargill will be redeveloped and supported by the infrastructure needed to support strong business activity and be a vibrant space where people come to gather, rest and enjoy. Invercargill will have a City Centre which people are proud of and invite others to enjoy. It will have activities that support the use of public space and support the business hub of Southland.

Road infrastructure will be safer and provide good reliable access to all users and continue to meet the needs of the community. Residents will be changing their travel mode of choice, with cycling and passenger transport continuing to grow. Key infrastructure to support the wider use of low carbon travel modes will be in place and be accepted in the community. Industry will have addressed freight movement and adopted technology which is sustainable.

Three waters infrastructure will be more reliable, safe, appropriately supported, and be financially well delivered. This may be by a new entity or by Council(s).

Invercargill will have an alternative water supply interconnected to other supply and treatment options, be receiving and treating wastewater within approved discharge consents, have stormwater discharging to environments which has been through suitable treatment, and wider areas of Invercargill will have additional services available to support their future land uses.





# Financial Strategy: 2024-2034

He ara whakaoho: 2024-2034

## Council's vision

This financial strategy supports the delivery of Council's vision by ensuring we have a sound financial position from which to continue to provide all the services and activities with which we are involved.

It aligns with our mission – Waihōpai – To leave in good order – through supporting prudent financial management, providing a guide against which Council can consider proposals for funding and expenditure, to ensure we have a sound financial position over the life of the Long-term Plan and into the future. All significant financial decisions made by Council while this strategy is in place will be made within the framework of and with reference to this Financial Strategy. It should be read in conjunction with Council's Infrastructure Strategy.

Critical in this strategy is ensuring that we as Council:

- Maintain our long-term financial resilience.
- Ensure that we are in a position to meet the challenge of significant inflation to the value of our asset networks with flow through impact on depreciation requirements.
- Provide cost effective infrastructure and services.
- Ensure that our rates remain affordable and sustainable.

Council's financial direction over the next 10-30 years requires a balancing act between ensuring that we can continue to provide our infrastructure networks while also providing the district with the other services and activities needed to support community wellbeing.

A number of trade-offs have had to be made in this strategy to find the optimal way forward balancing the needs of the community now and into the future and to prioritise a number of initiatives.



He Ngākau  
Aroha

## Prudent Financial Management

Councils are required by law to exercise prudent financial management. Subpart 3 of the Local Government Act 2002 provides for a level of predictability for ratepayers, and highlights the need for decisions to be made in the interests of both current and future residents.

The major components of a good financial strategy tie in three key factors:

1. Capital expenditure as appropriate to continue to deliver sustainable levels of service. This includes:
  - costs to renew existing assets,
  - to provide for increasing levels of service where desired, and
  - to provide for growth if necessary.
2. Borrowing is a rationed resource. Council does not have unlimited borrowing capacity and the ratepayers do not have unlimited resources to pay increasing rates for increased debt servicing.
3. Rates are a limited resource. Council must be mindful of the impact rates have on ratepayers. It runs into two limitations. The first is ability to pay, and the second is willingness to pay. Ability to pay is addressed through the government rates rebate, but willingness to pay is harder to define.

## Looking Ahead – Our Strategic Priorities

- Meeting the changing needs of our rangatahi as part of our wider population, which is growing older and more diverse.
- Delivering City Centre vibrancy through appropriate renewals and improvements.
- Enabling the housing, health, security, and social infrastructure our city needs to grow.

- Steep rises in net valuations mean that Council will run an unbalanced budget in 2024/2025 and 2025/2026. Funding at depreciation will increase after this point to bring the budget back into place.
- Navigating increasingly complex environmental challenges including climate change, land contamination, and earthquake risks.
- Ensuring Community affordability in a time of economic volatility - with financial prudence and efficiency.
- Ensuring Council leadership and delivery is credible and effective, building community trust and engagement.

In addition, there are a number of strategic priorities relating to infrastructure:

- Allowing infrastructure growth where future land uses change and support other priorities.
- Maintaining our core infrastructure.
- Delivering Strategic Projects.

## Key Financial Challenges

Council faces a number of challenges going into the next Long-term Plan. These include:

- Continued uncertainty around Central Government's proposed Local Water Done Well Reforms.
- Ageing buildings needing significant upgrade or replacement (including Rugby Park, and Te Hīnaki Civic Building among others), as well as renewal of in-ground infrastructure which is due for renewal.
- Funding for a significant capital expenditure programme – replacing existing ageing infrastructure and building the new Te Unua Museum of Southland.

- Significant levels of asset inflation which means it will now be much more expensive to replace assets, and determining how best to fund that.
- Increasing regulatory demands – especially in water quality, sewerage disposal, and Resource Management Act reforms with flow through impact to increased funding requirements for infrastructure upgrades.
- Continued impact of movement toward an ageing population, with reduced ability to pay for services.
- Impact of an inflationary environment affecting the ability of all the community to pay for services.
- Returning to a balanced budget by 2026/2027 by building up funding for depreciation over the early years of the plan.

These are the main factors which together with balancing affordability are expected to impact on Council's ability to maintain existing levels of service and to meet additional demands for service.

Commentary on the first three items is included below.

In relation to the potential Local Water Done Well Reforms, Council has taken an approach of business as usual, until further notice, while also preparing as required for any transition. In practice, this means that Council will continue to deliver three waters services according to our plans, and if new centralised entities are formed in the future, then they will inherit assets and a revenue base that has been maintained. The focus of Council throughout has been on kaitiakitanga and the benefit and wellbeing of the community.



Investment in the inner city and ageing buildings has been addressed through the capital work programme.

### Current position

As at 30 June 2023 Council met all but one of the six prudence benchmarks<sup>1</sup> and the 2023/2024 Annual Plan is planning to meet all but two (being the Balanced Budget and Essential Services benchmarks).

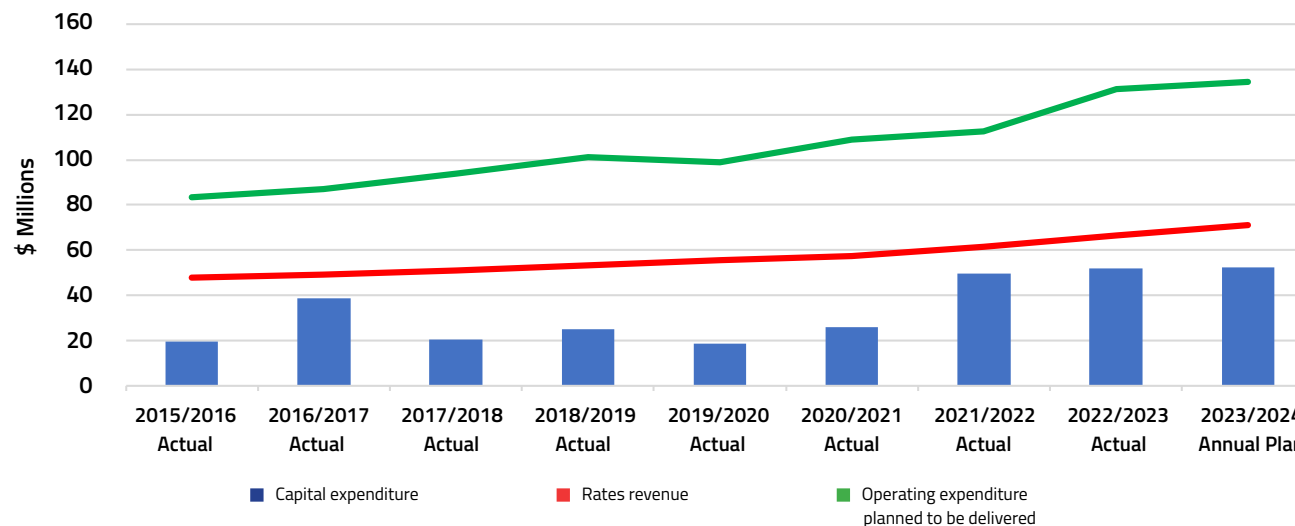
Council is forecasting to begin the next Long-term Plan with \$124.3 million of debt<sup>2</sup>. This is a relatively low level of debt compared to other New Zealand City Councils<sup>3</sup>, and a low level of debt compared to our rates revenue (being 1.7 times the rates revenue).

Council's asset position as at 30 June 2023 showed total assets of over \$1.2 billion including cash and equity investments of over \$136 million, with no significant liabilities outside of term debt (\$124.5 million at 30 June 2023).

Council is forecasting a further operational deficit in 2024, principally due to the increase in depreciation charges. This does not have a significant impact the cash position given the non-cash nature of depreciation. Council also has significant revaluation gains from property plant and equipment which maintains the overall equity position.

Council also has its credit rating from Fitch Rating currently at AA+ stable, which further supports Council's strong financial position. Any negative

## CURRENT POSITION



change in Council's rating would result in an increased cost of borrowing.

### Continued uncertainty

This Financial Strategy has been prepared on the basis that the Local Water Done Well Reforms mean Council will continue to provide three waters services. Further information on the impact of a change to a more centralised provider for three waters delivery is provided in Appendix 1.

Council is entering a period where significant investment in renewals, new capacity and upgraded infrastructure to meet changing regulatory and consent requirements is required in our three waters infrastructure.

### Increased regulatory requirements

In tandem with the potential Local Water Done Well Reforms there has been significant pressure on Council in relation to increased regulatory requirements of Central Government. The most progressed of these is water.

This Long-term Plan has seen Council having to significantly increase the level of operating and capital expenditure in the three waters areas to ensure we continue to comply with new increased drinking water standards, the expectations of the water regulator and anticipated requirements for future consent conditions by the Regional Council and Iwi.

<sup>1</sup>Local Government (Financial Reporting and Prudence) Regulations 2014, regulation 10.

<sup>2</sup>Debt balance as at 30 June 2023.

<sup>3</sup>Using the debt per rating unit measure as published by New Zealand Taxpayers Union in its annual ratepayers report.

The changing nature of the regulatory environment means that the expected cost to renew the resource consents for our wastewater plants has significantly increased. Both the Bluff and Clifton Water Treatment Plants' consents will need to be renewed during the first ten years of this strategy. This investment is currently estimated to be approximately \$111.4 million.

There is an expectation that the Resource Management Act reforms will have an impact on Council structure and costs. However, as at the date of drafting this Strategy, the full impact is as yet unquantified, and may change depending on the direction taken by the new government.

This uncertainty extends to the cost of a number of our key infrastructure projects. The prudent nature of the debt limits set in this financial strategy are such that Council does not have \$140 million additional debt capacity to fund the unforeseen, whether that be a call on uncalled capital, natural disaster or a significant cost increase in key infrastructure investments. The best way to operate 3 waters activities and sustainably fund infrastructure investment will continue to be explored.

### Significant Capital Expenditure

This strategy operates in line with the Infrastructure Strategy and observes that over the next ten years the cost to the Invercargill community to preserve, renew and maintain our infrastructure assets will be significantly higher than previous years. Because of this, future years' rates increases and the amount of debt held will be higher. When looking at this Strategy it is

important to understand where Council is starting from and where it wants to get to in ten years. As at 30 June 2023 the financial situation of Council is one of good health, with reasonably strong capacity to invest for the future.

The ten years covered by the Long-term plan does present Council with challenges financially. This is in response to Council's increasing knowledge of its infrastructural assets and the increasing demand for improving infrastructure. This is of particular importance for Water Supply, Sewerage and Stormwater, as work is required to maintain and improve drinking water quality, to reduce contaminant entering our waterways via stormwater runoff and likely to our approach to managing discharge of wastewater.

Traditionally Invercargill City Council, like many other Councils, has a pattern of under-delivering on its capital spending plans. Plans put in place in the last Long-term Plan have seen capital delivery increase, with \$102.5 million in capital being completed in 2022 and 2023 combined. Council has a significant capital programme and historic peaks in its capital investment, which means renewals of assets may also have similar peaks. There are two potential methods to address this:

1. Continue the increased focus on programme development and delivery. Taking this path would require greater knowledge of the obstacles related to capital projects, and indicates a sense of certainty that does not exist in reality.

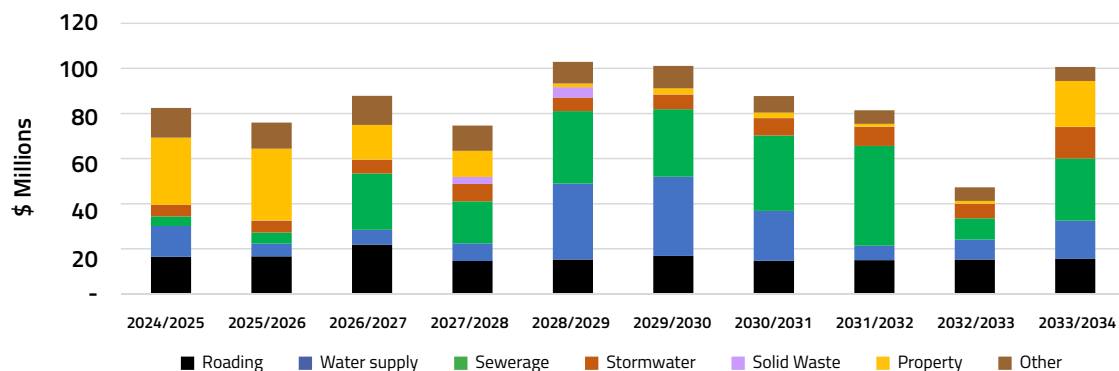
2. Recognise that there is a sense of guess work in the programme and recognise that it will not all be delivered within the arbitrary timeframes that are an integral constraint of financial planning. That constraint is the accounting concept of a financial year.

Council will continue to take a joint approach:

- Dedicated resource monitors capital project delivery. Alongside this, we develop a whole of Council capital programme that balances roadmap, strategic and renewals projects and applies the appropriate level of resource and focus depending on the nature and risk associated with each project
- Development of a capital programme that is able to be delivered both by Council staff and by the contracting market, while remaining within the constraints of the Financial Strategy.



## LTP 2024-2034 CAPITAL PROGRAMME



- Recognition that a portion of the capital programme will not be able to be delivered in a financial year and adjusting the funding requirements accordingly. This is especially true in relation to the asset renewal programme.

Council continues to have an ambitious capital programme. In planning the capital delivery the asset owners and managers have worked to put together a programme that has approximately \$84 million of capital expenditure a year for the life of the Long-term Plan. These amounts have been set by reflecting on both the capability of Council and contracting partners to deliver, as well as maintaining financial prudence.

Given the age of the City's reticulation networks the infrastructure strategy indicates that continued significant investment will be required to ensure that resilience is improved and service delivery standards maintained. The investment also needs to recognise the risks associated as assets age, and improved asset condition data is available to support the needs for renewal of particular assets. Investment decisions

will be made taking into account risk profile and asset criticality.

The level of funding provided for the renewals component of the capital programme will gradually rise from 75% to 100% of the programme over the first six years of the Long-term Plan. This recognises that the assessment of work and timing is uncertain, there remain constraints in the contractor market, and that this is a programme which needs continued attention to ensure delivery percentages are maintained.

The renewal capital programme is based on average lives, supported by asset condition information and other evidence. Council's significant assets have long lives – 50–100 year lives are not unusual. However, due to many external factors assets may sometimes need to be replaced sooner or later than their estimated life.

Statistically almost all assets need to be replaced within three standard deviations of their average life. What this means is that if the variation is five years (which would be a reasonably conservative number), then it is almost certain that the asset will need to be

replaced within the 15 years (three times five years) before or the 15 years after its average life.

In regards to renewal projects, a delivery target of 80% would effectively mean that the projects would be delivered 20% later than what is indicated in the Long-term plan. For example, a two year project will actually take 28-30 months to complete. This is a significant improvement compared to our historic delivery rates.

Over the period of the strategy the renewal delivery target is expected to range from 70-90% of the renewal programme. This will mean renewal focus will be on critical assets while, non-critical assets will be allowed to operate to or beyond the expected life. This approach is not without risk and it may be necessary to reprioritise renewals or provide additional funding in particular years.

Council is also focused on growing Invercargill's community assets and reinvigorating Invercargill's Central Business District, growing He Ngākau Aroha, Our City with Heart. A number of large community projects are planned throughout the ten years of the Long-term Plan, all part of making Invercargill a more desirable place to live and work. These initiatives are also designed to complement and support the Beyond 2025 Southland Regional Long-term Plan. The main Roadmap to Renewal projects that fall within this category include Te Unua Museum of Southland, a new urban play facility, and the scoping of new pool facilities, which are likely to include hydrotherapy and other facilities desired by an older population.

The end goal for Council is to provide its citizens with a City that is maintaining and improving its key infrastructure assets while understanding that a City needs to also be a vibrant, entertaining and interesting place to live, work and play.

Financially this means that Council will continue to increase its debt over the life of the Long-term Plan in order to achieve what it has set out to do.

### Funding asset renewals

Council re-values its operational buildings and infrastructure network assets at least every three years, to ensure that increases in the replacement costs of these assets are recognised. Depreciation of these assets changes after each revaluation to ensure that the annual depreciation charge is sufficient so the asset is fully depreciated by the end of its remaining useful life.

The goal of depreciation is to spread the cost of the asset or consumption of its service potential over its expected life.

At 30 June 2022 Council conducted a full revaluation of its operational buildings and infrastructure assets. This resulted in an increase in asset value of \$215 million and an annual increase in depreciation of \$11.8 million.

This significant increase in asset value reflected the increase in contracting costs post Covid-19, together with the significant inflation in labour and materials since the last revaluation in 2019.

Annual depreciation for 2023 reflects 31% of operating expenditure, which is a 4% increase from the prior revaluation.

In order to balance its budget, the last Long-term Plan (2021-2031) saw Council move to an approach

to fully rates fund its annual depreciation charge. The current strategy is:

- depreciation is funded at a global level.
- depreciation is not transferred into special reserves, but for some targeted rates (Water, Sewerage, City Centre and Bluff Community Board) any cash surplus after meeting all costs (excluding depreciation) and capital spending will be placed in a targeted reserve, so that rates for that purpose will only be used for that purpose.

Depreciation acts as an indicator of the true long-term cost of a service, as it reflects a level of asset consumption in a particular period. However it does not solve all issues regarding the long term sustainability of a given service.

Assets are purchased using a combination of debt and annual revenue.

The goal when funding Council activities and services is to achieve a level of equity or fairness between generations (Intergenerational Equity). In other words, each generation should pay a fair share and should pay for what they use. Often we can use depreciation as a substitute for this equity, but there are a number of circumstances where this does not work. In particular, new assets purchased with high debt will have to meet the costs of both debt and depreciation. Over time, inflation means that debt actually has a lower cost. So future generations face a lower cost for that debt compared to the earlier generations who are paying it off.

The current period of much higher than predicted inflation has resulted in a conflict between the key goals of the financial strategy, being:

- a prudent approach to debt and intergenerational equity via fully rates funding the depreciation charge;
- rates affordability and
- a balanced budget.

The significant increase in depreciation following the last asset revaluation meant maintaining the above three goals was not possible in the 2023/2024 Annual Plan. Council decided to partially fund asset renewals in order to maintain rates affordability. Looking ahead to the ten years covered by this Strategy, that conflict will remain and intensify.

This creates a significant challenge for Council. To fully fund depreciation on top of the investments needed to maintain the current level of service to the community would mean an additional 7.72% in rates, and therefore a potential rates increase of 17.52% in year one – which is the polar opposite of our objective of keeping rates affordable.

Noting that it will not be possible to achieve a balanced budget right away, in light of the above considerations it is proposed that Council modify the current strategy, as follows:

- Partially fund depreciation on all asset classes
  - Water, 95% in Year 1 increasing to 100% in Year 2 onwards
  - Sewerage, stormwater and property at 75% in Year 1, increasing by 5% per annum.
  - Roading 80% every year.
- Set the initial rates funded depreciation in the infrastructure network asset classes at a level which:
  - At least covers the proposed renewal programme for that asset class in all years, and

- Increases incrementally so that by year 6 of this Long-term Plan depreciation is fully funded (with the exception of roading, which remains at 80% in all years due to NZTA/Waka Kotahi/Waka Kotahi subsidy funding).

The assumption on asset value increase will be set with reference to the BERL inflation index for capital expenditure for assets.

Taking this approach to the Financial Strategy continues to reflect:

- Depreciation is still considered to be the best proxy for the use of our assets, and by rating on use we better allocate the cost to those ratepayers that actually use the assets.
- Staging the recovery of the significant asset increase reflects Council's commitment to rates affordability.
- Ensuring we get to a position where we have a balanced budget by 2026/2027 reflects our core commitment to financial prudence.

## Demographic changes

In recent years Invercargill has seen and continues to see and project population growth. Property values have lifted and we have seen a shortage of some types of housing.

Forecasts for population growth reflect the Beyond 2025 projections for new industries in the region, along with the long term retention of the Tiwai Aluminium smelter. A 1% network growth assumption is included to reflect the as yet unknown location and requirements of industries which is expected to require some form of network extension. 0.5 - 0.9% rating base growth

is forecast reflecting a combination of population change, household size change and industry growth.

In relation to growth, the district already has most of the infrastructure needed to service the population for most of the growth identified in the Long-term Plan. Council has already identified a need for an alternative water supply to mitigate the risks of a single source of water. That need will accelerate as the population rises, or as new industry demand requires. Certain water-intensive industries have been identified in the Beyond 2025 Regional Long-term Plan as having growth potential in the region. The costs of an alternate water supply are highlighted in the water activity. Another effect of growth will be on the volume of sewage outfalls. An increased population may create additional pressure to improve the quality of the outlets for treated sewage, although it is expected that the standards for these will be lifted in any event when the current consents need to be renewed.

An increasing population will likely see the current increase in house prices continue, in addition to more houses being built to cope. Subdivision capacity for growth is not unlimited, but is able to respond to market demand. Developers of new subdivisions are responsible for providing all of the infrastructure for the new properties (including roads, footpaths, stormwater pipes and water and sewerage pipes) so the increase for Council comes from the maintenance of those assets, which is funded from the increased rates. Costs only fall to Council if the major arterials and collector pipes need to be upgraded through growth. This is not

envisaged to be a factor in the next 10 years. A decision is expected around any requirement for network extension in the middle years of the Infrastructure Strategy.

If the population reduces it can have different impacts:

- The same number of properties but a lower average of persons per property.
- Sales prices of properties reduce and they take longer to sell. The Market adjusts for these changes.
- Properties are unable to sell and get abandoned, and then subsequently demolished. This has occurred in New Zealand in past decades but typically in much smaller communities than Invercargill. A trend at this level takes time to emerge and so there would time to manage it if it did appear. Communities need to be mindful of this possibility. The sooner it is identified the better it can be managed.

Changes in the composition of population by age group and ethnicity are also expected to continue.



### Ageing population

Current projections suggest that our population is ageing, and the over 65s are expected to make up 24% of our population by 2034. This change is not expected to have a significant change in the services provided by Council, although Council will adapt to these changes as they emerge. Changes may occur in the nature and shape of Council’s activity programmes for operating activities. These changes will not be significant and will occur within the current funding envelopes.

### Diversifying population

Current projections also suggest the population will continue to become more diverse. By 2034 it is expected that our population will include 25% Māori and 13% Asian residents. These changes are not expected to have any significant impact on the services provided by Council, but Council will remain committed to our relationship with tākata whenua, and mindful of differing cultural needs. Any changes are not expected to be significant and will occur with current budgets.

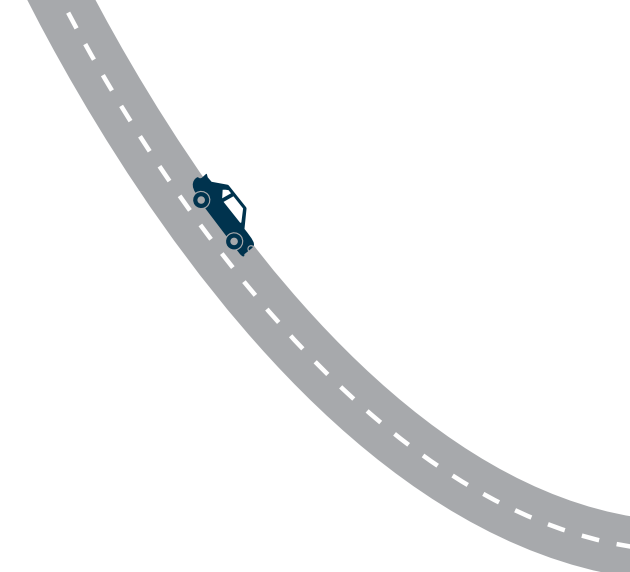
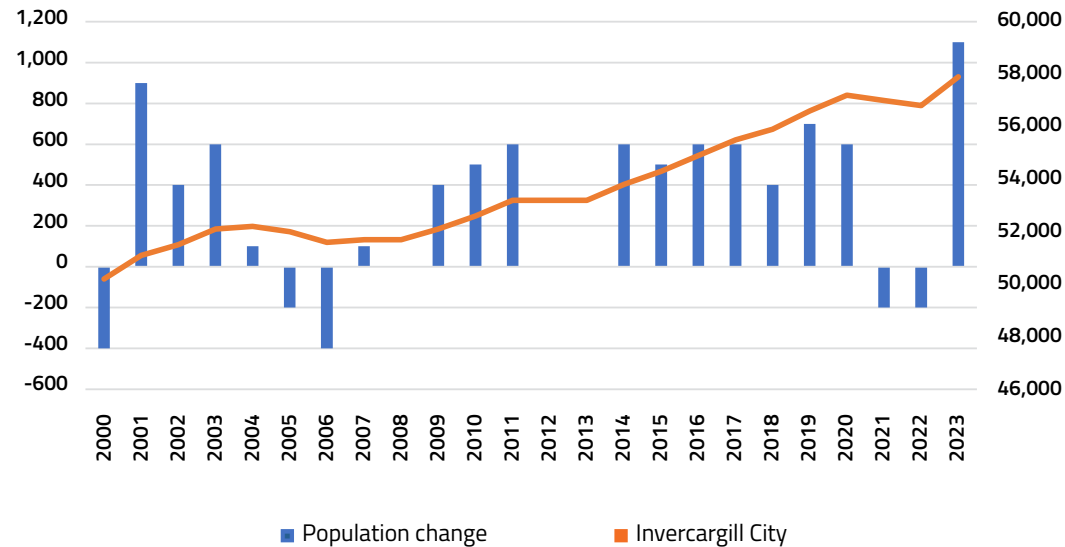
Information prepared by Infometrics shows the population change for Invercargill between the years 2000-2023. The orange line shows the reasonably steady growth since 2000 which has put pressure on existing housing supply. That pressure has built-up and the latest Rating Values show very large rises in residential property values, averaging around 50% since 2017.

Council is committed to improving community wellbeing by focussing on social, cultural, economic and environmental wellbeing. Council seeks to do this through the development of growth projects and sustainability of existing services.

Council notes that the current infrastructure network is set to service the community, including projected growth, provided it is renewed when required. Council’s infrastructure network has been built to service a population much larger than that which currently resides within the City.

The historic pattern of Invercargill growth and development means that a number of Council’s assets were built at the same or a similar time, and therefore generally require renewal at a similar time. As a result there will be peaks in renewal costs which are evident within this Strategy as the expected life of a number of key assets is drawing to an end.

INVERCARGILL POPULATION CHANGE





## Growing pressure of climate change

Climate change has been noticeable in various forms for a number of years. There is no doubt that weather patterns have developed more extremities. The Southland Climate Change Report 2018 by NIWA forecasts more extreme weather events including both droughts and floods. These higher extremes place more pressure on Council infrastructure services. Higher frequency of storms leads to increased costs on roads to recover from storm damage. The frequency of flooding could lead to a need to upgrade the capacity of the stormwater network to mitigate flooding of buildings. Droughts create more frequency and longer duration of peak water use, and that puts stress on the current single source of water. Pipe renewals are being installed on the basis of the forecasts provided by NIWA in line with Council's climate change assumptions.

In addition to the weather pattern changes, rising sea levels are a future concern. Invercargill is a flat and low-lying city, parts of the city are likely to be impacted by rising sea levels. Council is working with the Regional Council to identify the further modelling and analysis required to identify areas of risk following the recent completion of LIDAR flights. There remains significant modelling needed at a regional level to understand likely sea level rise and its potential impact. There are known risk areas including the Airport and Bluff which need further investigation. Council has invested in major infrastructure upgrades at Stead Street to increase protection for the city. Further work will be required on associated flood banks to maximise this investment. Environment Southland has responsibility for managing and maintaining the remainder of the city's floodbank network.

It is expected that rising sea levels will have an impact on some Invercargill properties, especially those that are low lying and close to the sea. However, current assessments of the impact of the mid-range forecast of sea level rise for the Southland region shows that the number of areas impacted by a 1m rise in Invercargill are very minimal. The potential impact of more significant sea level rises will emerge over time and individual property owners will become aware of the impacts well in advance. Again, Council is aware of the need for further modelling and analysis on these issues.

Council will be aware of future developments and will be mindful of rising sea levels when considering Resource Consents for new properties, and the impact on future District Plans. Council will not impact individuals' property rights by taking pre-emptive action on existing properties while the current uncertainty remains. Such action could turn a future possible loss for a property owner into a certain current loss. At this stage that would be unfair to both the property owner and the ratepayers who may then have to fund that loss.

## Intergenerational Equity

The services that Council provides are costly due to the value and amount of assets that are used. Council's strategy is to ensure that both current and future ratepayers pay their fair share of the cost of providing services. Intergenerational equity is achieved through loan funding long-term assets and drawing rates to pay for the servicing and repayment of the loan over an extended period of time. Also, depreciation assists in intergenerational equity by ensuring that a cost is recognised for the consumption of the assets.

Where debt is low and future asset renewal is approaching, the generation that is consuming the asset should also be contributing to its replacement. For major renewal the level of service remains the same before and after replacement. This ensures that both current and future users pay for the assets. Examples of this can be found in the Invercargill City Council Infrastructure Strategy.

## Debt Management

### Net Debt

To aid understanding and predictability of funding requirements Council uses the concept of net debt.

Net Debt = total borrowings less cash and cash investments.

Council is able to borrow and invest money at relatively similar interest rates. Currently the interest rate paid on debt is about the same which can be earned on an investment. As Council is a conservative organisation it does not borrow for the sole purpose of investing. In some years there may be financial gain from that, but in other years it will have a cost. Borrowing for the sole purpose of investing is considered to be too close to speculation and it is not prudent to speculate with ratepayers' money. However, to gain future certainty of funding costs Council may decide to borrow in anticipation of capital spending. In such a case the funds will be invested for a short period.

Council's borrowing remains relatively low against Council's total assets base (9.65% as at 30 June 2023). However, Council recognises that it has \$100m of

uncalled capital within ICHL. That capital can be called at the discretion of the directors of ICHL. Therefore when deciding the maximum level of net debt which it would be prudent for Council to incur, we need to allow for the possibility of the capital being called.

In addition to the uncalled capital, Council needs to make provision for unforeseen shocks or significant increases in costs. It would not be prudent to be at the maximum net debt level and then find a recession or a natural disaster impacts on our costs or revenue. This would have the potential to push us above our net debt limits, and therefore not able to access the necessary cash.

As a borrower from the Local Government Funding Agency there is a maximum amount of debt that Council can borrow. As a credit rated Council that limit has been 300% of annual operating revenue. This will fall back to 280% by 2026.

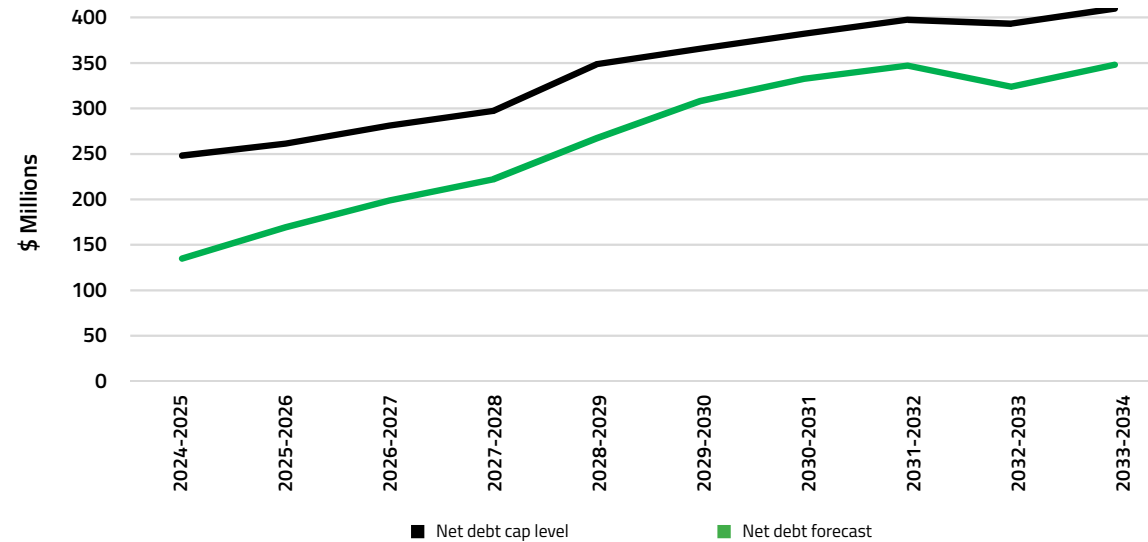
Council has traditionally taken a prudent approach to its maximum net debt level, setting a maximum of 150% of revenue. However, given the level of investment required within the period of this Financial Strategy it is considered necessary to review this level.

It is proposed that the maximum net debt level be increased from 150% to 180% for the first four years, 200% for the following four years, and then 190% thereafter, of operating revenue.

While Council remains focused on keeping net debt to a manageable level over the course of the Long-term Plan, large infrastructure projects as well as future growth projects make it necessary for Council to take on an increased level of net debt.

While Council could technically take on an even higher level of net debt (closer to 280% of operating revenue) or \$140 million over the 10 years of the Long-term Plan the interest cost associated with borrowing to the maximum would put a significant cost on ratepayers.

## TOTAL NET DEBT 2024-2034



### Borrowing servicing and repayment

A significant issue for this Long-term plan and this Financial Strategy is the increasing borrowing at a time when interest rates have increased considerably from the historic lows of recent years. This exposes the community to a significant risk of increased rates.

Borrowing levels are predicted to increase in the first five years of this Long-term Plan. As such it has been necessary to increase the debt limit. With new borrowing rates predicted to be as high as 6% rising from as low as 1%, there will be a significant impact on rates to service the debt. Every 1% increase in the interest rate will mean a rates rise above the forecast rates increase of about 2.5%. So a 2% interest rate rise would become a 5% rates increase. Part of this impact can be managed through prudent borrowing, but only for a period of time.

In the interests of intergenerational equity Council should not go to the debt limits without a recognition that

the borrowing will need to be reduced to allow future ratepayers to also undertake projects that will emerge in the future.

The funding strategy for rates will incorporate an amount of at least 1/30th of the outstanding borrowing to go to the repayment of the borrowing. This reflects the fact that funds are borrowed for assets and activities with a longer service life.

The Council has set the quantified limit on borrowings for the purpose of the debt affordability benchmark prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 is that external debt will not exceed 20% of total assets from 2024/2025 to 2027/2028 and 25% from 2028/2029 onwards.

### Security for Borrowings

Council borrows from the Local Government Funding Agency. As part of borrowing from that source, a standard security over rates is required. This is the most common security for Local Authority borrowing, and is well understood by the financial market lenders. What this means is that in the event of a debt default, a security agent is able to set a rate to meet the loan repayments.

Council currently maintains an AA+ credit rating.

### Asset Sales

Council has recognised that it owns a large amount of land and assets that it may not be getting the best return on.

Over the course of the Long-term Plan Council will look to sell assets (land and buildings) that are not required for operations or strategic reasons. Income from the sale of these assets will be used to reduce the net debt balance of the relevant activity, effectively reducing the level of debt Council needs to borrow.

### Cash and Cash investments

Council must ensure that each year's projected operating revenues are set high enough to meet that year's operating expenses, unless Council resolves that it is financially prudent not to do so.

As discussed above Council aims over the period of the Long-term Plan to return the balance between operating revenue and expenses (including depreciation). To maintain sound treasury practice Council holds a range of investments in cash deposits. These are in two groups: funds held for restricted and non-restricted reserves.

Restricted reserves are held for a specific purpose and money is only available to be used for that purpose. In contrast a non-restricted reserve can be accessed for a variety of reasons. These investments build up or reduce over time due to funding needs.

Holding a level of cash in investments provides a safety buffer for Council in times of uncertainty in the financial markets, as it gives us the option to use funds if the interest rates are considered to be artificially high. Having this flexibility is one factor contributing to Council's strong financial position and good credit rating. Council is targeting to maintain a term investment portfolio of at least \$20m, and this will fluctuate according to financial need.

Council will ensure that there are sufficient cash resources available to meet its obligations. Council's current assets need to outweigh current liabilities, where current assets include cash on hand and available lines of credit.

The amount of cash held by Council is expected to rise over the Long-term Plan as the additional \$4 million dividend per annum from ICHL is received. This cash will be held to enable future investment.

### Rates

Every year Council reviews its operational expenditure to look for short and long-term cost savings. These savings are intended to improve efficiencies within activities and services, without impacting the current level of service being provided.

Rates are the "balancing factor" in the financial equations of Council. Revenue from all sources is also reviewed annually. Capital expenditure is evaluated for priority, need, and timing for maintaining levels of service. Capital expenditure is funded from rates and borrowing or use of investments. In the long term there is a limit on borrowing, and as a result either rates need to rise or the level of capital investment needs to reduce. This process repeats, with the aim to achieve the levels of service desired by the community, at a cost that is both affordable and which does not hit the "willingness to pay" trigger.

Council will run an unbalanced budget in 2024/2025 and 2025/2026 as a result of the significant impact of a net revaluation as a depreciation forecast. Over time depreciation funding will rise to bring the budget back into balance.

Rates are a tax on property, and are set based on factors relating to a property. One of the main factors that impacts predictability of rates is the three yearly revaluation of every property in the district to establish the "Rateable Values". When properties are revalued it creates a distortion in the rates increase which each ratepayer will have as compared to Council's stated rates rise. Unfortunately, there is very little Council can do change this. However, Council is mindful that the rates increases should be predictable, not just in terms of total rates rise but also in terms of impact on an individual property.

Between Long-term Plans, Council sets a uniform increase in rates, meaning that each rate type rises by the same percentage. This means each ratepayer has the same increase, unless the owner has made changes to the property that trigger a need for a revaluation. Council will continue this practice for years that are not a rates revaluation year.

### Council limit on rates rises

Council has considered the level of capital spending required and also the limit on Council borrowing. To be able to undertake the capital works in the Long-term Plan, the total rates take in any year will be no higher than the Local Government Cost Index (LGCI) – Council's inflation rate plus a set percentage.

In this Strategy Council has focussed on the predictability of rates. Council also recognises that the Long-term Plan is a ten year plan, rather than being 10 one year plans. This means that the work programmes are established to maintain levels of service, and that if work is not completed in one year it still needs to be funded over the period of the plan.

## Managing Financial Investments and Equity Securities

Council holds investments in companies, property and cash.

### Investments in Companies/Trusts

Council is an equity holder in one company and has a controlling influence over two trusts. The principal reason for holding an equity interest in company investments is to provide a financial

return on investment for ratepayers or for the delivery of services. The interests in the trusts are to enable more efficient and targeted community outcomes for the community. Trusts provide a good opportunity for community engagement with a particular outcome. Council does not seek financial return from the trusts.

Council's significant interests in the companies and trusts are as follows:

### Property Investments

Council maintains an Investment Property portfolio within the District. The properties are divided into two categories:

- Endowment Properties which have been either allocated or purchased from endowment funds.
- Trading Properties (fee simple, no classification on title, currently leased).

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

Council also has a portfolio of operational properties and properties acquired for a strategic purpose. Where a property acquired for a strategic purpose is no longer required for that purpose, it is placed in the Trading Properties portfolio and is considered to be available for sale. Council does not see itself as a property investor for profit, with the exception of the endowment property portfolio.

One significant property acquired for strategic purposes is the Don Street property developed by Council.

### Cash Investments

Council holds cash for two main reasons:

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

COMPANY	SHAREHOLDING	PRINCIPAL REASON FOR INVESTMENT	BUDGETED RETURN
Invercargill City Holdings Ltd	100%	To undertake commercial opportunities and provide dividend returns to the city	No less than \$5.5 million for 2024/2025 Special dividend of \$4 million per annum
Bluff Maritime Museum Trust	Controlling interest	To provide specialised governance for the museum	Nil.
Invercargill City Charitable Trust	100%	To provide access to recreational and cultural events within the City, in line with community outcomes.	Nil.

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



## Rates and Affordability

Council has come through a period of medium-level rates rises over the previous six years (2018/2019: 4.91%, 2019/2020: 3.50% and 2020/2021: 2.00% 2021/2022: 5.00%, 2022/2023: 6.53%, 2023/2024: 5.67%). This was due to Council focusing on ensuring that rates were low and consistent from year to year.

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

Increasing costs of providing Council services is likely to intensify the affordability issues in the future. In certain years of the Long-term Plan, pressure from required infrastructure renewals has led to rates increases that are less affordable than what Council would like.

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

Council seeks to embrace innovation and change over the upcoming years, and with the constant evolution and growth of technology, is witnessing and experiencing the change first-hand.

## Invercargill City Holdings Limited (ICHL)

Invercargill City Holdings Limited is a 100% owned subsidiary of Invercargill City Council. ICHL was formed to provide a clear differentiation between Council's core ratepayer orientated activities and its

commercial trading enterprises and investments. It was established for the purpose of consolidation and management of existing Council companies, with the responsibility of control and oversight of the performance of the Council Owned Companies activities on behalf of the ultimate shareholder, Invercargill City Council.

Companies that sit within the ICHL group include Invercargill City Property Limited (ICPL), Invercargill Airport Limited and Electricity Invercargill Limited (EIL). Within ICPL sits an additional entity. Within EIL sits a number of utility based entities and investments in other utility operations. One of the main purposes of ICHL is for these individual companies to trade profitably in order for ICHL to return a dividend to Council and help offset the rates demand as a result. ICHL has recently consulted the public on a proposed restructure within the EIL group, this is yet to be implemented however, ICHL continues to work with EIL to improve the cash return from the Group. A special dividend of \$4 million per annum for the 10 years of the LTP has been included in the budgets as a result of the proposed restructure.

ICHL has provided Council with a dividend since 1999. In order to provide predictability for rates Council has set an expectation that the dividend is set at a level that allows ICHL to be able to pay an annual dividend that will increase with inflation each year. The dividend is forecast to increase over the next ten years with a minimum of \$5.5 million for the 2024/2025 year. Should this dividend fail to increase as predicted, Council would have less income received to minimise the impact on the general rates draw.

In the longer term, Council has noted that it cannot be financially reliant on an increasing dividends including from asset sales to reduce the general rates draw every year. The minimum dividend of \$5.5 million represents a 7.7% reduction in rates required.

Whilst ICHL strives to produce greater dividends year on year this is not necessarily going to be in line with the anticipated rates requirement increase.

## Disclosure Statement – Financial Benchmarks

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The Council is required to include this statement in its Long-term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations). Refer to the Regulations for more information, including definitions of some of the terms used in this statement.

It should be noted that all benchmarks are provided on the basis that three waters services will continue to be provided by the Council.

## Rates Affordability Benchmark

Council meets the rates affordability benchmark if:

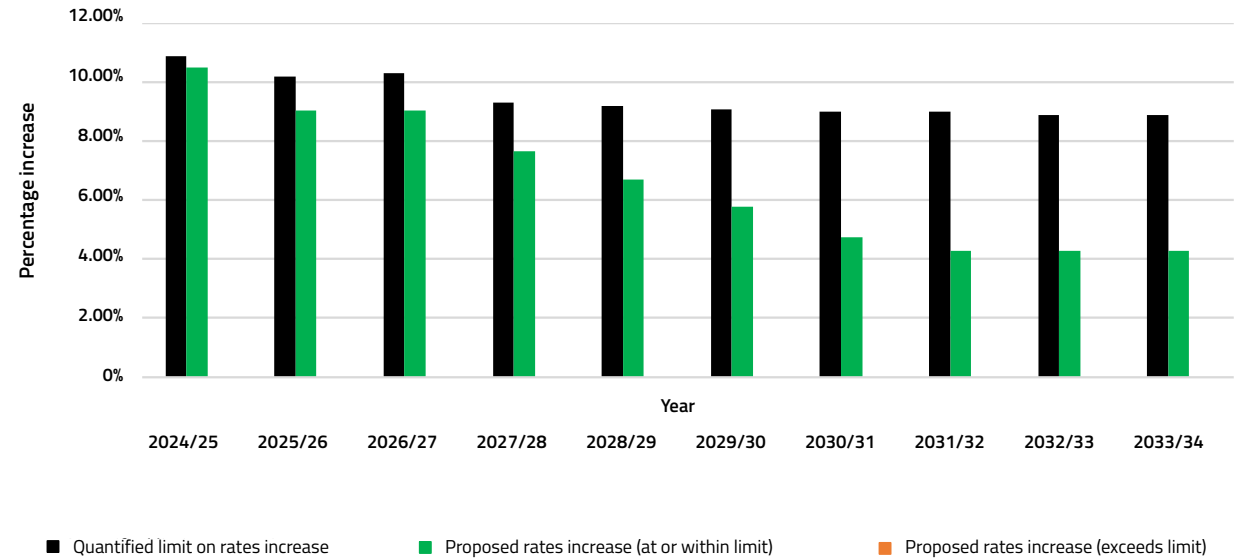
- Its planned rates increase equal or are less than each quantified limit on rates increases.

### Rates (Increases) Affordability

The following graph compares Council's planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included in this Long-term Plan. The quantified limit is rates increases will not exceed the Local Government Cost Index (LGCI) plus 8% in 2024/2025 to 2026/2027 and Local Government Cost Index (LGCI) plus 7% from 2027/2028 onwards.

YEAR	LGCI INCREASE
2024/2025	2.90%
2025/2026	2.20%
2026/2027	2.30%
2027/2028	2.30%
2028/2029	2.20%
2029/2030	2.10%
2030/2031	2.00%
2031/2032	2.00%
2032/2033	1.90%
2033/2034	1.90%

## RATES (INCREASE) AFFORDABILITY BENCHMARK (2024-2034)



The table to the left shows forecast LGCI increases for the next ten years but, for example, if the LGCI change was 2.20%, Council's rates increase would be no more than 10.20%. Council recognises that this increase could potentially be higher than household income, so although a maximum limit has been set, Council will endeavour to achieve lower increases when planning projects and services that rely on rates revenue.

Council is also mindful of affordability issues amongst our ratepayers. Council continues to investigate cost-cutting methods to ensure that the revenue required to run Council is kept relatively steady. The rates increases reflect the money required each year.

[Source: Cost adjusters 2023 final update, Berl, October 2023]

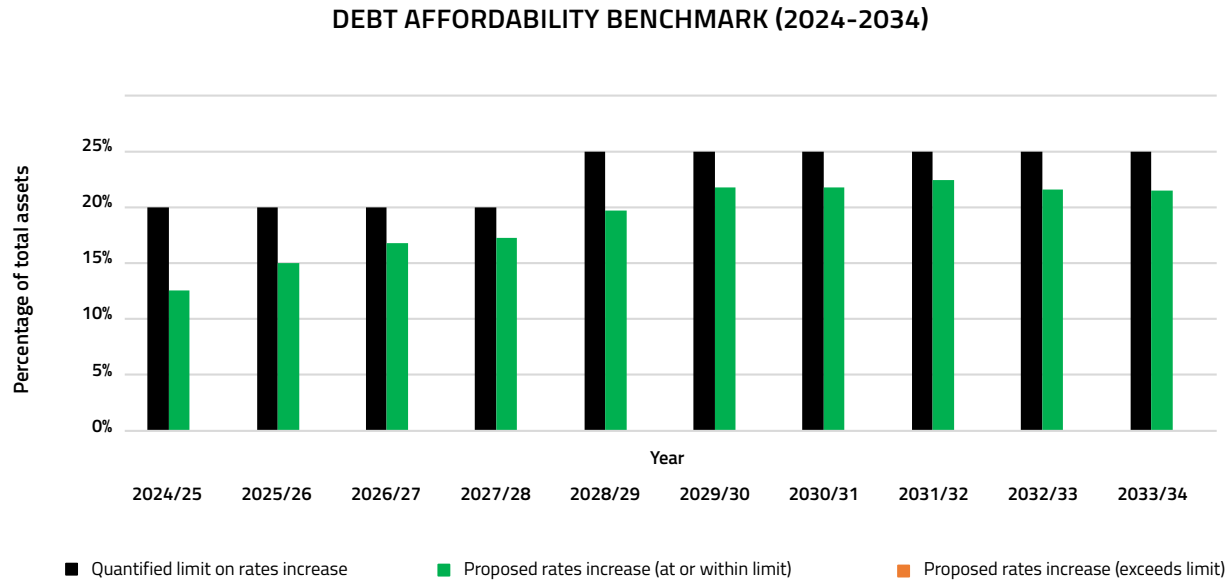


## Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this Long-term Plan.

The quantified limit is that external debt will not exceed 20% of total assets from 2024/2025 to 2027/2028 and 25% from 2028/2029 onwards.



During the Long-term Plan period, the debt affordability percentage is expected to increase, peaking at 22.33% in 2031/2032 before decreasing again.

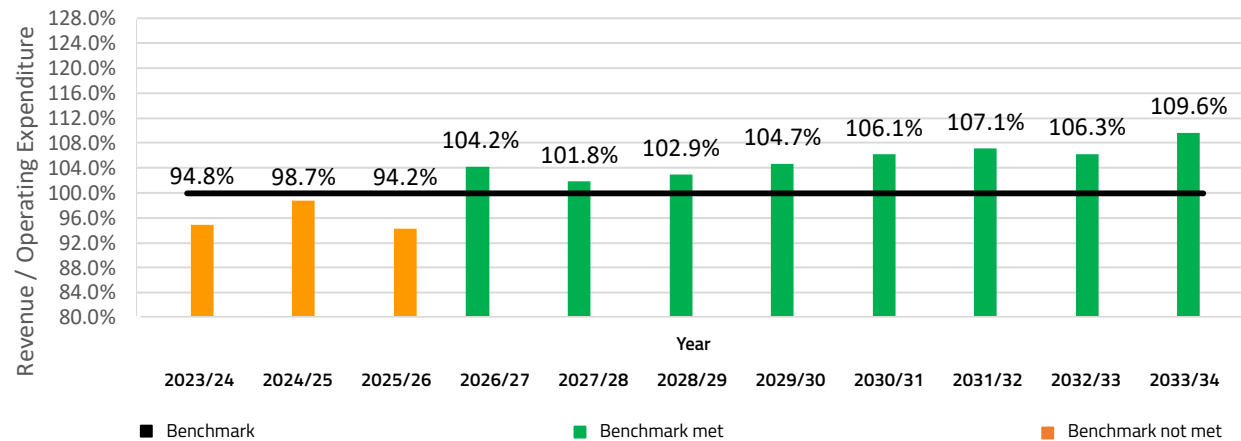
The Council considers that setting a borrowing limit of 20% from 2024/2025 to 2027/2028 and 25% from 2028/2029 onwards of assets will assist in prudently managing Council's borrowing activities to ensure the ongoing funding of Council activities. Council will continue to consider and approve the borrowing requirement for each financial year in the Annual Plan or Long-term Plan, recognising that borrowing capacity does not have to be fully utilised.

## Balanced Budget Benchmark

The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

### BALANCED BUDGET BENCHMARK (2024-2034)



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

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

The proposed Long-term Plan has set projected operating revenues for 2024/2025 and 2025/2026 at a level that does not meet the projected operating costs. This reflects the challenge faced by Council of fully funding the depreciation on the infrastructure network assets which during the last three years have been subject to significant increases in asset value.

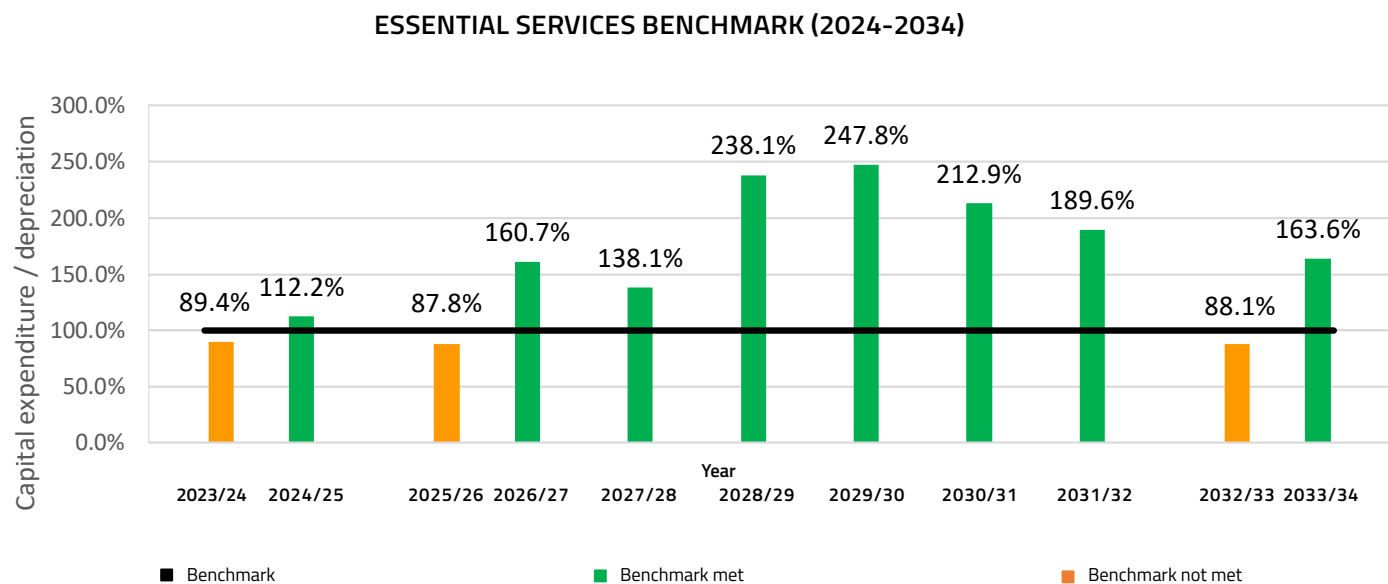
Over the period of the Long-term Plan the level of rates funding of depreciation has been increased to meet this challenge.



## Essential Services Benchmark

The following graph displays the Council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Although not reaching the target in every financial year, over time Council's capital expenditure should equal its depreciation. This will mean Council is replacing its assets as they deteriorate, however due to some projects being large it is hard to assess this on a year by year basis.

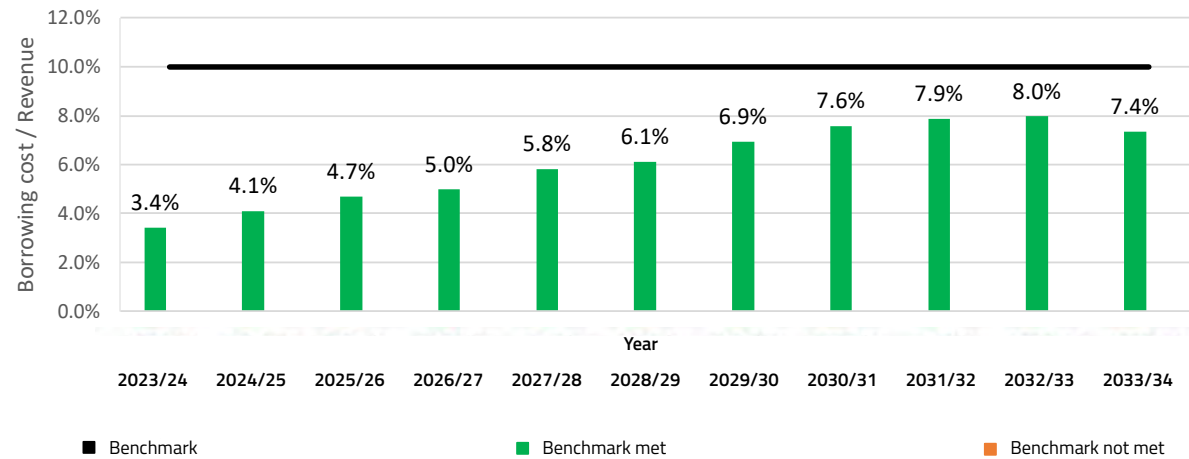
Council does not meet this benchmark in two of the 10 years. 2025/2026 and 2032/2033 are lower than depreciation level due mainly to the timing of projects. Council does not meet the benchmark over the course over the combined 10 year, and exceeds in most cases.

## Debt Servicing Benchmark

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will grow as fast as the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

**DEBT SERVICING BENCHMARK (2024-2034)**



## Appendix 1: Impact of potential Three Waters Reforms

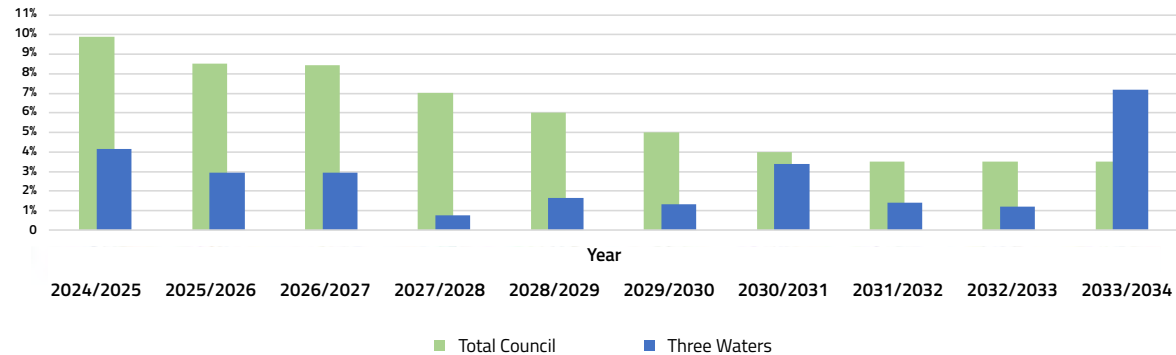
Proposals by the previous Government saw the beginning of a transition towards centralised delivery of three waters services. Under this policy, Council was expected to be transitioning its three waters on 1 October 2025 to a new entity.

Part of the proposal would have been to combine Otago and Southland's Three Waters activities. This would have had a significant effect on Council's financial strategy. With three waters going ahead in year three, rates increases would have reduced by between 1.76 – 3.57% per annum, the capital programme would have reduced significantly, there would similarly have been a significant reduction in capital, and potentially also in net debt.

The new Coalition Government which came to power in November 2023 has passed legislation repealing the Water Services Entities Act and has introduced its Local Water Done Well Reforms. Given the uncertainty, Council has prepared this Long-term Plan and associated Strategies on the basis that it would retain its Three Waters activities.

The full impact of the Local Water Done Well Reforms is unknown at this stage but could involve regional consolidation or joint operation of water activities. These options will be explored in the first 1-2 years of this Long-term Plan.

**AVERAGE RATES REVENUE % INCREASE OF THREE WATERS ACTIVITIES**



# Revenue and Financing Policy

Effective from July 1st 2024



## Revenue and Financing Policy

The requirements for a Revenue and Financing policy are in the Local Government Act 2002. Section 103 requires that the Revenue and Financing Policy must state its policies for:

- funding operating expenditure and
- funding capital expenditure

A local authority must manage its finances, and financial dealings, in a way that promotes the current and future interests of the community.

Council has considered the provisions of Section 101(3) before establishing this Policy.

**“The funding needs... must be met from those sources that the local authority considers to be appropriate, following consideration of:**

- a) in relation to each activity to be funded,-
  - i. the community outcomes to which the activity primarily contributes and
  - ii. the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
  - iii. the period in or over which those benefits are expected to occur and
  - iv. the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
  - v. the costs and benefits, including consequences for transparency and accountability of the activity distinctly from other activities; and
- b) the overall impact of any allocation of liability for revenue needs on the community.”

(Section 101(3))

It is noted that S103(3)(b) allows Council to modify the overall mix of funding that would otherwise apply after the initial analysis in S101(3)(a).

## Support for principles relating to Māori

As of 1 July 2024 it is a requirement under the LGA that this policy support the principles set out in the Preamble to Te Ture Whenua Maori Act 1993.

These principles include recognition that land is a taoka tuku iho of special significance to Māori, and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapū.

Council considers that this policy supports those principles, particularly when viewed in conjunction with Council’s Rating of Māori Freehold Land Policy.

## Policy for funding operating expenses

### Funding sources

Operating expenses are the everyday costs associated with the services provided by Council. They include contributions to the wear and tear of assets (depreciation), interest charged on borrowing for capital projects, and general overheads. The funding for each activity is considered individually. Some activities are best funded by user charges, like pool admission fees, others with targeted rates, such as refuse collection, and others from the general rate, such as road maintenance.

**Policy for funding operating expenses** - Funding sources for operating costs and how they are applied by Council are as follows:

FUNDING SOURCES PER SECTION 103(2)	APPLICATION BY INVERCARGILL CITY COUNCIL
<p><b>General rates, including</b></p> <ul style="list-style-type: none"> <li>Choice of the valuation system</li> </ul>	<p>Applied to activities delivering wider community benefits using capital value base. The capital value rate is applied on the same basis to all properties. Rating values are revised every three years. Capital value is considered to provide the better proxy for the consumption of Council activities and services.</p>
<ul style="list-style-type: none"> <li>Differential rating</li> </ul>	<p>Council will apply differentials where there is a significant difference in the level of service available to properties relative to the collective values of the properties within a group. If differentials are to be applied the groups will be Commercial/Industrial, Farming, Lifestyle, Utilities, 1530 Tiwai Road, and Residential. Council will analyse the effect of the UAGC on the incidence of rates between groups, in determining whether or not a differential will apply.</p>
<ul style="list-style-type: none"> <li>Uniform Annual General Charge (UAGC)</li> </ul>	<p>A UAGC is set based on separately used or inhabited parts of the property. It is part of the total general rate and set at a level that Council considers appropriate. The level of the charge is subject to some legal limitations and Council will not breach that limit. In setting the UAGC Council will analyse the effect that any UAGC has in shifting the incidence of rates away from Farming and Commercial onto Residential.</p>
<p><b>Targeted rates</b></p>	<p>Council has a preference for rates to be within the General Rate unless the services have a specific area of benefit, which is not as wide as the entire district, and where the amount of the separate rate is substantial enough to warrant the additional administration required for a separate targeted rate. Targeted rates are not a user charge as there is no provision for a user to opt out.</p> <p>They are levied for separate services where the rate is a proxy for a uniform user fee. Those services are sewage disposal, water supply, transportation, stormwater drainage, refuse collection, Bluff Community Board and the City Centre Co-ordinator. They allow Council to fund services by only charging those who use or have the ability to use the service. Due to the administration of separate targeted rates Council will try to avoid setting a targeted rate for less than \$100,000 for the total value of the rate. If a targeted rate is set for a lower revenue level Council will identify the special circumstances that warrant an additional rate. Targeted rates are set for transparency purposes rather than to create an ongoing pool or funds separately managed. Therefore any unspent targeted rates will become part of Council general funds.</p>
<p><b>Lump sum contributions</b></p>	<p>Available for capital project funding under the Local Government (Rating) Act 2002. It is a complex mechanism which is not considered to provide any advantage to our ratepayers and so is not used.</p>
<p><b>Fees and charges</b></p>	<p>Fees and charges are a preferred funding option for services where they are practicable. They reflect that a choice has been made to utilise community resources. That choice gives benefit to the individual and may impose costs on the wider community. Charges are set to recover the costs Council incurs in delivering that activity. Council recognises that some services it provides are for facilities which are available for community and private benefit. If that service attempted to recover full costs it is likely they would be too expensive for users. If the charges are set too high, it could lead to reducing use, and this may mean the net cost of the service increases.</p> <p>Council believes the community wishes these services to be made available so that individuals have the option to use them if they choose. Therefore, the general rate meets a level of cost to provide the option for the community use. In these cases, Council uses its judgment to set the fees at a level it believes is at an acceptable market level.</p>

FUNDING SOURCES PER SECTION 103(2)	APPLICATION BY INVERCARGILL CITY COUNCIL
<b>Interest and dividends from investments</b>	Interest and dividends are treated as part of general funds and support the services which are general rate funded. An exception to this is where reserves have been established for targeted rates which cover the long-term needs of a service area. Rates set for that purpose are used for that purpose, and funds not used in a particular year are invested, and interest on those funds are used for that service.
<b>Borrowing</b>	<p>The financial strategy identifies that Council operates a net debt policy. This means that we measure our debt based on total external borrowings less funds invested in term deposits. So borrowing and use of invested cash are treated in the same manner being part of our "balance sheet" funding. Our goal with borrowing is for borrowing to be used primarily for capital spending, however borrowing may also be used to level out highs and lows that can occur in services that have cyclic funding needs.</p> <p>Borrowing is used to recognise issues of inter-generational equity for assets that have a long life and will benefit the community for a long time.</p>
<b>Proceeds from asset sales</b>	Proceeds from asset sales will not be used to fund operational costs.
<b>Development and financial contributions</b>	Invercargill is forecasting growth of between 4000-5000 people over the course of the Long-term Plan, depending on various industry factors. Council desires growth, and considers that development contributions and financial contributions are likely to be an impediment to growth. A small growth in the network to support new industry is forecast. Supporting infrastructure requirements for industry growth will be dealt with on a contractual basis. Development contributions and financial contributions are therefore not applied.
<b>Grants and subsidies</b>	Other organisations determine the availability of grants and subsidies. Where grants and subsidies are available, Council will apply when it is considered efficient to do so. Where funding applications are successful or where long-term contracts have grants and subsidy the funds are used for that purpose. The biggest part of subsidy comes from NZTA/Waka Kotahi for roading works. The level of subsidy is set by NZTA/Waka Kotahi.
<b>Any other source. Special purpose investments (reserves)</b>	Over many years of operations, Council has established a number of special fund reserves. These reserves are backed by cash investments. Where funds are available in those reserves, they will be used only for the purpose that the reserve was established. When that occurs, the funds in the reserve will be used to meet either a capital cost or operating cost. These funded reserves are a way for Council to manage expenditure and revenue so that the requirements from the community are more even and predictable. Special funds invested will earn interest on the funds and reduce the borrowing needs in higher expenditure years.

## Policy for funding capital expenditure

### Funding sources

Council provides activities which have a long life and long-term benefits. The level of capital expenditure over the period of a long-term plan is relatively minor compared to operating expenses. Council takes a long-term view to funding its services and assets on a sustainable basis. Funding of capital works is from:

#### General and targeted rates

Rates will be used to fund capital work. Rates are set based on long term projections, to enable sustainable levels of service, which includes renewal of assets. Typically, rates will fund renewal of assets, but there will be years where rates will fund a portion of new capital items, and years when rates will be repaying loans. Rates and debt are the primary funding sources for Council's planned capital work and these two items need to have an equilibrium identified within the Financial Strategy.

#### Borrowing

Borrowing will be used to fund capital expenditure when the level of renewal is above the average renewal funded in the plan. It is also used to fund the majority of level of service improvement for assets. This reflects that those assets will have a long life and so the cost of the asset should be shared over a longer period of time.

#### Subsidy and grants

A reasonable amount of capital expenditure in the roading activity is funded from NZTA/Waka Kotahi subsidy. Council seeks to maximise the amount of NZTA/Waka Kotahi subsidy available. For some community facilities, it is possible to get grants from specific organisations. Where this is possible Council will use these grants to lower the capital requirement from the community.

#### Proceeds from asset sales

Council has recognised that it owns some parcels of land and assets that it may not be getting the best return on. Over the course of the Long-term Plan Council will look to sell assets (land and buildings) that are not required for operations or strategic reasons. Income from the sale of these assets will be used to reduce the net debt balance of the relevant activity, effectively reducing the level of debt Council needs to borrow. It should be noted that revenue from such sales is often limited by community and market factors and an assumption has been included to this effect.

#### Development and financial contributions

Council does not charge development contributions or financial contributions.

### Consideration of overall funding

When considering the revenue requirements and funding mechanisms used, Council is mindful of the impact that both fees and rates can have on individuals in the community. Charges are set to recover the costs that individuals impose on the community and the benefit they receive from the activity. Rates are also set to reflect the ongoing costs of Council activities. Regional council rates are a small component of total rates paid by property; Council does not believe Council rates levels impose any hardship.

## Summary of funding mechanisms used in Activities

Mechanisms selected to fund a particular activity are based on a regular assessment of the efficiency of imposing multiple small charges compared to funding from a larger funding source such as general funds. However, there is a preference for individuals benefitting and causing costs to pay for the costs they impose. This means that individuals can become more aware of the impact their resource use choices have on the sustainability of our activities.

User charges are used for services where there is a benefit to an individual. If it is possible to efficiently impose a charge, Council does so, on the basis of either recovering the full cost of the service, the marginal cost added by users, or a rate that the market will pay. The market rate becomes an issue to limit the potential for charging. It applies in circumstances where Council believes that a charge set too high will reduce use and therefore, diminish the value of the facility to the community, and impose a greater cost on ratepayers. In selecting market rate Council has made a judgment that the community values the existence of the facility and would rather fund it from rates than for it to close.

% OF TOTAL FUNDING	
Unlikely	0%
Minimal	0% - 20%
Low	20% - 40%
Moderate	40% - 60%
High	60% - 80%
Most	80% - 100%
All	100%

ACTIVITY	USER FEES	SUBSIDY/ PETROL TAX	INVESTMENT INCOME DIVIDENDS AND INTEREST	GENERAL RATE	TARGETED RATE
Water Supply	Low	Unlikely	Unlikely	Unlikely	High
Stormwater	Minimal	Unlikely	Unlikely	Low	High
Sewerage	Minimal	Unlikely	Unlikely	Unlikely	Most
Roading	Minimal	Moderate	Unlikely	Moderate	Unlikely
Solid Waste Management <sup>1</sup>	Moderate	Unlikely	Unlikely	Minimal	Low
<b>Leisure, Recreation &amp; Wellbeing Services</b>					
Parks and Reserves <sup>4</sup>	Low	Minimal	Unlikely	High	Unlikely
Library <sup>4</sup>	Minimal	Minimal	Unlikely	Most	Unlikely
Aquatic Services <sup>3</sup>	Moderate	Minimal	Unlikely	Low	Unlikely
Arts, Culture & Heritage <sup>4</sup>	Low	Minimal	Unlikely	High	Unlikely
Venue Services <sup>3</sup>	High	Unlikely	Unlikely	Low	Unlikely
Public Transport <sup>3</sup>	Minimal	Moderate	Unlikely	Minimal	Minimal
Elderly Persons Housing <sup>2</sup>	Most	Unlikely	Unlikely	Minimal	Unlikely
<b>Corporate &amp; Regulatory Services</b>					
Democratic Process	Minimal	Minimal	Unlikely	Most	Minimal
Regulatory Services	Most	Unlikely	Unlikely	Minimal	Unlikely
Corporate Services	Minimal	Minimal	Minimal	Most	Unlikely
Property	Minimal	Unlikely	Unlikely	Most	Unlikely
Investments <sup>3</sup>	Minimal	Unlikely	Most	Unlikely	Unlikely



## Notes from the above table

- 1 Solid Waste Management is predominantly funded from a uniform targeted rate per bin, but a portion of the activity for waste minimisation and part of the contract rate is attributed to city wide public benefit.
- 2 For Elderly Persons Housing, operational costs are fully funded by user fees. However, renewals and replacements are not covered by user fees. These costs are met in part by subsidy, and the remainder from rates. Note that rates funding is being consulted on as an option for funding capital expenditure.
- 3 When funding this activity, Council attempts to set its charges at a level that is affordable for the users and competitive with similar services either within the city or outside the city. Where market rates are not sufficient to meet the full costs of the service, the balance is funded from rates. External funding is relevant for some large projects.
- 4 The cost of having this service available is met from user fees and charges. For these services Council believes that charges can be a major barrier to access for some members of the community. Revenue in these services reflects revenue from programmes, hire of the facility, and added value services.

**Subsidy** means that a portion of the activity is funded from a government subsidy. In some instances the subsidy makes a relatively minor contribution, but in others, such as roading, the subsidy is a substantial contributor to the cost of the activity. Those subsidies are identified within the individual plan of the activity.

**Petrol Tax** is a local government share of the petrol tax levied by central government. It is used to contribute to the costs of road maintenance.

Licence and enforcement fees can be charged for some services. Licence fees may be set by Council or by regulation, and may not always cover the full costs of the service. Enforcement fees are charged to achieve compliance and do not necessarily meet the full costs of the enforcement activity.

**Reference Number:** A3275564

**Revision History:** February 2024

**Reference Number:** A5077802

**Effective Date:** 1 July 2024

**Review Period:**

This Policy will be reviewed every six years, unless earlier review is required due to legislative changes, or is warranted by another reason requested by Council.

**Supersedes:**

Revenue and Finance Policy 2021

**Next Review Date:** 1 July 2030

**Associated Documents/References:**

Nil

**Policy Owner:**

GM Finance and Assurance

# Rating of Māori Freehold Land Policy

Effective from 9 July 2021



## Te Ture Whakatauranga a ngā Whirihoura Māori

### Purpose

This policy allows for rates postponement and remissions on Māori freehold land.

This policy helps to reduce the barriers for owners of Māori freehold land who want to use, occupy, build houses on, and develop their whenua, particularly for those who have rates arrears. It also provides greater consistency, equity and clarity around the rating of Māori land for the benefit of Māori landowners and local authorities.

### Statutory Requirements

- Section 102(2)(e) of the Local Government Act 2002 states that Council must adopt a policy on the remission and postponement of rates on Māori freehold land.
- Section 108 and Schedule 11 of the Local Government Act 2002 states what the policy must contain.
- Section 114 of the Local Government (Rating) Act 2002 allows Council to remit all or part of the rates on a rating unit if it has adopted a remission policy and is satisfied that the conditions and criteria in the policy are met.
- Section 114A of the Local Government (Rating) Act 2002 allows Council to remit all or part of the rates on a unit if the ratepayer has applied in writing for a remission on the land and the ratepayer or another person is developing, or intends to develop the land.
- Section 115 of the Local Government (Rating) Act 2002 requires Council to postpone all or part of the rates on a rating unit if it has adopted a postponement policy and is satisfied that the conditions and criteria in the policy are met.

- Section 108(4A) of the Local Government Act 2002 states that this policy must be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82 of the Local Government Act 2002.

### Principles

To recognise the special characteristics of Māori freehold land.

Māori freehold land is recognised under the Te Ture Whenua Māori Act 1993 as a taonga tuku iho of special significance to Māori passed from generation to generation. An interest in Māori land is also considered a tangible whakapapa (genealogical) link for owners to their past and present whānau, hapū and Iwi, whether they live on or close to the land or not.

### Key Definitions

**Remitted rates:** Rates for which the requirement to pay is remitted.

**Māori freehold land:** Land whose beneficial ownership has been determined by the Māori Land Court by freehold order.

**Māori freehold land in multiple ownership:** Māori freehold land owned by more than two persons (Section 5 of Local Government (Rating) Act 2002).

**Rates Postponement:** Rates for which the requirement to pay is postponed.

### Wholly Unused Land

Māori freehold land that is wholly unused will not be charged rates.

Any wholly unused Māori freehold land that has historic rates arrears will be automatically removed and no further rates will be charged.

### Ability to write-off arrears

Council will write-off outstanding rates on any land that it considers unrecoverable, including rates debt inherited from deceased owners.

### Rates remission for Māori freehold land under development

Council can remit rates on Māori freehold land in order to encourage development.

### Ngā Whenua Rāhui kawenata land to be made non-rateable

All land protected by Ngā Whenua Rāhui is non-rateable and outstanding rate arrears are written off.

### Monitoring and Auditing

The Risk and Assurance Committee will monitor the application of this Policy via reports from Executive staff.

# Rating of Māori Freehold Land Policy

Effective from 1 July 2021

**Reference number:** A3544519

**Revision history:** July 2015

**Effective date:** 9 June 2021

**Review period:** This policy will be reviewed within six (6) years unless required to be reviewed at an earlier period

**Supersedes:** Policy Rating Of Māori Freehold Land 2015

**Next Review Date:** July 2027

**Associated Documents/References:** Rates Postponement and Remission Policy (A2987167)

**Policy owner:** Manager – Strategy, Policy and Engagement

**Relevant roles:** N/A

# Development Contributions Policy

Effective from 9 June 2021

It is Council's policy not to charge Development Contributions (Local Government Act) or Financial Contributions (Resource Management Act). Council may, on an individual basis, contract with developers to recover some additional costs.

**Reference number:** A5098414

**Effective date:** 9 June 2021

**Review period:** This Policy will be reviewed every six (6) years, unless earlier review is required due to legislative changes, or is warranted by another reason requested by Council.

**Supersedes:** Development and Financial Contributions Policy 2015

**Next Review Date:** June 2027

**Associated Documents/References:** GM - Finance and Assurance, Invercargill City Council



# Significance and Engagement Policy

Ngā ture  
whaihua  
whaipaparangi





# Significance and Engagement policy

## Ngā ture whaihua whaipaparanga

The main purposes of Significance and Engagement are;

To identify Council's approach to determining the significance of proposals and decisions in relation to issues, assets, activities or other matters.

To let the community know when and how they can expect to be engaged in Council's decision-making processes.

To act as a guide to Council and Council staff as to what extent, form and type of engagement is required from the beginning of a decision-making process.



# Engagement with Māori

## Te tuhorotanga ki te hunga Māori

The role of Māori, and Ngāi Tahu Kāi Tahu, as Takata Whenua, as represented by Waihōpai Rūnaka and Te Rūnanga o Awarua, as a partner of Council is recognised.

The LGA recognises and respects the Crown's obligations under the Treaty of Waitangi by placing some specific obligations on councils. These obligations are intended to facilitate participation by Māori in local authorities' decision-making processes (sections 4, 81 and 82(2), LGA). The Act includes requirements for councils to:

- ensure they provide opportunities for Māori to contribute to decision-making processes;
- establish and maintain processes for Māori to contribute to decision-making;
- consider ways in which they can foster the development of Māori capacity to contribute to decision-making processes;
- provide relevant information to Māori;
- take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taoka.



Council will establish and maintain engagement processes that identify and provide opportunities for Māori to contribute to decision-making. In addition to the engagement principles and practices set out in this policy, Council will:

- Strengthen and improve ongoing relationships and partnerships with Iwi in the Waihōpai takiwā, including, but not limited to, engagement with Waihōpai Rūnaka and Te Rūnanga o Awarua
- Strengthen and improve ongoing relationships with Mataa Waka
- Ongoing support for Te Ao Marama Inc
- Consider the impact on Māori of specific decisions, proposals or matters, in particular recognising the special connection of Takata Whenua and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taoka
- Recognise legal obligations for engagement with Māori under various legislation including, but not limited to, the Local Government Act 2002 and Resource Management Act 1991
- Recognise agreements such as the Charter of Understanding and other agreements (Mana Whakahono ā Rohe or Joint Management Agreements) developed with Māori as they relate to decision-making processes
- Support appropriate use of tikaka (cultural protocols) and te reo Māori (Māori language) in our daily business and engagement tools and practices
- Provide for Mana Whenua positions on Council's standing committees and hearings panels as appropriate to ensure direct Māori involvement in decision-making
- Support the implementation, use and understanding of Te Tangi a Tauira – The Cry of the People Ngāi Tahu ki Murihiku Resource and Environmental Management Plan 2008 or any subsequent Iwi Management Plans
- Support the use and understanding of Te Mana o te Wai, recognising the primary responsibility of Environment Southland in this area





# Development of Māori capacity to contribute to the decision-making processes of the local authority.

Council is committed to development of Māori Capacity to contribute to the decision making process of the local authority. These opportunities include:

- Provision of information to Māori to underpin processes that assist effective contribution to the decision-making processes of Council
- Building capacity to enable contribution of Māori to the decision-making processes of Council. Related to this process is the need for Council to gain a clear understanding of expectations through hui and ongoing relationships with Māori to agree and commit to practicable steps to building capacity
- Supporting projects initiated by Māori that involve direct management of the district's natural resources
- Ongoing consideration on a case by case basis for the provision of support to assist Māori with resourcing, opportunities for training, engagement and promotion of matters that are of mutual benefit
- Effective and efficient consultation to improve existing relationships, processes and protocols related to local government and resource management issues



# Approach to determining significance

The decision on a matter's significance rests with Council.

When undertaking a process to determine the extent to which issues, proposals, decisions or other matters are significant, staff will prepare a report against the thresholds and criteria listed below for consideration by and presentation to Council.

Council will evaluate the significance of each proposal or decision it makes on a case-by-case basis. Decisions of low significance, including some decisions made under delegated authority, may not explicitly state the degree of significance.

Significance and engagement will be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as the proposal develops. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.



Council will determine significance in two ways outlined in A and B:

## A. Assessment

Thresholds and criteria for determining Significance:

**HIGH/LARGE  
IMPACT**



**DEGREE OF  
SIGNIFICANCE**



**LOW/LITTLE  
IMPACT**

- Importance to the Council – the extent to which the matters impact on the social, cultural, economic or environmental wellbeing of the district
- Community Interest – the extent to which individuals, organisations, groups and sectors in the community are affected by Council’s decisions
- Inconsistency with existing policy and strategy – the extent of inconsistency and the likely impact
- The impact on Council’s capability and capacity – the impact on the objectives set out in the Financial Strategy, Ten Year Plan and Annual Plan
- Cost to Council and impact on funders, including ratepayers

Council officers will need to consider each of the five criteria and make a recommendation about the decision’s significance to the elected members

The final decision about the significance of any matter rests with elected members

When making this determination other factors may also need to be considered; e.g. urgency, uncertainty, reversibility, safety, commercial sensitivity and public good.

## B. Strategic Assets

Any decision relating to the sale or transfer or sale of shareholding of any significant strategic assets is assessed as a matter of high impact and will trigger the Special Consultation Process. To clarify:

- Any decision that transfers or changes ownership or control of strategic assets to or from Council
- The sale or transfer of shareholding of any of the Significant Strategic Assets (outlined in Schedule 1)
- Any long term lease of strategic assets (other than land)



# Approach to engagement

This section lays out Council's approach to engagement.

It includes the following areas:

- Council's principles of engagement
- Process to determine the type of engagement most appropriate
- Guidance for undertaking engagement

## Principles of Engagement

This is what you can expect from us:

- We will take a partnership approach to develop open and transparent relationships with Mana Whenua
- We will go where the people are, at events in different locations and online
- We will be genuine in our consultation and engagement, using active listening and different approaches to engagement
- We will have an open mind to community feedback before making decisions and will explain clearly how we will use the feedback we get to help us make decisions
- We will give our community a timely opportunity to have a say
- We will give consideration to the views and preferences of persons likely to be affected by, or to have an interest in the matter
- We will provide feedback to those who made the effort to give us their opinions and we will explain our decisions

We want to engage and consult with the community appropriately, which includes doing what we can to make it easy to approach Council, as well as avoiding consultation fatigue through over-consulting.

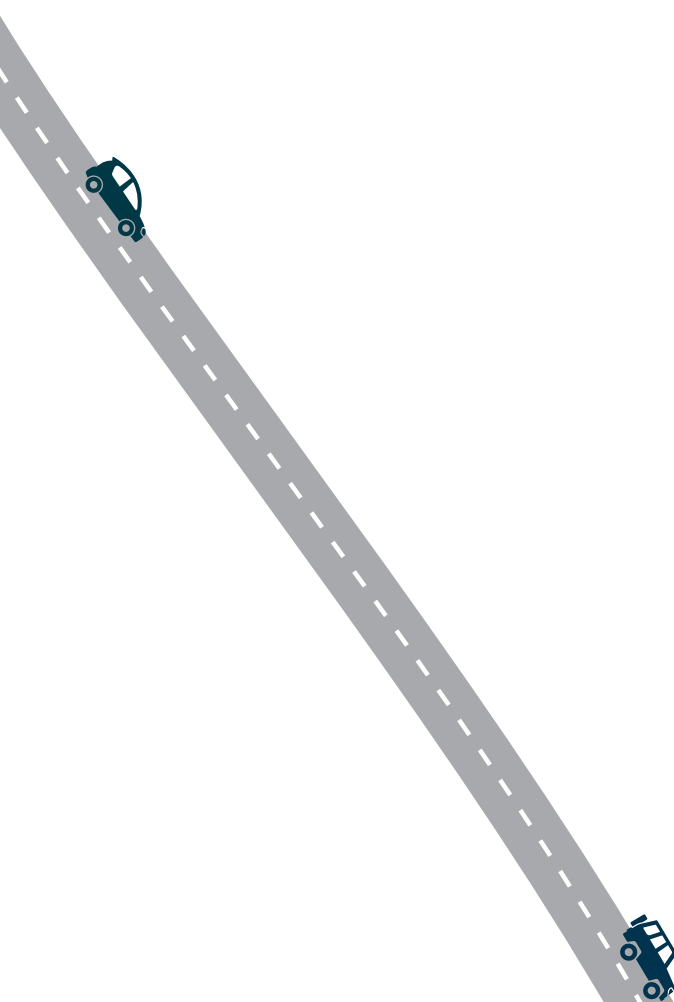


# Engagement assessment criteria

Community engagement occurs across a spectrum at differing levels, Council has adapted the IAP2 Spectrum of Engagement for our use. Council will determine what level of engagement is appropriate for each decision or matter on a case by case basis using the approach to engagement above.

The five levels Council will consider are:

LEVEL	GOAL	COUNCIL'S PROMISE
<b>Inform</b>	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities or solutions	At this level, Council's promise is that we will keep the community informed
<b>Consult</b>	To obtain public feedback on analysis, alternatives or decisions	At this level, Council's promise is that we will keep the community informed, listen to and acknowledge concerns and provide feedback on how public input influenced the decision
<b>Involve</b>	To work directly with the public throughout the process to ensure the public concerns and aspirations are consistently understood and considered	At this level, Council's promise is that we will work with the community to ensure that their concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision
<b>Collaborate</b>	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution	At this level, Council's promise is that we will look to the community for direct advice and innovation in formulating solutions and incorporate the community's advice and recommendation in to the decisions to the maximum extent possible
<b>Empower</b>	To place final decision-making in the hands of the public	At this level, Council's promise is that we will implement what the community decides



# Process for determining the appropriate engagement approach

The Strategy and Policy team will support managers to determine an appropriate level of engagement and implement the engagement process.

To ensure that our approach to engagement is targeted at the right level Council will consider:

- The nature and significance of the decision or matter, including its likely impact from the perspective of the persons who will or may be affected by, or have an interest in, the decision or matter;
- That Māori are a partner in any engagement and we will work with Iwi to determine the level of engagement required on each issue or matter determined to be significant;
- The extent to which the current views and preferences of persons who will or may be affected by, or have an interest in, the decision or matter are known to the local authority;

- If any circumstances exist in which there is good reason for withholding local authority information (in accordance with the Local Government Official Information and Meetings Act 1987); and
- The costs and benefits of any consultation process or procedure.

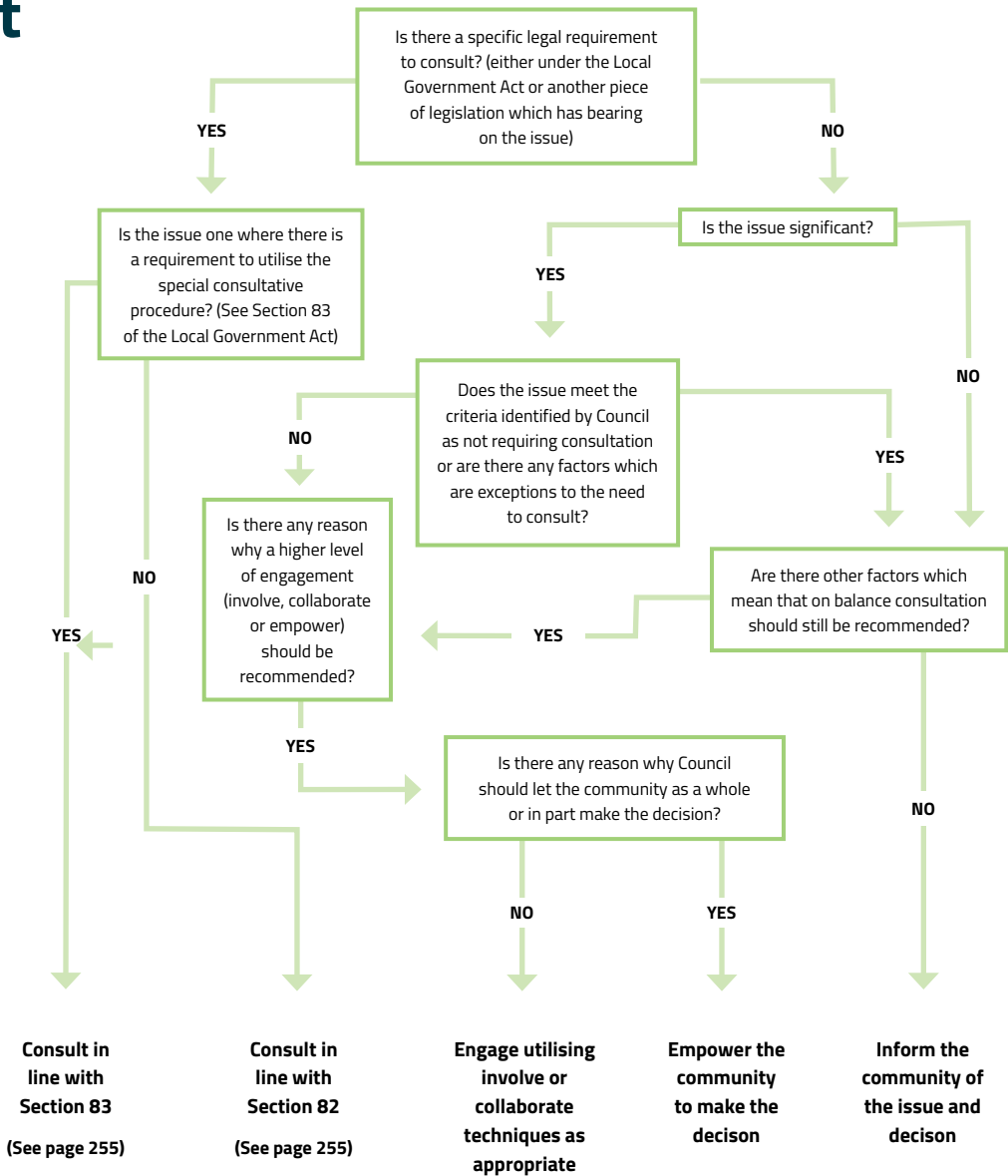
It will not always be appropriate or practicable to conduct processes at the participatory/empower end of the consultation continuum. Many minor issues will not warrant a participatory approach and constraints of time and money will also limit what is possible on some occasions.



# What form of engagement should be undertaken?

Council will assess each situation and determine the appropriate engagement tools. The range of tools that Council will consider using at each level of the spectrum is included in Schedule 2 on page 255.

The diagram to the right shows the decision-making process which will be followed to determine the appropriate level of engagement.



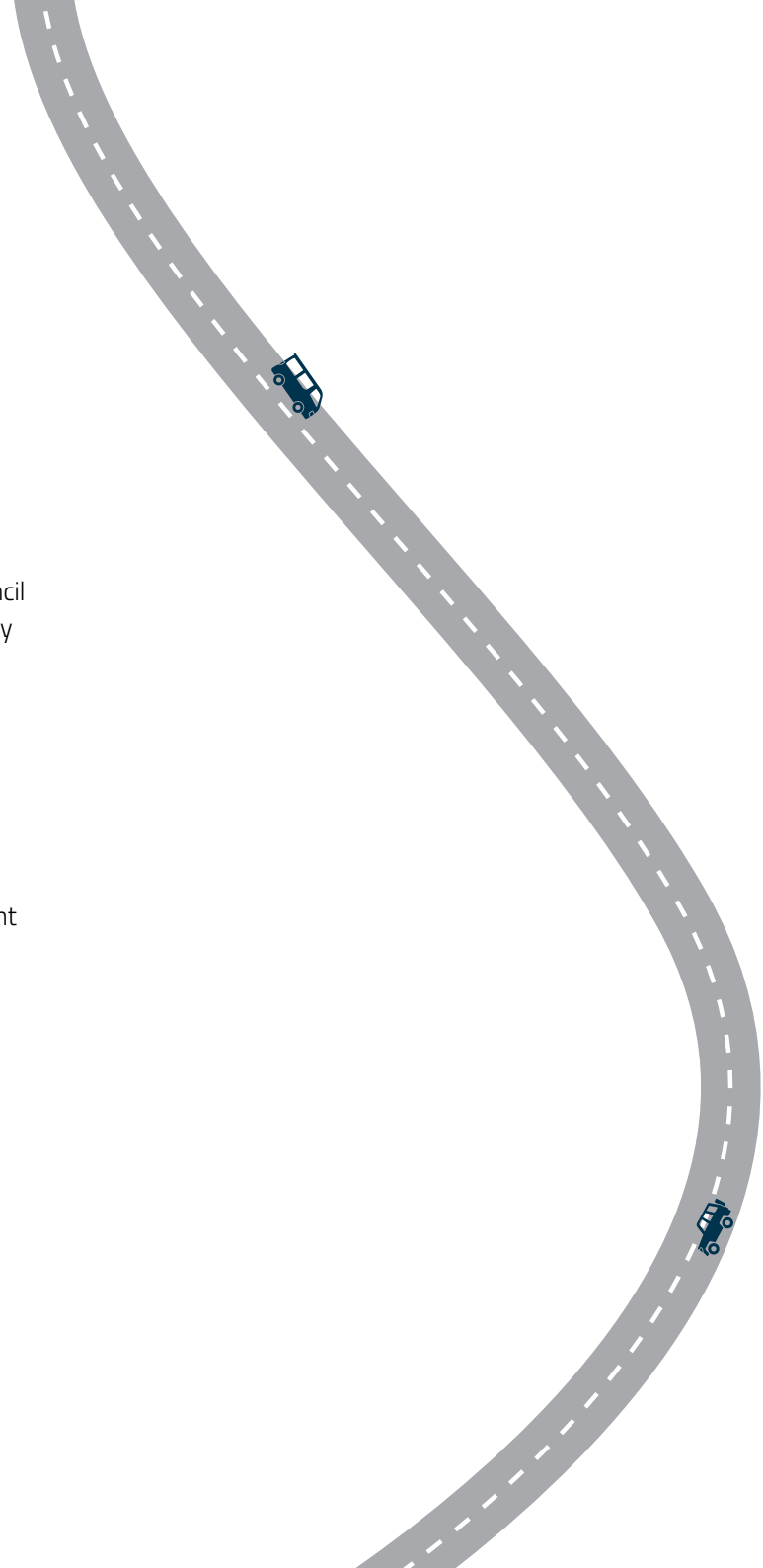
# What you can expect from engagement

Each engagement will be planned at the level most appropriate. Schedule 2 outlines the different types of engagement which Council may use in different circumstances.

Below are some general principles which the Council will follow.

You can expect that if we ask your views, we will always let you know:

- What is proposed?
  - Why?
  - Where relevant, what options we have?
  - Our preferred option and why?
  - Costs and rating impact if any.
  - What are the impacts (if any)?
  - How the community can have a say?
  - The timeframe and process.
  - How we will communicate the outcome.
  - Council will provide information in a range of formats and provide a range of options for sharing your views
- Hearings will be held in Council Chambers and the Council can also allow any person to present his or her views by way of audio link or audio-visual link.
  - If we're asked to do so, the Council will facilitate interpretation (including Te Reo and sign language).
  - We will make available decisions online.
  - For those who wish to receive feedback on the process there is the option to sign up to the Council engagement e-newsletter.





# What is the Special Consultative Procedure Requirement?

This is a formal consultation process that is triggered when a decision is deemed significant (as described above). Under the SCP, we must:

- Develop a Statement of Proposal and Summary, and make it widely available.
- Allow a minimum feedback period of one month.
- Ensure people are given the opportunity to present their views to elected members at a hearing.

The law requires us to adopt the Special Consultative Procedure for:

- Making, amending or revoking a bylaw
- Transferring Council's ownership of a significant strategic asset (see the list above and also Schedule 1).
- Adopting the Treasury Management Policy
- Other acts if expressly required by laws
- Adopting and amending our Long-term Plan

In certain circumstances, Council is legislatively required to consult using the Special Consultative Procedure prescribed in Section 83 of the Local Government Act. One example of circumstances where the Special Consultative Procedure must be used is when making decisions on transferring the ownership or control of strategic assets, as listed in Schedule 1.

When using the Special Consultative Procedure, Council prepares a proposal and advertises it for public submission. Submissions on the proposal can be received from anybody and the time period for receiving submissions is at least a month. People who have submitted can also request to speak to Council regarding their submission and this is done through a Hearing Process. After considering all submissions Council then makes a decision to adopt, amend or reject the proposal.

# When Council may not seek additional information on community views



There are times when it is not necessary, appropriate or possible to seek additional information on community views. If this is the case, Council will make this determination in accordance with the criteria below.

The Council will not identify community views when:

- The matter is not of a nature or significance that requires consultation (LGA 2002, s82(4)(c))
  - The Council already has a sound understanding of the views and preferences of the persons likely to be affected by or interested in the matter (s82(4)(b) LGA 2002);
  - There is a need for confidentiality or commercial sensitivity (s82(4)(d) LGA 2002);
  - The costs of consultation outweigh the benefits of it (s82(4)(e) LGA 2002);
  - Entry or exit from a development agreement (private contract) as per section 207A Local Government Act 2002.
  - Emergency management activities during a state of emergency – Civil Defence Emergency Management Act 2002.
- Decisions to act where it is necessary to
    - comply with the law
    - save or protect life, health or amenity
    - prevent serious damage to property
    - avoid, remedy or mitigate an adverse effect on the environment
    - Protect the integrity of existing and future infrastructure and amenity.
  - Decisions in relation to regulatory and enforcement activities.
  - Engagement will not be beneficial as it will not influence the decision (for example if there is only one or very limited viable options available, there may be no benefit in engaging with the community);
  - An immediate or quick response or decision is needed or it is not reasonably practicable to engage;
- Works are required unexpectedly or following further investigations on projects, already approved by Council;
  - Business as usual – the works required are related to the operation and maintenance of a Council asset and responsible management requires the works to take place;
  - When Council has consulted on the unchanged issue in the last three years.
  - Where we are not required to consult by law, we can consider making a decision without consultation on a case-by-case basis.

# Exception to procedure for determining significance and undertaking engagement

The Local Government Act provides for Council to consider the practicality of undertaking extensive consultation, considering the range of options, and obtaining the views and preferences of other people. In some circumstances, failure to make an urgent decision would result in an inability to achieve the intended outcomes and a loss of opportunity.

Where an urgent decision must be made, Council will tailor its decision-making process to include as much consultation and evaluation as is practicable within the specified timeframe. If, due to time limitations, a potentially significant decision is made without extensive consultation, Council will communicate the details of the decision to the public at a level appropriate to the nature of the matter.

Where a decision is made or is to be made that is significantly inconsistent with this policy, Council when making the decision will identify the inconsistency and the reason for the inconsistency.



# Schedule 1

## Strategic Assets

- Electricity Invercargill Limited
- Invercargill Airport Limited (97.47% Council ownership)
- Invercargill City Holdings Limited
- Invercargill Public Library and Archive – Buildings and Collections
- Invercargill Waste Transfer Station
- Roding Network and Connected Infrastructure
- Sewerage Networks and Treatment Plants
- Stormwater Networks in Invercargill and Bluff
- Stormwater system in Otatara
- Water Treatment, Storage and Supply Network

Under Section 97 of the Local Government Act, any decision to transfer the ownership or control of a strategic asset to or from Council can only be made if the decision has been explicitly provided for by a statement of proposal in Council's Long Term Plan. The strategic assets defined above are the asset in total and not any individual element of the asset. Section 97 will only apply to any decision being made on the strategic asset as a whole or a major sub part of the asset. The strategic asset is the asset that is listed as a strategic asset in the above list. For example, Council's strategic asset for Electricity Invercargill Limited (EIL) is the shareholding in the parent company (EIL) and not its shareholdings in its associates or joint ventures (for example PowerNet, Otago Power Services Limited).



# Schedule 2

## Types of Engagement

**Please note:** This is not a definitive list. Techniques not listed here may be used in addition to those listed below:

### Inform

- Social media (Facebook and Instagram) posts/stories
- Paid ads via social media
- Newspapers / public notice / noticeboard
- Websites / internet
- Radio
- Flyers / posters / invitations/ brochures
- Public information sessions
- Press statements
- Displays / installations
- Community Road Shows
- Coffee & chat / Q & A sessions
- Information sent with Rates Notices
- Email

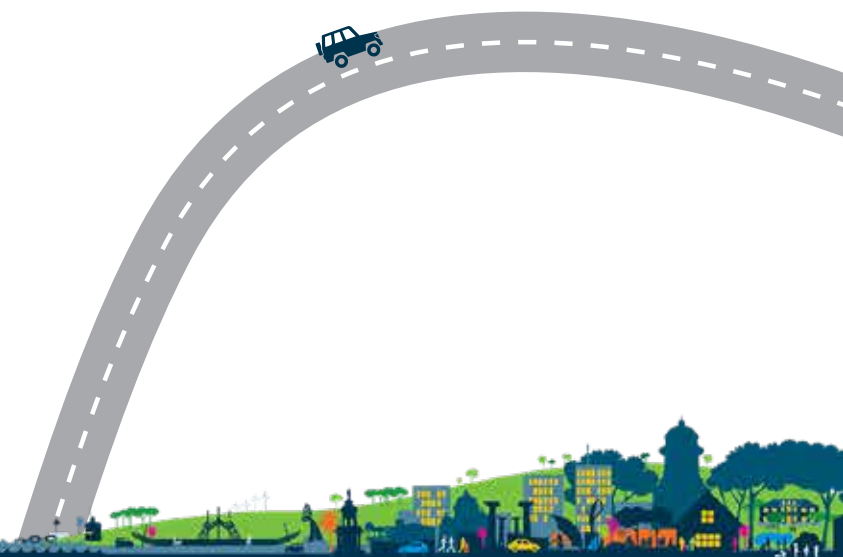
### Consult / Involve

- Written and oral submissions
- Surveys
- Social media/ online discussion tools
- Referenda
- Formal public meetings
- Focus groups / working panels / local action groups / task groups
- Multi Stakeholder Processes such as:
  - Open house events
  - Meetings with existing groups
- Citizens Juries / Panels / Charette (Group of 12-25 people representative of a community, brought together for three to five days to consider an issue)
- Advisory groups

### Collaborate

- Partnerships for major project delivery
- Membership on governing boards
- Co-creation/design of projects
- Working groups

At present the Council does not utilise techniques in the empower space, although this may change in the future. Techniques listed as appropriate in one level may be used in any of the other levels where this will best achieve the purpose of the engagement.



# Schedule 3

## International Association of Public Participation (IAP2)

The International Association of Public Participation (IAP2) is an association that works with different groups whom undertake public consultation and engagement. They are involved in the public participation process by supporting clients, colleagues and citizen's decision-making process.

The Invercargill City Council has determined to base its engagement on the core values established by IAP2 as outlined below:

- Public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process.
- Public participation includes the promise that the public's contribution will influence the decision.
- Public participation promotes sustainable decisions by recognising and communicating the needs and interests of all participants, including decision makers.
- Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision.

- Public participation seeks input from participants in designing how they participate.
- Public participation provides participants with the information they need to participate in a meaningful way.
- Public participation communicates to participants how their input affected the decision.

Council has adapted the IAP2 Spectrum of Engagement for its use (included in the main Policy). IAP2's Public Participation Spectrum is designed to assist with the selection of the level of participation that defines the public's role in any community engagement process. The spectrum shows that differing levels of participation are legitimate depending on the goals, time frames, resource and levels of concern in the decision to be made.

You can find out more about IAP2 by visiting their website - [www.iap2.org](http://www.iap2.org). PNDIX 1



# Schedule 4

## Local Government Act 2002

Relevant sections from the Local Government Act 2002 which relate to this policy being:

- **76AA Significance and Engagement Policy**
- **81 Contributions to decision-making processes by Māori**
- **82 Principles of Consultation**
- **83 Special Consultative Procedure**
- **86 Use of special consultative procedure in relation to making, amending, or revoking bylaws**
- **156 Consultation requirements when making, amending, or revoking bylaws made under this Act**

### **76AA Significance and engagement policy**

- (1) Every local authority must adopt a policy setting out—
- (a) that local authority's general approach to determining the significance of proposals and decisions in relation to issues, assets, and other matters; and
- (b) any criteria or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, assets, decisions, or activities are significant or may have significant consequences; and
- (c) how the local authority will respond to community

preferences about engagement on decisions relating to specific issues, assets, or other matters, including the form of consultation that may be desirable; and

- (d) how the local authority will engage with communities on other matters.
- (2) The purpose of the policy is—
- (a) to enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities; and
- (b) to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets, or other matters; and
- (c) to inform the local authority from the beginning of a decision-making process about—
- (i) the extent of any public engagement that is expected before a particular decision is made; and
- (ii) the form or type of engagement required.
- (3) The policy adopted under subsection (1) must list the assets considered by the local authority to be strategic assets.
- (4) A policy adopted under subsection (1) may be amended from time to time.
- (5) When adopting or amending a policy under this section, the local authority must consult in accordance with section 82 unless it considers on reasonable grounds that it has sufficient information about community interests and preferences to enable the purpose of the

policy to be achieved.

- (6) To avoid doubt, section 80 applies when a local authority deviates from this policy.

### **81 Contributions to decision-making processes by Māori**

- (1) A local authority must—
- (a) establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and
- (b) consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and
- (c) provide relevant information to Māori for the purposes of paragraphs (a) and (b).
- (2) A local authority, in exercising its responsibility to make judgments about the manner in which subsection (1) is to be complied with, must have regard to—
- (a) the role of the local authority, as set out in section 11; and
- (b) such other matters as the local authority considers on reasonable grounds to be relevant to those judgments.

### **82 Principles of consultation**

- (1) Consultation that a local authority undertakes in relation to any decision or other matter must be undertaken, subject to subsections (3) to (5), in accordance with the following principles:

- (a) that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons:
- (b) that persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged by the local authority to present their views to the local authority:
- (c) that persons who are invited or encouraged to present their views to the local authority should be given clear information by the local authority concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented:
- (d) that persons who wish to have their views on the decision or matter considered by the local authority should be provided by the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons:
- (e) that the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration:
- (f) that persons who present views to the local authority should have access to a clear record or description of relevant decisions made by the local authority and explanatory material relating to the decisions, which may include, for example, reports relating to the matter that were considered before the decisions were made.

- (2) A local authority must ensure that it has in place processes for consulting with Māori in accordance with subsection (1).
- (3) The principles set out in subsection (1) are, subject to subsections (4) and (5), to be observed by a local authority in such manner as the local authority considers, in its discretion, to be appropriate in any particular instance.
- (4) A local authority must, in exercising its discretion under subsection (3), have regard to—
  - (a) The requirements of section 78; and
  - (b) the extent to which the current views and preferences of persons who will or may be affected by, or have an interest in, the decision or matter are known to the local authority; and
  - (c) the nature and significance of the decision or matter, including its likely impact from the perspective of the persons who will or may be affected by, or have an interest in, the decision or matter; and
  - (d) the provisions of Part 1 of the Local Government Official Information and Meetings Act 1987 (which Part, among other things, sets out the circumstances in which there is good reason for withholding local authority information); and
  - (e) the costs and benefits of any consultation process or procedure.
- (5) Where a local authority is authorised or required by this Act or any other enactment to undertake consultation in relation to any decision or matter and the procedure in respect of that consultation is prescribed by this Act or any other enactment, such of the provisions of the principles set out in subsection

(1) as are inconsistent with specific requirements of the procedure so prescribed are not to be observed by the local authority in respect of that consultation.

### **83 Special consultative procedure**

- (1) Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must—
  - (a) prepare and adopt—
    - (i) a statement of proposal; and
    - (ii) if the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with section 83AA); and
  - (b) ensure that the following is publicly available:
    - (i) the statement of proposal; and
    - (ii) a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with section 82(1)(d); and
    - (iii) a statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and
  - (c) make the summary of the information contained in the statement of proposal prepared in accordance with paragraph (a)(ii) (or the statement of proposal, if a summary is not prepared) as widely available as is reasonably practicable as a basis for consultation; and



- (d) provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7; and
- (e) ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d)—
  - (i) is given a reasonable opportunity to do so; and
  - (ii) is informed about how and when he or she may take up that opportunity.
- (2) For the purpose of, but without limiting, subsection (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audiovisual link.
- (3) This section does not prevent a local authority from requesting or considering, before making a decision, comment or advice from an officer of the local authority or any other person in respect of the proposal or any views on the proposal, or both.

**86 Use of special consultative procedure in relation to making, amending, or revoking bylaws**

- (1) This section applies if, in accordance with section 156(1)(a), the special consultative procedure is required to be used in relation to the making, amending, or revoking of a bylaw.

- (2) The statement of proposal referred to in section 83(1)(a) must include,—
  - (a) as the case may be,—
    - (i) a draft of the bylaw as proposed to be made or amended; or
    - (ii) a statement that the bylaw is to be revoked; and
  - (b) the reasons for the proposal; and
  - (c) a report on any relevant determinations by the local authority under section 155.

**156 Consultation requirements when making, amending, or revoking bylaws made under this Act**

- (1) When making a bylaw under this Act or amending or revoking a bylaw made under this Act, a local authority must—
  - (a) use the special consultative procedure (as modified by section 86) if—
    - (i) the bylaw concerns a matter identified in the local authority’s policy under section 76AA as being of significant interest to the public; or
    - (ii) the local authority considers that there is, or is likely to be, a significant impact on the public due to the proposed bylaw or changes to, or revocation of, the bylaw; and
  - (b) in any case in which paragraph (a) does not apply, consult in a manner that gives effect to the requirements of section 82.

- (2) Despite subsection (1), a local authority may, by resolution publicly notified,—
  - (a) make minor changes to, or correct errors in, a bylaw, but only if the changes or corrections do not affect—
    - (i) an existing right, interest, title, immunity, or duty of any person to whom the bylaw applies; or
    - (ii) an existing status or capacity of any person to whom the bylaw applies;
  - (b) convert an imperial weight or measure specified in a bylaw into its metric equivalent or near metric equivalent.



