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## NOTICE OF MEETING

**Notice is hereby given of the Meeting of the  
Invercargill City Council  
to be held in the Council Chamber,  
First Floor, Civic Theatre,  
88 Tay Street, Invercargill on  
Tuesday 17 December 2024 at 3.00 pm**

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

MICHAEL DAY  
CHIEF EXECUTIVE

# A G E N D A

**1. Apologies**

**2. Declarations of Interest**

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

**3. Public Forum**

**4. [Minutes of the Great South Joint Shareholders Committee Meeting Held on 14 November 2024](#)**

A5657075

To be moved:

That the minutes of the Great South Joint Shareholders Committee meeting held on 14 November 2024 be received.

**5. [Minutes of the Connected Murihiku Joint Committee Meeting Held on 18 November 2024](#)**

A5638531

To be moved:

That the minutes of the Connected Murihiku Joint Committee meeting held on 18 November 2024 be received and the recommendation to Council be confirmed.

**Recommendation to Council:**

**4. Connected Murihiku Project Administration**

A5594806

5. That the advice of the Joint Committee is that its work is complete as a formal interim governance group for Connected Murihiku and that the members intend to continue for a term no longer than the end of June 2025 as an informal group in order to support the project in its bridging phase as the new Charitable Trust is set up. This is noting the continued employment and contract funding management role of Invercargill City Council will continue also until end of June 2025.

6. [Minutes of the Extraordinary Council Meeting Held on 22 November 2024](#)

A5650207

To be moved:

That the minutes of the Extraordinary Council meeting held on 22 November 2024 be confirmed.

7. [Minutes of the Bluff Community Board Meeting Held on 25 November 2024](#)

A5651486

To be moved:

That the minutes of the Bluff Community Board meeting held on 25 November 2024 be received.

8. [Minutes of Council Meeting Held on 26 November 2024](#)

A5653829

To be moved:

That the minutes of Council meeting held on 26 November 2024 be confirmed.

9. [Minutes of the Infrastructure and Projects Committee Meeting Held on 3 December 2024](#)

A5657041

To be moved:

That the minutes of the Infrastructure and Projects Committee meeting held on 3 December 2024 be received and the recommendation to Council be confirmed.

**Recommendation to Council:**

**8. Awarua Bay Land Sale - Delegations**

A5652648

5. That Council make the decision on the outcome of the deadline sale process for the land at 21 and 45 Awarua Bay, Invercargill.

10. [Minutes of the Community Wellbeing and Regulatory Committee Meeting Held on 10 December 2024](#)

A5671615

To be moved:

That the minutes of the Community Wellbeing and Regulatory Committee meeting held on 10 December 2024 be received and the recommendation to Council be confirmed.

**Recommendation to Council:**

- 16. Proposal to Revoke Reserve Status – Awarua Bay Road Reserves for the Purpose of Disposal**  
A5613122
2. To endorse proceeding with requesting approval from the Commissioner to remove the reserve status of Section 1 DP 591351 and Section 2 DP 591351 of Awarua Bay Road Reserves through the Reserves Act 1977 requirements.
- 11. [Council submissions – Resource Management \(Consenting and Other System Changes\) Amendment Bill and Local Government \(Water Services\) Bill](#)**  
A5680026
- 12. [Esk Street West Update](#)**  
A5668899
- 12.1 [Appendix 1 - Esk Street West Plans](#)**  
A5680674
- 13. [ICHL Resolution in Lieu to be Approved by Council](#)**  
A5658760
- 13.1 [Appendix 1 - Resolution in Lieu of an Annual General Meeting](#)**  
A5658771
- 13.2 [Appendix 2 - ICHL 2024 Annual Report](#)**  
A5678413
- 14. [Liability Management Policy and Investment Policy](#)**  
A5665576
- 14.1 [Appendix 1 - Liability Management Policy 2024](#)**  
A5062752
- 14.2 [Appendix 2 - Investment Policy 2024](#)**  
A5059534
- 15. [Te Kupeka Tiaki Taoka- Southern Regional Collections Trust](#)**  
A5667599
- 15.1 [Appendix 1 - Current Trust Deed as at 17 June 2024](#)**  
A5404082
- 16. [Elected and Appointed Members' Attendance Register – August 2024 – December 2024](#)**  
A5655761



**16.1 [Appendix 1 - Attendance Register of Elected and Appointed Members](#)**

A5495732

**17. [Chief Executive Management Report](#)**

A5668072

**18. Public Excluded Session**

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

- (a) Minutes of the Public Excluded Session of the Great South Joint Shareholders Committee Meeting held on 14 November 2024
- (b) Minutes of the Public Excluded Session of the Connected Murihiku Joint Committee Meeting held on 18 November 2024
- (c) Minutes of the Public Excluded Session of Council Meeting held on 26 November 2024
- (d) Minutes of the Public Excluded Session of the Infrastructure and Projects Committee Meeting held on 3 December 2024
- (e) Minutes of the Public Excluded Session of the Community Wellbeing and Regulatory Committee Meeting held on 10 December 2024
- (f) Disposal of Land – 21 and 45 Awarua Bay Road, Awarua
- (g) Invercargill City Holdings Limited Group – Director Appointments
- (h) Living Wage Accreditation

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

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
(a) Minutes of the Public Excluded Session of the Great South Joint Shareholders Committee Meeting held on 14 November 2024	<b>Section 7(2)(i)</b> Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
(b) Minutes of the Public Excluded Session of the Connected	<b>Section 7(2)(a)</b> Protect the privacy of natural persons, including that of	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of

<p>Murihiku Joint Committee Meeting held on 18 November 2024</p>	<p>deceased natural persons</p>	<p>information for which good reason for withholding would exist under Section 7</p>
<p>(c) Minutes of the Public Excluded Session of Council Meeting held on 26 November 2024</p>	<p><b>Section 7(2)(a)</b> Protect the privacy of natural persons, including that of deceased natural persons</p> <p><b>Section 7(2)(h)</b> Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p><b>Section 7(2)(i)</b> Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p><b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>
<p>(d) Minutes of the Public Excluded Session of the Infrastructure and Projects Committee Meeting held on 3 December 2024</p>	<p><b>Section 7(2)(i)</b> Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p><b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>
<p>(e) Minutes of the Public Excluded Session of the Community Wellbeing and Regulatory Committee Meeting held on 10 December 2024</p>	<p><b>Section 7(2)(a)</b> Protect the privacy of natural persons, including that of deceased natural persons</p> <p><b>Section 7(2)(i)</b> Enable any local authority holding the information to carry on,</p>	<p><b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>

without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

- (f) Disposal of Land – 21 and 45 Awarua Bay Road, Awarua

**Section 7(2)(i)**

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

**Section 48(1)(a)**

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

- (g) Invercargill City Holdings Limited Group – Director Appointments

**Section 7(2)(h)**

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

**Section 48(1)(a)**

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

**Section 7(2)(i)**

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

- (h) Living Wage Accreditation

**Section 7(2)(i)**

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

**Section 48(1)(a)**

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

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# Great South Joint Shareholders Committee

## OPEN MINUTES

UNCONFIRMED

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Minutes of a meeting of Great South Joint Shareholders Committee held in the Great South, 143 Spey Street, Invercargill on Thursday, 14 November 2024 at 9:00 am.

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### PRESENT

#### A class shareholders

Rob Scott, Mayor Southland District Council (Chair)  
Ben Bell, Mayor, Gore District Council (9.06am – 9.43am)  
Nobby Clark, Mayor, Invercargill City Council  
Nicol Horrell, Chair, Environment Southland

#### B class shareholders

Sheree Carey, Chief Executive Officer, Southland Chamber of Commerce

### MEMBER APOLOGIES

Chris Ramsay, Chief Executive, Invercargill Licensing Trust  
Jackie Flutey, Chief Executive Officer, Community Trust South

### IN ATTENDANCE

Chami Abeysinghe, Chief Executive, Great South  
Cameron McIntosh, Chief Executive, Southland District Council  
Vibhuti Chopra, General Manager Strategy and Partnerships, Southland District Council (via teams)  
Trudie Hurst, Group Manager Community Engagement & Corporate Services, Invercargill City Council  
Michael Day, Chief Executive, Invercargill City Council  
Marcus Roy, Environment Southland (via teams)  
Debbie Lascelles, Chief Executive, Gore District Council  
Suzanne Hutton, General Manager Finance, IT and Facilities, Great South  
Megan Seator, Policy Advisor, Southland Mayoral Forum  
Rachael Poole, Committee Advisor Southland District Council

**Great South Joint Shareholders Committee  
14 November 2024**

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**1 Apologies**

There were apologies received from Chris Ramsay and Jackie Flutey

Moved Chair Horrell, seconded Mayor Clark, that the Great South Joint Shareholders Committee accept those apologies.

**2 Leave of absence**

There were no requests for leave of absence.

**3 Conflict of Interest**

There were no conflicts of interest declared.

**4 Extraordinary/Urgent Items**

There were no Extraordinary/Urgent items.

**5 Confirmation of Council Minutes**

**Resolution**

Moved Mayor Clark, seconded Chair Horrell **and resolved:**

**That the Great South Joint Shareholders Committee confirms the minutes of the meeting held on 11 October 2024 as a true and correct record of that meeting.**

**Reports**

**7.1 Great South update**

**Record No: R/24/11/69107**

Chami Abeysinghe, Chief Executive, Great South updated the Great South Joint Shareholders Committee on recent activities of Great South and shared two videos with the meeting, the first was on regional collaboration and the second was a promotional video on primary industries in Southland.

**Resolution**

Moved Mayor Scott, seconded Mayor Bell **and resolved:**

**That the Great South Joint Shareholders Committee:**

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

**Great South Joint Shareholders Committee  
14 November 2024**

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**Public Excluded**

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

**Resolution**

Moved Mayor Scott, seconded Chair Horrell **and resolved**

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

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

**C8.1 Great South draft letter of expectation 2025/2026**

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Great South draft letter of expectation 2025/2026	s7(2)(i) - the withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

The public were excluded at 9.26am.

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

The meeting concluded at 9.43am.

CONFIRMED AS A TRUE AND CORRECT RECORD OF A MEETING OF THE GREAT SOUTH JOINT SHAREHOLDERS COMMITTEE HELD ON 14 NOVEMBER 2024.

**DATE:**

**CHAIRPERSON:**



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**MINUTES OF CONNECTED MURIHIKU JOINT COMMITTEE MEETING, HELD IN THE  
COMMUNITY TRUST SOUTH BOARDROOM, 62 DON STREET, INVERCARGILL ON  
MONDAY 18 NOVEMBER 2024 AT 1PM**

**Present:** Mrs Pania Coote  
Cr Steve Broad - ICC  
Cr Paul McPhail – GDC (teams)  
Mrs Jess Domigan – Community Representative  
Mrs Robyn Morris – Community Representative

**In Attendance:** Ms Rhiannon Suter – Manager Strategy, Policy and Engagement  
Ms Rebecca Amundsen – Project Lead  
Mrs Liz Williams – Team Leader – Governance and Executive Support

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**1. Apologies**

Mr S Hughes and Cr S Greaney.

Moved Cr Broad, seconded Mrs Domigan and **RESOLVED** that the apologies be accepted.

**2. Declaration of Interest**

Nil.

**3. Minutes of Connected Murihiku Joint Committee Meeting held on  
5 August 2024**

A5485492

Moved Mrs Morris, seconded Cr Broad and **RESOLVED** that the Minutes of Connected Murihiku Joint Committee Meeting Held on 5 August 2024 be confirmed.

#### 4. Connected Murihiku Project Administration

A5594806

Ms Suter spoke to the report and noted that this talked to the milestones achieved. It was noted that the Joint Committee had always been intended to be an interim group which would receive the funding, provide regional and sector coverage and enable time to develop a new more innovative community-led structure. It was recognised that starting a community group was challenging, that a decision point was written into the terms of reference around extending this group. She added that the need was to now look at the structure to carry the work forward.

Things to think about where if the four rūnaka and councils would be happy to continue with a different structure and whether the structure would be key around funding. If the Joint Committee were to be continued then would have to go back to the councils and the four rūnaka.

The decision also needed to be made at this meeting if wanted to extend from March to June 2025 and continue with the Project Lead contract.

A query was raised around the time, and it was agreed that eighteen months extension was longer than necessary and extension either to March or June was more appropriate.

During the meeting, a query was raised regarding the operation of an informal group and the implications of such a transition. It was raised that successfully passing on responsibilities is crucial for ongoing success. It was noted that endorsement from councils was highlighted as it lends significant credibility to funding applications. It was added that recruitment of new members was important.

It was queried if weather June allowed sufficient time for the transition and the specifics of what that timeline entails. A question was raised regarding the operational structure should the appointed group shift to an informal model. It was confirmed that the Council was happy to extend the employment contract, with funding maintained by Invercargill City Council (ICC).

A query was centred on the requirements for making funding applications, specifically the necessity of being a Charitable Trust. It was clarified that delaying the establishment of a Charitable Trust could hinder applications. However, it was noted that the ICC Charitable Trust met when required and so would not have to wait.

It was added that Ms Sandra James was also happy to work with the Committee on a Future Search hui to encourage people to get involved.

Three key areas for consideration were identified: structure, funding and council's involvement. It was emphasised that involving passionate individuals who can effectively communicate with councils is essential. Transitioning to an informal structure raises potential challenges for funding, there were pros and cons to be weighed up. It was also noted that one of the councils was not represented at the meeting, suggesting the need to obtain their feedback, although members present were generally supportive of transitioning to a Charitable Trust.

The hui concept was endorsed as a productive means of recruiting new members and facilitating workshops, with plans to schedule these activities and enhance the website



for early in the New Year. The present Joint Committee members agreed on the necessity of consulting Cr Greaney's views on the preference structure – formal or informal.

Emphasis was placed on maintaining alignment with the original mandate and the importance of effectively communicating the rationale behind potential changes. The timeline for council deliberations regarding contract extensions was uncertain; it could stretch into late January or February, which aligns with the goal of establishing the Charitable Trust by that time. If the decision to transition to an informal group is made, it was suggested that an appointments panel be designated during this meeting.

Clarity was sought on whether proposed changes would need council approval and what their stance might be. There is a risk that one or more councils may reject the extension. It was generally agreed that by June 2025, the group must have successfully transitioned to the new model and Trust, with necessary preparations to be finalised by March. It was added that the extension of the contract for the Project Lead is also critical to this process.

It was added that Christmas and the holiday season is approaching, so it was proposed to use the shutdown period until mid-January to engage key people who had been involved or wished to be involved with the idea to transition them as informal partners.

Note: Cr Greaney joined the meeting via teams to enable decision-making on this item.

A query was raised if the office space etc at Community Trust South (CTS) would still remain, it was noted that there was support from CTS for the project and this would need to be finalised.

It was felt that councils would not see maintaining a Joint Committee as a high priority, given their many other priorities and funding needs. It was added that ICC was the employer and held the funds, and so there was no legal risk to the Committee members personally, the risk was around ensuring that the project was kept on track and administration services etc.

Moved Cr Broad, seconded Cr McPhail and **RESOLVED** that the Connected Murihiku Joint Committee:

1. Receives the report "Connected Murihiku Project Administration".
2. Note that the Joint Committee was established for an initial eighteen-month period with the Terms of Reference allowing for the group to recommend an extension in the circumstance that an ongoing governance structure had not yet been established.
3. Discuss the extent to which the governance needs of the group would be met by an informal structure in the short term and determine whether to recommend extension of the Joint Committee (Recommendation 5 below)
4. Request Invercargill City Council to extend the Project Coordinator contract beyond March 2025 within the budget allowance.

Moved Cr Broad, seconded Mrs Domigan and **RESOLVED** that the Connected Murihiku Joint Committee:

**Agrees to recommend to Councils:**

5. That the advice of the Joint Committee is that its work is complete as a formal interim governance group for Connected Murihiku and that the members intend to continue for a term no longer than the end of June 2025 as an informal group in order to support the project in its bridging phase as the new Charitable Trust is set up. This is noting the continued employment and contract funding management role of Invercargill City Council will continue also until end of June 2025.

The current Joint Committee thanked the councils for the support provided to enable the project to get to this point and noted that the Project Lead would provide a report to councils in the New Year.

**5. Connected Murihiku Project Lead Update**

A5615910

Ms Amundsen noted that the report talked about a way forward for the Joint Committee and noted that the website was a tool and the role of Connected Murihiku was to support organisations and that was more than the website alone. She added that the most clicks in the newsletters had been on the different funds available and noted that the clicks to the Environment Southland website that had the portal/information on funders were not as high.

It had been queried if the website could be hosted by a different organisation, it could be but still required someone to update.

MBIE funding should last till the end of June 2025, and noted that the Project Lead contract ended in March 2025. The report discussed a Charitable Trust and the steps required to complete that work.

It was felt using the Community Law Centre would slow the progress of setting up the Trust given the workload they had and private legal advice would be quicker and perhaps get a quote for this work.

A query was raised where savings had been achieved, it was noted the website was less than had been budgeted and there had been no need to hire a content creator. There were also savings as the Project Lead had come on later.

It was queried how to bring the work forward and supported that the website was just a tool and the need to have someone work with the community and for the community. There was a need to look at how this would be achieved without a person being in isolation and if could be located at other organisations or collective.

Moved Mrs Domigan, seconded Cr Broad and **RESOLVED** that the Connected Murihiku Joint Committee:

1. Receives the report "Connected Murihiku Project Lead Update".

The link to Social Link was discussed and the similarities, it was asked if there were duplicating, the concept was the same and could mirror rather than reinventing.

It was queried there had been a need identified and if there were any obvious hurdles from stating the need to turning up to events and the taking advantage of opportunities available. It was noted that people may want things when they need it and so timing. The need to provide something time efficient and flexible. Another area discussed was templates and the need to have them easy to find and tailored for Southland, also the ability to talk to someone.

A query was raised if the Joint Committee had a funding strategy and it was noted that had presented a draft one earlier and that applications had been drafted but not submitted. It was noted could apply to DIA but needed a private bank account not a Council one.

It was noted that if went forward could invite others to be part of it and need to set them up to succeed and take over to take to the next stage.

There was discussion around having a subscription model.

Moved Mrs Domigan, seconded Mrs Morris and **RESOLVED** that the Connected Murihiku Joint Committee:

2. Considers the advice of the Project Lead in determining the next steps for the Joint Committee or alternative interim governance structure.
3. Agrees to established a Charitable Trust and confirms the draft preamble and objectives (Appendix 1) and requests that the Project Lead obtains a quotation for legal advice.

Moved Mrs Domigan, seconded Cr McPhail and **RESOLVED** that the Connected Murihiku Joint Committee:

4. Notes and provides feedback on the action points outlined in this report under Preferred Option for Governance.
5. Requests the Project Lead to work on an in person Future Search hui to be held in early 2025.
6. Endorses the appointment of Mrs Morris, Mrs Coote and Cr Broad with Cr Greaney as an alternate to the Appointments Committee.

Moved Mrs Morris, seconded Cr Broad and **RESOLVED** that the Connected Murihiku Joint Committee:

7. Confirms that the point of contact for Invercargill City Council would be Mrs Pania Coote.

## 6. Financial Report for Connected Murihiku

A5629739

It was noted that the main costs incurred were the website update and sending the newsletters out whilst the Project Lead was on leave. It was also noted that an article was written during that period and another would also be engaged.

A correction in the report was noted and YTD would be removed in the Purpose as that was total cost. Ensure that the correction was made to in kind that was from Council and Community Trust South.

Moved Mrs Domigan, seconded Cr Broad and **RESOLVED** that the Connected Murihiku Joint Committee:

1. Receives the report "Financial Report for Connected Murihiku" for the four months ended 31 October 2024.

## 7. Public Excluded

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

- (a) In Committee Minutes of Connected Murihiku Joint Committee Meeting held on 5 August 2024

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

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
(a) In Committee Minutes of Connected Murihiku Joint Committee Meeting held on 5 August 2024	<b>Section 7(2)(a)</b> Protect the privacy of natural persons.	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.

There being no further business, the meeting finished at 2.54pm.

**MINUTES OF THE EXTRAORDINARY COUNCIL, HELD IN THE COUNCIL CHAMBERS, FIRST FLOOR, CIVIC THEATRE, 88 TAY STREET, INVERCARGILL ON FRIDAY 22 NOVEMBER 2024 AT 8.30 AM**

**Present:** Cr T Campbell (Chair)  
Cr A J Arnold  
Cr R I D Bond  
Cr P M Boyle  
Cr S J Broad  
Cr A H Crackett  
Cr G M Dermody  
Cr D J Ludlow  
Cr I R Pottinger  
Cr L F Soper

**In Attendance:** Mr M Day – Chief Executive (Zoom)  
Mrs P Christie – Group Manager – Finance and Assurance  
Mrs T Hurst – Group Manager – Community Engagement and Corporate Services  
Mr R Capil – Group Manager – Community Spaces and Places  
Mr J Shaw – Group Manager - Consenting and Environment  
Mr C Genet – Audit (zoom)  
Ms S Roberts – Manager Financial Services  
Ms K Braithwaite – Digital and Communications Advisor  
Mrs L Williams – Team Leader – Governance and Executive Support

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## 1. Apologies

Mayor W S Clark, Cr Kett and Mrs Coote.

Moved Cr Dermody, seconded Cr Boyle and **RESOLVED** that the apologies be accepted.

## 2. Declaration of Interest

Nil.

## 3. 2024 Annual Report Adoption

A5645763

Mrs Patricia Christie and Ms Stephanie Roberts spoke to the report and noted that it was good to see that Council was ready to adopt the Annual Report and it was pleasing that Council had maintained its performance across measures and had stabilised performance and some had returned to pre Covid levels. There was a \$9.5 million operating deficit mainly due to inflation, insurance and interest rates. This was \$2.6 million worse than planned but \$1.2 million better than 2023.

The Group operating deficit was \$7.7 million and that was better than the 2023 year when there was a higher impairment due to investment in ICL. Mrs Christie noted the technicalities of the Roaring Forties sale and that that these had delayed the Group result and audit.

A revaluation of the 3 Waters assets was completed and resulted in a \$73.2 million increase in the book value and the total assets were just shy of \$1.38 billion, an increase of \$89.3 million and \$1.61 billion for the Group.

Audit New Zealand had completed all the work associated with the audit as at 21 November 2024.

Mrs Christie noted that a question had been raised at the Risk and Assurance meeting around the additional \$4 million direct charges revenue compared to the planned amount. Direct charges was revenue that included the bulk of Council's fees and charges revenue including recoveries of recharged items. The \$4 million was made up of a number of factors across all areas and that could be influenced by timing.

*Roads*

\$2 million additional roading cost recovery from NZTA on state highways.

*Solid waste*

\$1.8 million higher share of WasteNet revenue

\$0.9 million higher transfer station revenue

\$0.3 million higher recycling revenue

\$0.6 million higher trade waste revenue

*Sewerage*

\$0.6 million higher trade waste revenue

*Corporate*

\$0.3 million higher recoveries from petrol tax and service charges

*Theatre and the arts*

\$0.5 million higher recoveries

*Investments*

\$0.2 million higher cost recoveries from investment properties.

This was offset by:

\$1.1 million lower revenue from building and resource consents

\$0.9 million lower revenue from pools, cemetery and crematorium fees

\$0.43 million lower water billing

Mrs Christie took councillors through the Management letter to Audit and the Representation letter.

The Audit opinion was a limited scope opinion with a minor qualification that was in relation to one performance measure relating to road smoothness. This related to traffic

counts and some were very old and could not validate that data and age of data. It was noted that not a financial one.

A query was raised if this was resolved if the qualification would disappear, it was noted that if it could fully correct the qualification would stay in the 2025 report but not the 2026 report.

Mr Genet added that the opinion was ringfenced to one performance measure and confirmed Mrs Christie's explanation.

Mr Genet extended his thanks to management and staff for their work and collaborative approach to the audit.

The Chair noted that seemed a smoother process than in the past and thanked everyone involved.

Mrs Christie recognised the work that was involved and that had started the pre-Audit in March and that involved a large number of staff and teams across the organisation. She also thanked the audit team who worked collaboratively and worked together to resolve issues and the challenge of a "remote" audit.

It was queried if the issues raised at the Extraordinary Risk and Assurance meeting had been finalised and that at that meeting delegation was approved to three people to resolve and this was done. In response to a query it was confirmed that the addition of the Deputy Mayor was to be added.

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

1. Receives the report titled '2024 Annual Report Adoption'.

**The Risk and Assurance Committee recommended to Council at its Extraordinary Meeting held on 19 November 2024 that Council:**

2. Notes that the Risk and Assurance Committee has:
  - a. Reviewed the draft Annual Report, draft Summary Annual Report and recommends them both for adoption.
  - b. Reviewed Audit New Zealand's draft opinion.
  - c. Reviewed the Letters of Representation and recommends the Letter of Representation to Audit New Zealand for signing.
3. Notes that the Audit New Zealand's opinion in Attachment 3 (to be tabled) has a limited scope qualification in relation to the smooth travel exposure performance measure within the Roding Services activity.
4. Authorises the Mayor to sign the Audit New Zealand Letter of Representation for the 2024 Annual Report Attachment 2 (A5649813).
5. Authorises the Mayor and Chief Executive to sign the Statement of Compliance on page 36 of the 2024 Annual Report.
6. Adopts the 2023/2024 Annual Report for the Invercargill City Council Group Attachment 1 (A5649670).

7. Authorises the Group Manager Finance and Assurance to make minor changes to the 2023/2024 Annual Report prior to publication, where necessary.
8. Adopts the draft 2023/2024 Summary Annual Report document Attachment 4 (A5635147) subject to receiving the audit opinion from Audit New Zealand.
  - a. Authorises the Chair of the Risk and Assurance Committee, Chief Executive and Group Manager Finance and Assurance to release the document for signing on receipt of the audit report from Audit New Zealand.
  - b. Authorises the Mayor, Chief Executive and Group Manager Finance and Assurance to sign the Compliance Statement.
  - c. Authorises the Mayor and Chief Executive to sign the Audit New Zealand Letter of Representation for the Summary Annual Report when received from Audit New Zealand.
  - d. Authorises the Group Manager Finance and Assurance to make changes necessary to the Summary Annual Report document for publication.

There being no further business, the meeting finished at 8.50 am.



**MINUTES OF BLUFF COMMUNITY BOARD, HELD IN THE MUNICIPAL CHAMBERS  
AT 18 GORE STREET, BLUFF ON MONDAY 25 NOVEMBER 2024 AT 7.00 PM**

**Present:** Mr R Fife (Chair)  
Ms T Stockwell (Via Zoom)  
Mr J Sutherland  
Ms T Topi  
Cr G M Dermody (Via Zoom)  
Mrs P Coote (Advisory member)

**In Attendance:** Ms C Rain - Manager - Parks and Recreation  
Mr M Morris – Manager – Governance and Legal  
Mr A Gillespie – Senior Engineer Operations  
Mr M Keil - Manager - Infrastructure Operations  
Mr A Belna - Waihopai Alliance Manager - Roading  
Mr L Beer - Bluff Promotions  
Mr G Stewart - Fulton Hogan  
Mr G Finnerty - South Port  
Mr F O'Boyle - South Port  
Ms A Young - Great South  
Mrs D Fife – Assistant Manager Bluff Service Centre

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### 1. Apologies

Mr S Graham.

Moved Mr Sutherland, seconded Ms Topi and **RESOLVED** that the apology be accepted.

### 2. Declaration of Interest

Nil.

### 3. Public Forum

Mr Geoff Finnerty and Mr Frank O'Boyle from South Port spoke to the Board.

South Port's annual result for the 12 months ending at the end June noted that profit was down 13.4%, with cargo going through the port down 7.7%. This was due to the downturn in forestry products and fertiliser. Container traffic was up 24.5%.

The channel deepen project had been completed and now the depth at high tide was 10.7 metres. This should lead to more exporting from South Port on bigger draft vessels.

Wind farms were a new opportunity with ten wind turbines already gone through the port and expected more to transit later next year with Contact and Pioneer Energy proposed wind farms in Southland.

South Port had purchased a new pilot vessel "Murihiku" and it had been upgraded and would be in service early next year.

The Island Harbour was now almost fully utilised with areas now dedicated to wind turbines and cargo storage. Would be looking at developing the foreshore in the future.

There was a desire to develop the town wharf for cruise ship passenger departure and to get them off quickly, so passengers could come into the town.

The rock outcrop at the fuel berth had been removed by blasting which meant easy access to the berth.

The Syncrolift would be closed for maintenance in mid-2025.

It was noted that the Board would like to be kept informed of any future plans to reclaim land. It was indicated there were no plans at the moment to reclaim land.

There was concern from the Board about dumped landfill behind the rowing club. This would be looked at and utilised.

The Board was concerned about the increased pressure on Bluff Road, if there was an increase on cargo coming through the port and had South Port had discussion with Kiwi Rail about cargo on trains. Discussions had been had, but the economics did not warrant using rail from Bluff to Invercargill. NZTA were always aware of the traffic generated by cargo through South Port and had a plan in place to deal with any increases.

The Board would invite NZTA to a meeting in the New Year.

The Chair thanked Mr Finnerty and Mr O'Boyle for their update.

#### **4. Minutes of the Bluff Community Board Meeting held on Monday 14 October 2024**

Moved Mr Sutherland, seconded Ms Topi and **RESOLVED** that the Minutes of the Bluff Community Board meeting held on Monday 14 October 2024 be confirmed.

Matters arising from previous meeting:

Mr Jason Franklin was unable to attend this meeting and would come to a meeting in the New Year.

## 5. Report of the Bluff Publicity / Promotions Officer

A5643461

Note: Agenda item 5 was heard after agenda item 6.

Mr Lindsay Beer spoke to the report.

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

1. Receives the report "Report of the Bluff Publicity / Promotions Officer".

Position of the Bluff events sign - the other site that had been brought to the table was on the Bluff Oyster Festival Site fence. The consensus of the Board was that the proposed site opposite Rakirua Motors would be the best place. Bluff Promotions was still working through the criteria of advertising on the sign.

The Bluff Hill Grunt - Mr Beer explained that one of the reasons that the Grunt had been dropped from their events was that the Burt Munro was in November and the commitment to run both events in the same month was putting pressure on Bluff Promotions.

The website upgrade - the site had proven very easy for small changes but large changes such as adding new projects like the Ocean Beach Aquaculture Centre and the Motupohue Adventure Park needed to go back to the designer. The events programme would be loaded on the website by the designer as well.

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

## 6. Bluff Motupōhue Tourism Masterplan Implementation Update

A5633620

Ms Aimee Young and Ms Tammi Topi spoke to the report.

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

1. Receives the report "Bluff Motupōhue Tourism Masterplan Implementation Update".

The Board would like a workshop in the New Year to refocus on projects that were important to the Board.

## 3. Bluff Action Sheet

A5595280

Mr Allan Gillespie and Ms Caroline Rain spoke to the report.

Mr Gillespie tabled the map that showed which organisation was responsible for what areas for maintenance.

The issue of the long grass on the Bluff Rugby Grounds and Argyle Park was discussed. Due to the wet spring, there had been a delay in mowing all sports and recreation grounds in Invercargill and Bluff. Bluff was done at the same rate as Invercargill but Ms Rain would check this. The Bluff Rugby Grounds was one of the wettest and care was needed so the ground was not cut up during mowing. In the Long-term Plan there was funding for extra drainage for the field but Ms Rain was unsure of time frame.

Mr Gillespie's next check in with the Board would be on 12 December and confirmation would be by email.

The map of the road seal renewals did not quite match up the streets mentioned. Mr Gillespie would double check and confirm that what was listed would get done.

Looking at the footpath renewal programme the Board would like Marine Parade prioritised with the ongoing problem of water runoff from the hill.

The workshop for Stirling Point would be held at the Council Chambers on 2 December at 7.00 pm.

NZTA had confirmed that there was no money to provide lighting at the sign but lighting could be paid for by Council.

It was asked if a toilet could be situated closer to the Gore Street playground when the toilets at Stirling Point and the Service Centre were upgraded. Mr Gillespie would make enquires.

Ms Rain confirmed that a report was been prepared with costing concerning stage 2 of the jetty project and would be brought to the Board.

The pine trees in Lagan Street had been accessed and looked like they would need to be felled for safety issues. Need to go through Invercargill City Council's policy for trees.

It was noted that signs on the Foreshore Road about removing rubbish were not working and rubbish was being discarded. Parks policy was, no bins provided, and it was queried if this could be reassessed.

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

1. Receives the report "Bluff Action Sheet".

#### **4. Chairperson's Report - Verbal Update**

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

1. Receives the "Chairperson's Report - Verbal Update".

The Chair attended the opening of the Motuphoue Adventure Park and noted that lots of people were there with their bikes. The Park was a great asset for Bluff. Work done by everybody involved in terrible conditions to get the tracks ready in time was also noted.

The Bluff Waste Water Treatment Station workshop was cancelled due to signals from Government about changes to environment consenting. Another workshop would be held on 17 December.

The Chair thanked everyone for the work they had done for the Board and thanked the Board members. He wished everyone a Merry Christmas and Happy New Year.

There been no further business, the meeting finished at 8.35 pm.

**MINUTES OF COUNCIL, HELD IN THE COUNCIL CHAMBERS, FIRST FLOOR, CIVIC THEATRE,  
88 TAY STREET, INVERCARGILL ON TUESDAY 26 NOVEMBER 2024 AT 3.00 PM**

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

**In Attendance:**  
Mrs P Coote – Kaikaunihera Māori – Awarua  
Mr M Day – Chief Executive  
Ms E Moogan – Group Manager – Infrastructure  
Mrs P Christie – Group Manager – Finance and Assurance  
Mrs T Hurst – Group Manager – Community Engagement and Corporate Services  
Mr J Shaw – Group Manager - Consenting and Environment  
Mr M Morris – Manager – Governance and Legal  
Ms L Knight – Manager – Strategic Communications  
Ms K Braithwaite Acting Team Leader Communications  
Mrs L Williams – Team Leader – Governance and Executive Support

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## 1. Apologies

Cr Kett

Moved Cr Soper, seconded Cr Dermody and **RESOLVED** that the apology be accepted.

## 2. Declaration of Interest

Nil

## 3. Public Forum

Nil

**4. Minutes of the Meeting of Council held on Tuesday 29 October 2024**

A5606865

Moved Cr Ludlow, seconded Cr Soper and **RESOLVED** that the Minutes of Council held on Tuesday 29 October 2024 be confirmed.

**5. Minutes of the Extraordinary Infrastructure and Projects Committee Meeting held on Tuesday 29 October 2024**

A5599771

Moved Cr Dermody, seconded Cr Stewart and **RESOLVED** that the Minutes of the Extraordinary Infrastructure and Projects Committee meeting held on Tuesday 29 October 2024 be received.

**6. Minutes of the Hearings for Backflow Prevention Policy and Water Supply Bylaw held on Tuesday 5 November 2024**

A5613475

Moved Cr Dermody, seconded Cr Campbell and **RESOLVED** that the Minutes of the Hearings for Backflow Prevention Policy and Water Supply Bylaw held on Tuesday 5 November 2024 be received and the recommendation to Council be confirmed.

**Recommendation to Council**

**3. Backflow Prevention Policy and Amended Water Supply Bylaw Hearings and Deliberations**

A5569338

7. To adopt the draft Backflow Prevention Policy and the amended Water Supply Bylaw with the changes as agreed in resolution 6.

*Resolution 6 - Agrees with the following proposed changes to the Policy and the amended Bylaw:*

- a. *Backflow Prevention Policy:*
  - i. *Updated wording of the location parameters where exemption applies under the boundary prevention device installation section of the proposed policy.*
  - ii. *Amendments to the Appendix 1 Risk Hazards Categories to establish alignment with the G12/AS1 design requirement of the Building Code.*
  - iii. *Strengthened the wording on air gaps.*
  - iv. *Addition of clarity that boundary backflow prevention measures are an addition to the backflow measures within a property.*
  
- b. *Amended Water Supply Bylaw:*
  - i. *Addition of a purpose statement to the bylaw.*
  - ii. *Corrections to the names of regulation.*
  - iii. *Addition of the following definitions:*

- *Air gaps.*
- *Drinking water*

**7. Minutes of the Infrastructure and Projects Committee Meeting held on Tuesday 5 November 2024**

A5613748

Moved Cr Stewart, seconded Cr Crackett and **RESOLVED** that the Minutes of the Infrastructure and Projects Committee meeting held on Tuesday 5 November 2024 be received.

**8. Minutes of the Community Wellbeing and Regulatory Committee Meeting held on Tuesday 12 November 2024**

A5625852

It was queried with consultation starting on 4 December 2024 was there an ability for councillors to see something around the consultation strategy. It was noted that had planned the timing to be clear of the Management Plan for this consultation. It was further queried what consultation would look like, markets etc. It was confirmed that staff would send a plan to councillors around how that would look.

There was an update on the contribution to Waitangi Day in Queenstown and it was noted that the other councils were not contributing and this would now be raised at the Mayoral Forum.

Moved Cr Ludlow, seconded Cr Soper that the Minutes of the Community Wellbeing and Regulatory Committee meeting held on Tuesday 12 November 2024 be received and the recommendation to Council be confirmed.

**Recommendations to Council:**

**8. Donovan Park Reserve Management Plan Stage Two Public Consultation**

A5529047

3. Endorses the Hearings Report 15 October 2024.
4. Appoints four Councillors and invites a Mana Whenua representative to be a member of a hearings panel to consider the submissions following the closure of stage two consultation. Confirm Councillors Cr Ludlow, Cr Boyle, Cr Bond, Cr Soper and Mrs Coote be appointed to the panel.
5. Approves the Public Consultation period for submissions to be from 4 December 2024 to 14 February 2025 on the draft Donovan Park Reserve Management Plan (Attachment 1) and draft Implementation Plan (Attachment 2) pursuant to Section 41(6) of the Reserves Act 1977.



**9. Donovan Park Reserve Revocation Process Update**

A5539046

3. Approve the Donovan Park Reserve Revocation process to be undertaken as per the project plan, key milestones, timeframe and key dates provided for either;
  - b. Option 2 – begin following the Reserve Management Plan is approved by Council.
4. Approve unbudgeted expenditure estimated at \$30,000, with a rates impact of 0.03%, to support external legal and professional fees advisory costs required to undertake the Donovan Park Reserve Revocation process.

**10. Otago Southland Waitangi Day Event - Queenstown**

A5617752

3. Notes the Unbudgeted Expenditure Request to contribute up to \$5,000 Funding to Queenstown Lakes District Council for the running of the Waitangi Day event 2025.
4. To approve an increase to the Governance and Legal 2024/2025 financial year operation budget of \$5,000 to come from existing funding. Noting that should existing funding not be available that the funds would need to be funded from Net Debt for 2024 - 2025 year.

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

**9. Minutes of the Extraordinary Infrastructure and Projects Committee Meeting held on Tuesday 12 November 2024**

A5626222

Moved Cr Stewart, seconded Cr Dermody and **RESOLVED** that the Minutes of the Extraordinary Infrastructure and Projects Committee meeting held on Tuesday 12 November 2024 be received.

**10. Minutes of the Extraordinary Risk and Assurance Committee Meeting held on Tuesday 19 November 2024**

A5640981

Moved Cr Soper, seconded Cr Dermody and **RESOLVED** that the Minutes of the Extraordinary Risk and Assurance Committee meeting held on Tuesday 19 November 2024 be received.

## 11. Minutes of the Finance and Policy Committee Meeting held on Tuesday 19 November 2024

A5642095

Moved Cr Soper, seconded Cr Stewart and **RESOLVED** that the Minutes of the Finance and Policy Committee meeting held on Tuesday 19 November 2024 be received and the recommendation to Council be confirmed.

### Recommendation to Council:

#### 6. 2024/2025 Quarter One Performance

A5605694

5. To approve the budget changes outlined in the Schedule of changes to the plan (budget) in the Quarter One Performance Report (A5613650).

## 12. 2025/2026 Draft ICHL Letter of Expectation

A5645021

Mrs Patricia Christie spoke to the report and noted this had been drafted following the workshop held and staff sought feedback from councillors.

A query was raised around the special dividend from ICHL and it was confirmed it was in for payment in future years. A further query was raised when the sale price of the sale of Pylon Limited would be finalised, it was noted that would be in the next report from ICHL. A query was raised around paying off debt and if that meant all debt, it was noted that ICHL intended to pay off all debt.

A query was raised around whether it would be appropriate for the LOE to include a targeted level of return. It was noted would change some wording and that could give a targeted return and would look to include some wording around that.

A further query was raised around the special dividend and felt that had advised did not want the dividend this year and this LOE was for 2025/26, Mrs Christie noted that may not need it during that time period and may look to receive in the 2026/27 year and added that could leave that out of the LOE. Mrs Christie added that was leaving that open, and could add wording into the letter.

A further query was raised around a targeted return and strategic assets like the Airport and concern that could set them up for failure. It was confirmed that could add some wording and that ICHL were receiving dividends from the Airport and the need to have a balanced portfolio, Mrs Christie added that would get ICHL to come back to Council.

A query was raised around the inclusion of the comment on LWDW and that in the workshop the feedback was clear that Council did not want ICHL involved. It was noted around LWDW that there was a difference between asking ICHL to be involved and getting information from them to feed back to Council.

A query was raised why would seek information from ICHL about CCO's, it was confirmed it was around the structure and were required to look at the obligations and that it was better to get the input from ICHL around CCO's and their operations. It was felt the

wording needed to be changed to reflect that better, it was noted that the timing was not known and so had been worded to reflect that.

A query was raised around the process if did not agree with the letter. The two areas of concern were the payment of the dividend and the advice around a CCO.

It was noted that with respect to LWDW that the discussion was in a workshop and needed to provide full information to Council and that could not make a decision and that had worded to reflect, with respect to the special dividend, could call at any time and that did not require it this year.

A query was raised if Council would be borrowing money in the next year, it was confirmed that would be and then queried why not use the special dividend. It was advised that had been tagged for a specific area.

A query was raised around drawing down the dividend as well as borrowing, it was queried if would be an advantage to draw down earlier. It was noted may have interest savings and had left open as to when Council would draw down.

A query was raised as felt that Council were conflicted around the potential Water CCO and how would overcome the conflict as that would change the activities of Council and role of Councillors dramatically.

It was noted that had not taken legal advice on that topic and that under the LGA the provision of services and the best mechanism to deliver was an obligation to provide the best outcomes for the community.

Moved Cr Soper, seconded Cr Boyle that Council:

1. Receives the report "2025/2026 Draft ICHL Letter of Expectation".
2. Receives and approves the 2025/2026 Draft ICHL Letter of Expectation (A5645721), noting any changes required by Council:
  - (i) Adding to the end of the second paragraph of the letter the following wording: *As previously discussed Council also confirms it will request payment of an additional dividend within the next two financial years.*

A further query was raised around the wording of LWDW and could that wording be amended, it was noted that there was a workshop to be held in early December and could look at that as part of that.

It was again raised why could not suggest that the dividend be paid on settlement of the sale. It was noted that had been worded as a special dividend and additional dividend was the correct legal term. It was noted that the timing of that payment may be crucial and to leave open to request payment when appropriate for Council's needs. It was noted that staff would work with ICHL and that could request payment in February or March it was further added that balancing cashflow and borrowings which was why had left open around payment to maintain debt headroom.

A further query was raised why would leave the money sitting in someone else's coffers and why Council would not hold the money. It was noted that could go to ICHL and request now if that was the direction of Council.

It was noted that holding meant could limit the ability to borrow and was unique to local government and that would request when it would provide the best outcome for Council around borrowings and debt and there was a difference between public sector and private sector.

A query was raised that it was noted that the dividend would be for the Museum funding and why could not do that, it was noted that was in Public Excluded and should go back to look at that reasoning.

It was noted that money sitting in ICHL was still Council's money, and that needed to be careful how it would be used as could impact other areas if used to offset costs.

Note: Cr Crackett left at 3.47 pm and returned at 3.49 pm.

A further query was raised around the benefit to ratepayers, and it was noted when revenue 'spiked' by receiving a lump sum amount, the need for general rates would be lower but would need to be made up in following years.

A further query was raised if could use some of this funding to tidy the City, it was felt that would be "robbing Peter to pay Paul".

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

### **13. Chief Executive Management Report**

A5639228

Mr Michael Day presented the report and noted that in the RMA space there would be a large number of changes coming through from Central Government in the next few weeks and staff were preparing for the workload involved with making submissions.

The Mayor noted that he would be meeting MP Simon Court on 17 December 2024 when he was expected to be in the city.

A query was raised around government investment and the annual Crown investment and what might expect to receive. It was noted that would come back to councillors with that information.

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

1. Receives the report "Chief Executive Management Report".

## 14. Public Excluded Session

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

- a. Minutes of the Public Excluded Session of Council held on 29 October 2024
- b. Minutes of the Public Excluded Session of the Infrastructure and Projects Committee held on 5 November 2024
- c. Minutes of the Public Excluded Session of the Community Wellbeing and Regulatory Committee held on 12 November 2024
- d. Minutes of the Public Excluded Session of the Extraordinary Risk and Assurance Committee held on 19 November 2024
- e. Minutes of the Public Excluded Session of the Finance and Policy Committee held on 19 November 2024
- f. Invercargill Central Holdings Limited Group – Director Appointments

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

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
a. Minutes of the Public Excluded Session of Council held on 29 October 2024	<b>Section 7(2)(i)</b> Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
b. Minutes of the Public Excluded Session of the Infrastructure and Projects Committee held on 5 November 2024	<b>Section 7(2)(i)</b> Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
c. Minutes of the Public Excluded Session of the Community Wellbeing and Regulatory	<b>Section 7(2)(h)</b> Enable any local authority holding the information to carry out, without prejudice or	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good

Committee held on 12 November 2024	disadvantage, commercial activities	reason for withholding would exist under Section 7
	<b>Section 7(2)(i)</b>	
	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	
d. Minutes of the Public Excluded Session of the Extraordinary Risk and Assurance Committee held on 19 November 2024	<b>Section 7(2)(b) (ii)</b>	<b>Section 48(1)(a)</b>
	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
e. Minutes of the Public Excluded Session of the Finance and Policy Committee held on 19 November 2024	<b>Section 7(2)(b) (ii)</b>	<b>Section 48(1)(a)</b>
	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
f. Invercargill Central Holdings Limited Group – Director Appointments	<b>Section 7(2)(a)</b>	<b>Section 48(1)(a)</b>
	Protect the privacy of natural persons, including that of deceased natural persons	That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
	<b>Section 7(2)(h)</b>	
	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	
	<b>Section 7(2)(i)</b>	

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

There being no further business, the meeting finished at 4.17 pm.

**MINUTES OF THE INFRASTRUCTURE AND PROJECTS COMMITTEE, HELD IN THE COUNCIL CHAMBERS, FIRST FLOOR, CIVIC THEATRE, 88 TAY STREET, INVERCARGILL ON TUESDAY 3 DECEMBER 2024 AT 3.00 PM**

**Present:**

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

**In Attendance:**

- Mr M Day – Chief Executive
- Ms E Moogan – Group Manager – Infrastructure
- Mrs P Christie – Group Manager – Finance and Assurance
- Mrs T Hurst – Group Manager – Community Engagement and Corporate Services
- Mr R Capil – Group Manager – Community Spaces and Places
- Mr J Shaw – Group Manager - Consenting and Environment
- Mr M Morris – Manager – Governance and Legal
- Ms L Knight – Manager – Strategic Communications
- Mr D Rodgers – Manager – Strategic Asset Planning
- Mr L Butcher – Project Director
- Ms E Wallace – Director Te Unua Museum of Southland
- Ms K Braithwaite – Digital and Communications Advisor
- Ms M Sievwright – Senior Executive Support

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## 1. Apologies

Cr Kett, Rev E Cook

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

Note: Mayor Clark did not accept the apology from Rev Cook as she had attended several other public meetings in the last few days.

## 2. Declaration of Interest

Nil.



**3. Public Forum**

Nil.

**4. Minutes of the Waste Advisory Group (WasteNet) Meeting held on Monday 2 September 2024**

A5534239

Moved Cr Pottinger, seconded Cr Stewart and **RESOLVED** that the Minutes of the Waste Advisory Group (WasteNet) held on Monday 2 September 2024 be received.

**5. Minutes of the Infrastructure and Projects Committee Meeting held on Tuesday 5 November 2024**

A55613748

Moved Cr Ludlow, seconded Cr Soper and **RESOLVED** that the Minutes of the Infrastructure and Projects Committee meeting held on Tuesday 5 November 2024 be confirmed.

**6. Minutes of the Extraordinary Infrastructure and Projects Committee Meeting held on Tuesday 12 November 2024**

A5626222

Moved Cr Stewart, seconded Mrs Coote and **RESOLVED** that the Minutes of the Extraordinary Infrastructure and Projects Committee meeting held on Tuesday 12 November 2024 be confirmed.

**7. Temporary Road Closures – Great South – Don Street Food Market – 18 January 2025**

A5642752

Mr Doug Rodgers spoke to the report.

In response to a question regarding why this was not in Esk Street, it was noted that this was not a Council decision.

In response to whether a reserve date had been planned, it was noted if this was cancelled then it would not happen.

Moved Cr Dermody, seconded Cr Crackett and **RESOLVED** that the Infrastructure and Projects Committee:

1. Received the report titled "Temporary Road Closures – Great South – Don Street Food Market – 18 January 2025".
2. Resolve that the proposed event outlined in the report will not impede traffic unreasonably.

3. Approves the temporary road closure for Don Street, from Dee Street to Kelvin Street, on Saturday, 18 January 2025 from 2.00pm to 10.00pm, as permitted under the Local Government Act 1974 (Section 342 and Schedule 10).

## **8. Awarua Bay Land Sale - Delegations**

A5652648

Mr Michael Morris spoke to the report.

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

1. Received the report "Awarua Bay Land Sale - Delegations".
2. Note the Deadline sale is to end on 6 December 2024.
3. Notes that Council has delegated consideration of the sale outcome to it (this Committee).
4. Resolve to refer the outcome and decision making on the sale of this piece of land to Council at its December 2024 meeting.

### **Recommend to Council**

5. That Council make the decision on the outcome of the deadline sale process for the land at 21 and 45 Awarua Bay, Invercargill.

## **9. Strategic Capital Projects Report**

A5552386

Mr Lee Butcher provided a brief overview of the dashboard.

To summarise the museum project, the PMO was tracking the programme but had issues with the experience design which would impact the overall opening if the overall experience was delayed.

In response to a question regarding the structural build of the museum, it was noted the build aspect was going well and on track for completion. While foundations had gone well and the build was on track, until some cultural aspects were addressed it could impact the overall timeline. Contingencies had been built into the budget.

In response to a question regarding 70% of the experience would be digital, and what impact did this have in displaying the collection. Mr Butcher was supported by Ms Eloise Wallace. It was noted that the concept for experience had been approved in terms of digital an example provided was of a large digital component could be the photographs which were held in the collection. A lot of the physical objects would be used, just in a different way than previous. It might not be practical to bring physical objects into the room, but you could show more in a digital format.

It was noted that staff had not released this concept to the public as did not want to give away what the experience would look like. Staff were coming to the end of the development design and would come back to Council in the new year.

It was noted that TAMI has now advised they could not sign off on the design from Gibson Group. Mayor Clark advised he would seek clarification on why they would not participate. He would also seek clarification on ownership of the collection. There were some current roadblocks and Mayor Clark was working through these.

Staff had been proactive in working with the Runaka and there was strong commitment with the Runaka and what was best for them. There was a plan in place which would hopefully be finalised at the end of this week.

It was noted that Iwi did support this experience and even though TAMI had declined working on this, it was confirmed that local Runaka were very keen. There were two issues, the narrative and the collections. Council staff were working with the Trust to ensure a successful path forward.

In response to a question regarding CCTV and lack of infrastructure, it was noted there was new ducting which was required. It was based on the assumptions that lines could be used where unfortunately they could not.

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

1. Received the report "Strategic Capital Projects Report".
2. Receives the "ICC PMO Programme Dashboard".
3. Notes the current status of the projects, including project risk assessment.

## 10. Public Excluded Session

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

- a. Minutes of the Public Excluded Session of the Infrastructure Committee Meeting held on 5 November 2024

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

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
a. Minutes of the Public Excluded Session of the Infrastructure Committee Meeting held on 5 November 2024	<b>Section 7(2)(i)</b> Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

There being no further business, the meeting finished at 3.41 pm.

**MINUTES OF THE COMMUNITY WELLBEING AND REGULATORY COMMITTEE, HELD IN THE COUNCIL CHAMBERS, FIRST FLOOR, CIVIC THEATRE, 88 TAY STREET, INVERCARGILL ON TUESDAY 10 DECEMBER 2024 AT 3.00 PM**

**Present:** Cr D J Ludlow (Chair)  
Mayor W S Clark  
Cr R I D Bond  
Cr P M Boyle  
Cr S J Broad  
Cr T Campbell  
Cr A H Crackett  
Cr G M Dermody  
Cr I R Pottinger  
Cr L F Soper  
Cr B R Stewart  
Mrs P Coote – Kaikaunihera Māori – Awarua

**In Attendance:** Mr M Day – Chief Executive  
Mrs T Hurst – Group Manager – Community Engagement and Corporate Services  
Mr R Capil – Group Manager – Community Spaces and Places  
Mr J Shaw – Group Manager - Consenting and Environment  
Mr M Morris – Manager – Governance and Legal  
Ms R Suter – Manager – Strategy and Policy  
Ms D Carson – Community Activator  
Ms L Knight – Manager – Strategic Communications  
Ms K Braithwaite – Digital and Communications Advisor  
Mrs L Cook – Executive Support

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## 1. Apologies

Cr Kett, Rev Cook

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

## 2. Declaration of Interest

Nil.

## 3. Public Forum

Nil.

**4. Minutes of the Southland Regional Heritage Committee Meeting held on Friday 25 October 2024**

A5598491

Moved Cr Stewart, seconded Cr Ludlow and **RESOLVED** that the Minutes of the Southland Regional Heritage Committee Meeting held on Friday 25 October 2024 be received.

**5. Minutes of the Community Wellbeing and Regulatory Committee Meeting held on Tuesday 12 November 2024**

A5625852

Moved Cr Soper, seconded Cr Crackett that the Minutes of the Community Wellbeing and Regulatory Committee Meeting held on Tuesday 12 November 2024 be confirmed.

There was an amendment to the minutes noted, on page four, paragraph three, to replace the word "leaving" to "having" to make the sentence make sense.

The motion now put was **RESOLVED**.

**6. Minutes of the Community Wellbeing Fund Appointments Committee Meeting held on Wednesday 13 November 2024**

A5634449

Moved Cr Boyle, seconded Cr Bond and **RESOLVED** that the Minutes of the Community Wellbeing Fund Appointments Committee Meeting held on Wednesday 13 November 2024 be received.

**7. Minutes of the Creative Communities Scheme Invercargill Fund Appointments Committee Meeting held on Thursday 21 November 2024**

A5648973

Moved Cr Bond, seconded Cr Ludlow (Proforma) and **RESOLVED** that the Minutes of the Creative Communities Scheme Invercargill Fund Appointments Committee Meeting held on Thursday 21 November 2024 be received.

**8. Minutes of the Creative Communities Scheme Invercargill Fund Committee Meeting held on Thursday 21 November 2024**

A5649656

Moved Cr Boyle, seconded Cr Ludlow and **RESOLVED** that the Minutes of the Creative Communities Scheme Invercargill Fund Committee Meeting held on Thursday 21 November 2024 be received.

**9. Minutes of the Community Wellbeing Fund Subcommittee Meeting held on Thursday 28 November 2024**

A5655441

Moved Cr Boyle, seconded Cr Dermody and **RESOLVED** that the Minutes of the Community Wellbeing Fund Subcommittee Meeting held on Thursday 28 November 2024 be received.

**10. Minutes of the Extraordinary Community Wellbeing Fund Subcommittee Meeting held on Tuesday 3 December 2024**

A5664739

Moved Cr Boyle, seconded Cr Crackett and **RESOLVED** that the Minutes of the Extraordinary Community Wellbeing Fund Subcommittee Meeting held on Tuesday 3 December 2024 be received.

**11. Minutes of the District Licensing Committee - October 2024**

A5620302

Moved Cr Ludlow, seconded Cr Bond and **RESOLVED** that the Minutes of the District Licensing Committee - October 2024 be received.

**12. Minutes of the District Licensing Committee - November 2024**

A5665920

Moved Cr Ludlow, seconded Cr Bond and **RESOLVED** that the Minutes of the District Licensing Committee - November 2024 be received.

**13. Notice of Motion**

The Notice of Motion from Cr Pottinger was around the consent granted to PowerNet by Council for the 21-metre tall 66KV power poles and transmission lines along Findlay Road. The District Plan zones Findlay Road as residential zone 1. There would be six pylons located in this residential one zoning. The consent granted was given with no or limited notification. For non-notification to occur it meant the effects of the power poles and transmission lines were deemed minor. Council officers would have followed policies of the District Plan, it was the belief that the District Plan had failed to protect the residents in residential zone 1. As an alternative these could be run underground as displayed elsewhere around the country. It would be expensive but would have protected amenities value and would give long term maintenance benefits.

It was noted the intent of the Notice of Motion was not to overturn the decision Council officers had made. The District Plan policies had failed to protect residential zone 1 properties.

It was noted there had been thought towards the National Policy Statement when putting the Notice of Motion forward.

It was noted the activity required PowerNet to get a consent, and it raised the question of where in the District Plan could Council have protected the residents. It was confirmed that set at a national level and there was a hierarchy challenge around the National Policy Statement.

The decision to allow over grounding on Findlay Road was at the discretion of Council officers and that could have required for it to be undergrounded according to the District Plan, only on Findlay Road.

It was noted that the residents came to Council to ask for help, Council received the handout, the lack of consultation raised concerns on why consent was given to put them above ground, although under the Electricity Act 1992 it could be done. It was asked what could have been done better to support residents in zone 1 in future.

A query was raised around how can measure the achievement of the Notice of Motion. Council asked officers when the review of the District Plan was set to take place, It was confirmed there was scope for some work in regards to housing and there was potential to adjust the scope to look at this issue.

It was noted the way the Notice of Motion was written there may be a financial implication as it was a formal request to review the District Plan this would change the current work plan.

It was noted it was an open-ended Notice of Motion in terms of timeframe.

Note: Mrs Pania Coote left the meeting at 3.20pm.

It was noted around the economic impact on the entity applying and residential property involved can't come into consideration through the Resource Management Act application process.

It was noted it would be sensible to look at it as part of an upcoming review that is already happening rather than a separate process.

It was noted the appeal rights only apply to the parties of the applicants.

It was noted it could never be 100 percent of the cable goes underground as different environments give limitations.

Note: Ms Pania Coote re-joined the meeting at 3.26pm.

It was noted that a formal review was note needed and that could slot into another review and it was about protecting residents in the future.

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

1. Receives the Notice of Motion.

Cr Boyle, Ludlow and Soper abstained from voting.



#### 14. City Centre Activation Plan – Update Report

A5648105

Mrs Karen Witham from Great South and Mr Rex Capil presented the report.

Mrs Witham highlighted that the plan was set but they were always open for change. The Christmas Esk Street market was an example where there had been a change and this event was put together at short notice and had been successful.

It was noted that retailer's engagement was increasing and there was a need for Great South to get out more and drive the opportunity for participation.

There were discussions around the advantages and disadvantages of events being held on Esk versus Don Street. It was noted that it was around being fair to retailers, street sizing, safety and the cost of traffic management.

A query around these events aligning with other strategies or events, and how connected was the strategy to people in the wider city. Mrs Witham noted that was looking into these opportunities. Whilst the activations were a priority for now, it was noted that leaning into it, where possible there were new opportunities being created.

Note: Mrs Pania Coote left the meeting at 3.40pm.

It was noted that Buskers on Esk would move into being held during Music Month.

It was noted with respect to Christmas next year and not having lights and were encouraging retailers to decorate their stores with the idea of judging or voting to take place. It was confirmed this was encouraged this year as a starting point.

Moved Cr Dermody, seconded Cr Crackett and **RESOLVED** that the Community Wellbeing and Regulatory Committee:

1. Receives the report "City Centre Activation Plan – Update Report".

#### 15. 2024 Youth Council End of Year Report

A5651191

Mr Liam Calder, Ms Saranya Sarisa, spoke to the Youth Council report.

There were 26 youth Councillors for the year of 2024, with 6 returning from the previous year. They had fortnightly formal and informal meetings.

Highlights from the year included the block takeover, umbrella market, volunteering, ANZAC dawn service, Council Workshops and Community engagement.

It was noted that as a first year Council helping out with events and interacting with the community was enjoyable and helped build understanding.

It was noted that Liam had been with the Youth Council since 2021, he was a quiet in the beginning but gaining the knowledge has helped to grow his voice.

It was noted that a delegation from Kumagaya were coming to the city in February 2025 and would be interested in having the Youth Council involved in that visit.

It was noted that having fewer formal meetings allowed the ability to break down the barriers.

It was noted the applicant numbers for 2025 were high and the roll over was around eight Youth Councillors from a mixed variety of schools participating.

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

1. Receives the report "2024 Youth Council End of Year Report".
2. Receives the report from the Youth Council (A5650797).

## **16. Proposal to Revoke Reserve Status – Awarua Bay Road Reserves for the Purpose of Disposal**

A5613122

Ms Cassandra Horton spoke to the report.

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

1. Receives the report "Proposal to Revoke Reserve Status – Awarua Bay Road Reserves for the purpose of disposal".

### **Recommend to Council:**

2. To endorse proceeding with requesting approval from the Commissioner to remove the reserve status of Section 1 DP 591351 and Section 2 DP 591351 of Awarua Bay Road Reserves through the Reserves Act 1977 requirements.

## **17. Art Sector Opportunities and Working Group Update**

A5658988

Mr Rex Capil spoke to the report.

It was noted that had been building on earlier strategy reports and engaging with the Arts community. There was a comfort level from the Arts community that were moving in the right direction. There was a real sense of shared goals and visions with them, and it was pleasing to see a collaborative approach.

Work group reflections included engagement, opportunities, collaboration, positive process and progress.

A query was raised around funding and how to link back to the strategy. Operationally were looking at a sustainable approach, and it was important to get the foundations right before proceeding. This would be part of the 2027 Long-term Plan conversation.

It was noted around the group working quietly and in a structured manner, and there was a need for political support prior to the election.

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

1. Receives the 'Art Sector Opportunities and Working Group Update' report.

## 18. Public Excluded Session

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

- a) Minutes of the Public Excluded Session of the Southland Regional Heritage Committee Meeting held on 25 October 2024
- b) Minutes of the Public Excluded Session of the Community Wellbeing and Regulatory Committee Meeting held on 12 November 2024
- c) Minutes of the Public Excluded Session of the Community Wellbeing Fund Appointments Committee Meeting held on 13 November 2024
- d) Minutes of the Public Excluded Session of the Creative Communities Scheme Invercargill Fund Appointments Committee Meeting held on 21 November 2024
- e) Minutes of the Public Excluded Session of the Creative Communities Scheme Invercargill Fund Committee Meeting held on 21 November 2024
- f) Minutes of the Public Excluded Session of the Community Wellbeing Fund Subcommittee Meeting held on 28 November 2024
- g) Minutes of the Public Excluded Session of the Extraordinary Community Wellbeing Fund Subcommittee Meeting held on 3 December 2024

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

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
a) Minutes of the Public Excluded Session of the Southland Regional Heritage Committee Meeting held on 25 October 2024	<p><b>Section 7(2)(a)</b> Protect the privacy of natural persons, including that of deceased natural persons</p> <p><b>Section 7(2)(i)</b> Enable any local authority holding the information to carry on, without prejudice or disadvantage,</p>	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

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|  | negotiations (including commercial and industrial negotiations)  |  |
| b) Minutes of the Public Excluded Session of the Community Wellbeing and Regulatory Committee Meeting held on 15 October 2024                          | <b>Section 7(2)(i)</b><br>Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)   | <b>Section 48(1)(a)</b><br>That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7 |
| c) Minutes of the Public Excluded Session of the Community Wellbeing Fund Appointments Committee Meeting held on 13 November 2024                      | <b>Section 7(2)(a)</b><br>Protect the privacy of natural persons, including that of deceased natural persons<br><br><b>Section 7(2)(i)</b><br>Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) | <b>Section 48(1)(a)</b><br>That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7 |
| d) Minutes of the Public Excluded Session of the Creative Communities Scheme Invercargill Fund Appointments Committee Meeting held on 21 November 2024 | <b>Section 7(2)(a)</b><br>Protect the privacy of natural persons, including that of deceased natural persons<br><br><b>Section 7(2)(i)</b><br>Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) | <b>Section 48(1)(a)</b><br>That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7 |
| e) Minutes of the Public Excluded Session of the Creative Communities Scheme Invercargill Fund Committee Meeting held on 21 November 2024              | <b>Section 7(2)(i)</b><br>Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)   | <b>Section 48(1)(a)</b><br>That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7 |

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| f) Minutes of the Public Excluded Session of the Community Wellbeing Fund Subcommittee Meeting held on 28 November 2024              | <b>Section 7(2)(i)</b><br>Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) | <b>Section 48(1)(a)</b><br>That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7 |
| g) Minutes of the Public Excluded Session of the Extraordinary Community Wellbeing Fund Subcommittee Meeting held on 3 December 2024 | <b>Section 7(2)(i)</b><br>Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) | <b>Section 48(1)(a)</b><br>That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7 |

Note: Cr Pottinger left the meeting at 4.17pm.

There being no further business, the meeting finished at 4.32 pm.

## **COUNCIL SUBMISSIONS - RESOURCE MANAGEMENT (CONSENTING AND OTHER SYSTEM CHANGES) AMENDMENT BILL AND LOCAL GOVERNMENT (WATER SERVICES) BILL**

<b>To:</b>	Council
<b>Meeting Date:</b>	Tuesday 17 December 2024
<b>From:</b>	Rhiannon Suter, Manager – Strategy, Policy and Engagement
<b>Approved:</b>	Michael Day - Chief Executive
<b>Approved Date:</b>	Thursday 12 December 2024
<b>Open Agenda:</b>	Yes

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### **Purpose and Summary**

This report highlights to Council that two bills which relate to key areas of Council operations have been introduced to Parliament and seeks delegation from Council to enable officers to prepare submissions which are may be required before the first meeting of Council in January 2025.

### **Recommendations**

That Council:

1. Receive the report "Council submissions – Resource Management (Consenting and Other System Changes) Amendment Bill and Local Government (Water Services) Bill".
2. Delegate to the Chief Executive to prepare submissions on Council's behalf as required, noting that these would be provided to the January Council meeting for information.

### **Background**

The Government introduced both Bills to Parliament on 10 December 2024. At the time of writing this report the date by which submissions would be required is not yet known, but for the RMA related bill is expected to be before Council's first meeting in January. The Water Services Bill may have a longer submission period to the end of February. Both bills are expected to affect the way Council operates, although the impacts of the Local Government (Water Services) Bill are expected to be greater. It has not been possible to prepare considered briefings for Council within the timeframe, however this report outlines the intended impacts of the Bills described by Government and verbal update will be provided as appropriate.

## **Issues**

### **Resource Management (Consenting and Other System Changes) Amendment Bill**

The objective of the Resource Management (Consenting and Other System Changes) Amendment Bill (the Bill) is to amend the Resource Management Act 1991 (the RMA) to progress the following Government priorities:

- making it easier to consent new infrastructure, including for renewable energy, building houses, and enhancing the primary sector
- cutting red tape to unleash the investment in renewable energy for New Zealand to meet its emissions reduction targets
- making the medium density residential standards (the MDRS) optional for councils, with the need for councils to ratify any use of the MDRS, including in existing zones
- implementing the Going for Housing Growth policy to unlock land for housing, build infrastructure, and allow communities to share the benefits of growth
- facilitating the development and efficiency of ports, and strengthening inter- national supply networks
- simplifying the planning system.

The Bill amends a range of existing RMA provisions across five themes:

#### **Infrastructure and energy**

The Bill amends the RMA to specify default maximum time frames for consent processing and establish default consent durations for renewable energy and infra- structure consents to improve process and outcome certainty for system users.

#### **Housing growth**

The Bill amends the RMA to make it optional for councils to implement the MDRS and provides plan-making processes to deliver for housing. The aim is to increase flexibility and support housing growth. The Bill introduces new powers for the Minister to ensure compliance with national direction. The Bill also simplifies the listing and delisting of heritage buildings and structures.

#### **Farming and the primary sector**

The Bill clarifies the interface between the RMA and the Fisheries Act 1996, to balance marine protection with fishing rights. It amends certification and auditing of farm plans, ensures timely consent processing for wood processing facilities, and enables national direction to facilitate aquaculture improvements more easily. The objective is to enhance investment certainty and support growth.

#### **Natural hazards and emergencies**

The Bill provides an increased suite of tools to deal with natural hazards and emergency events, aiming for better decision making and efficiency.

### **System improvements**

The Bill amends the RMA to enhance compliance and enforcement, reduce regulatory uncertainty, address system gaps, and clarify policy intent to support a well-functioning resource management system.

### **Local Government (Water Services) Bill**

The purposes of this Act are—

- (a) to establish a framework for local government to provide water services in a flexible, cost-effective, financially sustainable, and accountable manner, by—
  - (i) providing for territorial authorities' responsibility for the provision of water services in their districts and the different methods by which they can structure service provision arrangements, including through water organisations; and
  - (ii) setting out the responsibilities that apply to territorial authorities and water organisations as water service providers, and the functions, duties, and powers that are associated with meeting those responsibilities; and
  - (iii) ensuring that information about water service provision, including information relating to revenue, charging, expenditure, and levels of service, is transparent for consumers and communities; and
- (b) in Part 5, to—
  - (i) enable effective and proportionate economic regulation of water services and water quality regulation; and
  - (ii) provide the Minister of Local Government with powers to act when a water service provider is facing a problem or potential problem.

The Department of Internal Affairs has provided the following overview:

### **About the Bill**

The Bill reflects key policy decisions shared with you in August this year. It builds on the foundations already in place through the Local Government (Water Services Preliminary Arrangements) Act 2024, including the development of Water Services Delivery Plans (Plans) by councils.

The Bill is comprehensive, setting out key details relating to the water services delivery system, the economic regulation and consumer protection regime for water services, and changes to the water quality regulatory framework. The Bill gives effect to the policy decisions announced in August. While there are no changes to the information that has already been shared with you on these, the Bill sets out detailed information about the new water services delivery system that will be important for informing your consideration of future water services delivery arrangements.

This includes information about:

- Tax implications for water organisations
- Wastewater and stormwater standards
- Technical details about the implementation of the National Engineering Design Standards
- Bespoke requirements for the consumer trust model of water services delivery



- Arrangements for transferring responsibilities to water organisations
- The objectives, financial principles and other responsibilities that apply to water service providers (councils and water organisations)
- Contractual arrangements for water services delivery
- The new planning and reporting framework for water services.
- Transforming water services infrastructure and delivery

The introduction of this Bill is a significant milestone for Local Water Done Well. The Minister has emphasised that with the framework and settings now in place, it is now up to councils to consider the best solution for your communities.

The Government's expectation is that councils will work together to establish joint water organisations for water services delivery, recognising the cost and operational efficiencies that come with greater size and scale.

As outlined in the Minister's correspondence to Mayors, a joint water organisation will enable councils to pool resources, improve access to financing via Local Government Funding Agency (LGFA), and reduce costs for ratepayers.

It is important to point out that price harmonisation and cross-subsidisation is not a requirement of Local Water Done Well. Concerns about potential cross-subsidisation of neighbouring councils' infrastructure, and harmonisation of pricing for consumers, should not be barrier to councils' discussions about joint arrangements.

While some councils may wish to continue with in-house delivery of water services, the new framework and requirements under Local Water Done Well – such as ringfencing, planning and accountability, and economic regulation – will mean changes in the way you operate water services.

Under Local Water Done Well, water service providers will have to operate more like independent utility businesses, much like telecommunications or electricity utilities. They will be structured and operated differently, and they will be directly accountable to customers, regulators and shareholders (where relevant).

## **Next Steps**

The Chief Executive will prepare submissions on the two Bills as appropriate and these will be provided to Council in the New Year.

## **Attachments**

Nil.

## ESK STREET WEST UPDATE

<b>To:</b>	Council
<b>Meeting Date:</b>	Tuesday 17 December 2024
<b>From:</b>	Russell Pearson – Chief Engineer Infrastructure
<b>Approved:</b>	Erin Moogan - Group Manager - Infrastructure Services
<b>Approved Date:</b>	Thursday 12 December 2024
<b>Open Agenda:</b>	Yes
<b>Public Excluded Agenda:</b>	No

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### Purpose and Summary

This report updates Council on the ongoing work on the Esk Street West project.

Staff have continued to work with the Distinction Hotel as they develop plans for the street and Dee Street access.

### Recommendations

That the Council:

1. Receives the report "Esk Street West Update".
2. Notes the new Clock location and street layout.
3. Notes that design work on the clock exterior is ongoing and will be considered by the Governance Group.

### Background

Council following public consultation approved changes to Wachner Place and Esk Street West areas. The approval allowed Distinction Hotels to develop a suitable streetscape for the area with access from Dee Street and include a porte-cochere at the hotel entry on Esk Street West. This development would be led by the developer Distinction Hotels with input from Council staff.

The current design outline is attached for information and remains aligned with Council direction. Detailed design plans for construction are being worked through.

The Wachner Place Clock mechanism has been removed from the tower and it is particularly pleasing to advise that the mechanism has been fully refurbished and now looks in near new condition. A number of the components have been repaired and checked. The clock is a relatively complex mechanism and there are limited people whom have the knowledge to repair and operate the clock. Ongoing regular maintenance will be a key requirement to ensure that it does not deteriorate in condition. This is a future consideration.

The new clock location and layout proposal has been considered by the Governance Group. A new structural frame and foundation is proposed which aligns close to the western Dee Street boundary (ie the clock would move approximately 20 m in an easterly direction. This location is relatively free from services which allows for the foundation and pit requirements. The new foundation is planned to not be as deep which will bring the mechanism to a height of about 1.5m which is still very visible. The existing sections of the clock faces and bells are planned to be refurbished and reinstalled.

Architects have been engaged to develop and detail the exterior look, the cladding and glazing around the mechanism at ground level.

As noted in the earlier report, the developer will be leading the design and delivery of the planned works. Council staff continues to interact in this process. Underground utilities have been renewed in advance of the works. The site is also being utilised by the developer to assist with the builds of both the hotel and carpark.

The developer will be organising the streetscape construction works to coordinate with their opening.

The paving which has been selected aligns and will visually connect with the earlier works in Esk and Don Streets and includes an area of granite paving (the same as Esk) along with asphaltic concrete in parts of the Esk Street West roadway. Concrete pavers are planned for footpath areas. Streetscape elements will continue the themes developed but use mostly above ground items rather than in ground. This will add some flexibility.

The Hotel Porte Cochere foundation and structure are in place and the adjacent building works progressing.

## **Issues**

The designs continue to align with earlier direction provided by Council. The Governance group continues to provide advice and direction to the design as it progresses.

The new location for the clock considered a range of options to ensure that it was re-established back into Wachner Place. The clock and structure has a number of requirements and the planned location looks to ensure it remains a strong feature.

The layouts and operations within Esk Street West will create a number of different traffic movements. These are all at slow speed and can operate relatively well but the area has a strong vehicle impact. The traffic designs have been developed by a suitable specialist. A number of agreements (Licences) are being finalised with the developer for the various project areas. Some changes to the Parking Bylaw will be needed to ensure suitable regulatory controls can be established.

The concept plans have progressed and now are addressing the details needed for construction. The developer has yet to advise specific dates for construction commencing but the completion risk rests with his team.

Council has already consulted and received the community views on this proposal. The Developer will continue to connect to key stakeholders as the project develops.

The plans being received are consistent with the City Centre Master Plan and looks to strengthen the connections to the City Centre. The work is strategically important in that it connects the west side of Dee Street to the recently completed work in Don and Esk Street. The hotel will ensure there are more people movements in this area. The look and feel of Esk Street West will be significantly changed upon completion.

The Developer has agreed a financial package and to undertake the majority of the works at their cost whilst they control and coordinate delivery of the works needed to establish and restore Esk Street West and the access from Dee Street.

Council will contribute towards the improvements being undertaken. Council also will undertake the works on the clock (excluding the foundations and structure). The new structure would be provided by the Developer.

The budget for the project as per the Long-term Plan is a \$2 million contribution for street improvements, \$1 million contingency for any soil contamination within the road area, \$1 million contingency for associated works such as clock mechanism and unforeseen requirements. The majority of the cost risk is not being carried by Council as the proposed approach is a lump sum contribution. Risks relating to unforeseen soil or foundations are addressed through the contingency allowance.

The Developer would be responsible for the works from Leven Street through to Dee Street but not the area of Wachner Place to the north of the access lane.

The areas associated with Wachner Place has a range of easements and covenants historically which allow utility access and these will be met. These requirements are being managed in the design work being undertaken.

An agreement with the Developer is being concluded which sets out all the requirements and standards expected and ensures that the works are completed.

Time related risks of not completing by opening dates rests with the developer. Council needs to continue to work closely and develop strong coordination in works associated with the area.

The remaining areas of Wachner place are not planned to be upgraded within the budgets set by Council through the LTP process. The look of the remaining areas may be less than the expectation of the community. This was a decision considered and adopted within the formation of the LTP.

## **Next Steps**

The Developer will continue to complete design plans for construction. These will be reviewed by Council staff to ensure they meet the expected levels for ongoing maintenance and requirements.

The Governance Group will consider issues as they arise and if required report back to Council.

Work is expected to commence early in 2025.

Further and ongoing discussions will occur with the adjacent property owners (and tenants) and Waka Kotahi. Internal stakeholder discussion and collaboration would continue with the developer.

The Governance Group will meet as required to ensure the project continues in an agreed manner and the working relationship with the Developer continues.

## **Attachments**

1. Esk Street West Plans (A5680674)



General Perspective from Esk Street West



ESK STREET UPGRADE / STREETScape



Concept of Porte Cochere





## SHAREHOLDER RESOLUTION IN LIEU OF INVERCARGILL CITY HOLDINGS LIMITED ANNUAL GENERAL MEETING

**To:** Council

**Meeting Date:** Tuesday 17 December 2024

**From:** Andrew Cameron – ICHL General Manager

**Approved:** Patricia Christie - Group Manager - Finance and Assurance

**Approved Date:** Thursday 12 December 2024

**Open Agenda:** Yes

**Public Excluded Agenda:** No

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### Purpose and Summary

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

- Resolution in Lieu of the 2024 Annual General Meeting

### Recommendations

That Council:

1. Receives the report "Shareholder Resolution in Lieu of Invercargill City Holdings Limited Annual General Meeting".
2. Approves the resolution in Lieu of an Annual General Meeting attached as Attachment 1 as the shareholder of Invercargill City Holdings Limited.
3. Authorises the Mayor to sign on its behalf.

### Background

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

### Resolution in Lieu of an Annual General Meeting

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

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

- Document the receipt and adoption of the ICHL Group Annual Report (Attachment 2)
- Additionally, to appoint Audit New Zealand on behalf of the Auditor-General to act as Auditors.

## **Issues and Options**

### **Analysis**

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

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

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

### **Significance**

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

### **Options**

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

## **Community Views**

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

## **Implications and Risks**

### **Strategic Consistency**

There are no strategic implications.

### **Financial Implications**

There are no financial implications.

**Legal Implications**

There are no legal implications for Council of these decisions.

**Climate Change**

There are no material climate change impacts of this decision.

**Risk**

There are no material risks from this decision.

**Next Steps**

Approve the signing of attachment "Resolution in Lieu of an Annual General Meeting" attached.

**Attachments**

1. Resolution in Lieu of an Annual General Meeting – A5658771
2. ICHL 2024 Annual Report – A5678413



17 December 2024

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

1. That the Annual Report for the year ended 30 June 2024 be received and adopted.
2. That the appointment of Audit New Zealand on behalf of the Auditor-General to act as Auditors be confirmed in accordance with Section 70 of the Local Government Act 2002.

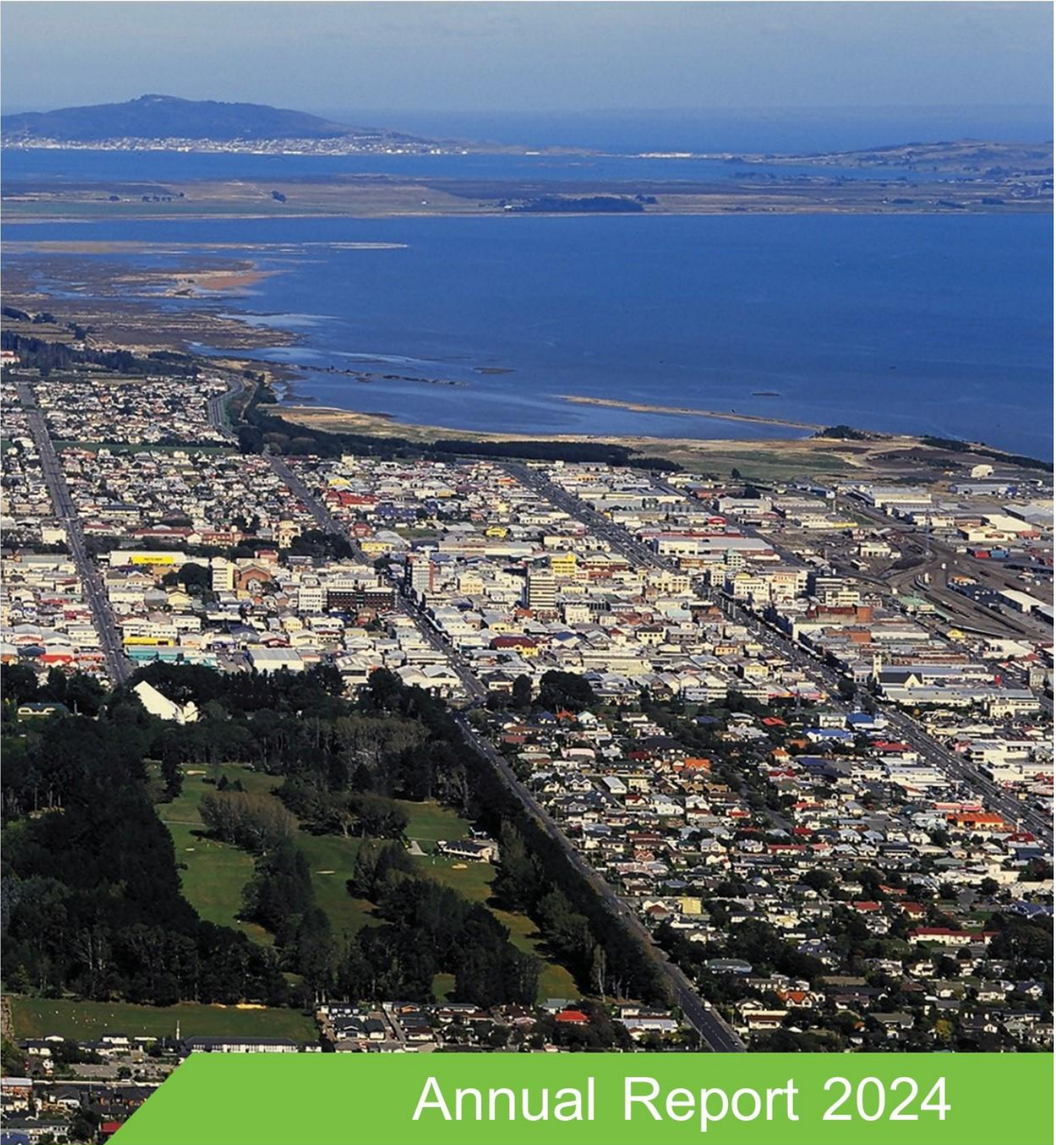
**RESOLUTION**

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

Signed .....

Nobby Clark  
**MAYOR**  
**INVERCARGILL CITY COUNCIL**

Dated this                      day of December 2024.



# Annual Report 2024



INVERCARGILL CITY HOLDINGS LTD

A5678413





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# Approval by Directors

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The Directors have approved to issue the financial statements of Invercargill City Holdings Limited for the year ended 30 June 2024.



B Wood  
Director

J Schol  
Director

For and on behalf of the Board of Directors.  
18 November 2024

# Directory

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## **Registered Office**

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

## **Auditor**

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

## **Bankers**

BNZ

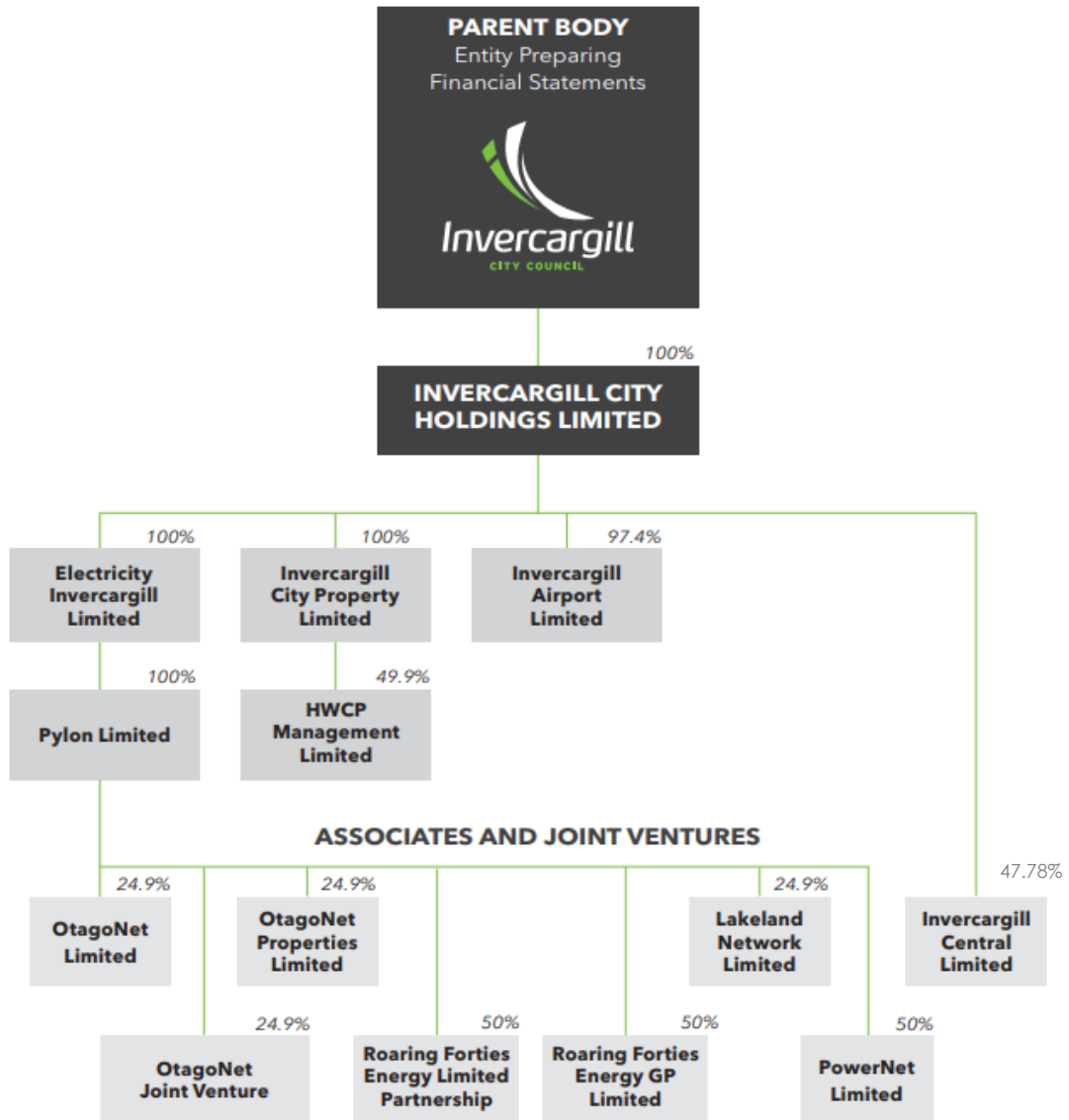
## **Solicitors**

Preston Russell Law  
45 Yarrow Street, Invercargill 9810

## **Treasury Advisor**

Bancorp Treasury Services

# Group Structure



- Invercargill City Property Limited was amalgamated with Invercargill City Holdings Limited on 3 July 2024.
- As described in Note 20, Invercargill City Council approved a major transaction being the sale of the Group's interest in Pylon Limited.



# An Overview

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## **INVERCARGILL CITY HOLDINGS LIMITED**

### *Activities:*

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

### *2024 Financial Year:*

- The Group has reported an after-tax profit of \$8.03 million for the year ended 30 June 2024 compared to \$4.67 million in the prior year.

## **ELECTRICITY INVERCARGILL LIMITED**

### *Activities:*

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

### *2024 Financial Year:*

- The after-tax profit for the year ended 31 March was \$4.03 million compared to \$4.79 million for the prior year.
- EIL continues to focus on initiatives that will maintain network safety, efficiency and reliability.

## **INVERCARGILL AIRPORT LIMITED**

### *Activities:*

- Owners and operator of regional airport.

### *2024 Financial Year:*

- Invercargill Airport Limited reported an after-tax profit of \$428,000 compared \$1.444 million in the prior year.
- Health and safety, risk management and operational compliance remain a priority for the company.

## **INVERCARGILL CITY PROPERTY LIMITED**

### *Activities:*

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

### *2024 Financial Year:*

- The loss for the year was \$369,000 compared to \$389,000 for the prior year. In the 2025 financial year, an impairment expense was recorded in relation to the loan to HWCP Management Limited.
- The Company continued to support HWCP Management Limited.
- Invercargill City Property Limited was amalgamated with Invercargill City Holdings Limited on 3 July 2024.

# Board of Directors

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## COMPANY DIRECTORS

### Invercargill City Holdings Limited

B Wood – Chair  
P Carnahan  
M English  
L Robertson  
J Schol

### Electricity Invercargill Limited

S Young (Chair from 1 June 2024)  
S Lewis  
P Heenan  
R Jamieson – Chair (retired 31 May 2024)  
E Ihaia (retired 11 June 2024)  
P Kiesanowski (retired 31 October 2023)

### Invercargill Airport Limited

G Lilly – Chair  
J George  
P Halstead  
A Hercus  
D Addie (from 30 January 2024)

### Invercargill City Property Limited

P Carnahan - Chair  
M English  
L Robertson  
J Schol

# Statement of Governance

The Directors are pleased to present this Governance Statement.

## Role of the Board of Directors

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

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

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

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

## DIRECTORS REMUNERATION

### Invercargill City Holdings Limited

B Wood - Chair	\$70,000
P Carnahan	\$35,000
M English	\$35,000
L Robertson	\$35,000
J Schol	\$42,500

### Electricity Invercargill Limited

R Jamieson – Chair (retired 31 May 2024)	\$65,000
E Ihaia (retired 11 June 2024)	\$32,000
P Kiesanowski (retired 31 October 2023)	\$18,667
S Lewis	\$32,000
S Young (Chair from 1 June 2024)	\$32,000
P Heenan	\$5,508

### Invercargill Airport Limited

G Lilly – Chair	\$54,000
J George	\$27,000
P Halstead	\$27,000
A Hercus	\$27,000
D Addie (from 30 January 2024)	\$11,250

### Invercargill City Property Limited

P Carnahan - Chair	-
M English	-
L Robertson	-
J Schol	-

### Invercargill Central Limited / HWCP Management Limited

B Wood	\$35,000
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There was no remuneration or other benefits paid to Directors during the year for any of the following:

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

# Statutory Information

## USE OF COMPANY INFORMATION BY DIRECTORS

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

## SHAREHOLDING BY DIRECTORS

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

## DIRECTORS' AND OFFICERS INDEMNITY INSURANCE

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

## EMPLOYEES' REMUNERATION

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

\$000	No. of employees
240-250	1
150-160	1
140-150	1
120-130	1
100-110	1

## AUDITOR'S REMUNERATION

2024 audit fees for the Group totalled \$289,762. Details of fees payable are contained in Note 3.

## LOANS TO DIRECTORS

There are no loans to Directors.

## DIVIDEND

A dividend of \$5,206,000 was paid during the year.

## DIRECTORS' INTERESTS

Invercargill City Holdings Limited maintains an interests register in which particulars of certain transactions and matters involving the directors are recorded. These are requirements under the Companies Act 1993. The following entries were recorded in the interests register during the year ended 30 June 2024.

	Invercargill City Holdings Limited	Invercargill City Property Limited	Invercargill Central Limited	HWCP Management Limited
Brian Wood – Chair	*		*	*
Peter Carnahan	*	*		
Mervyn English	*	*		
Linda Robertson	*	*		
John Schol	*	*		

\* Invercargill City Property Limited was amalgamated with Invercargill City Holdings Limited on 3 July 2024

# Board Chair Report

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I am pleased to present the 2024 Annual Report of Invercargill City Holdings Limited. The Group produced a profit after tax of \$ 14.517 million (excluding the adjustment for share of net losses not recognised within investment in joint ventures) compared to \$5.173 million last year. The positive financial performance for the year ended 30 June 2024 is largely attributed to gain upon sale of the Group's interest in Southern Generation Limited Partnership which settled on 27 June 2024. The Group recognised revenue of \$13.364 million with regards to this completed transaction. Refer to note 11 for further discourse with regards to this transaction.

Invercargill City Holdings Limited resolved a dividend of \$5.206 million for the financial year. The Directors of Invercargill City Holdings Limited are satisfied that the changes they are implementing will enable Invercargill City Holdings Limited to continue to make sustainable dividend payments to Invercargill City Council as agreed.

Following a comprehensive review of the Group's commercial investments, a resolution was passed on 24 September 2024 to divest of the Group's interest in Pylon Ltd including its associates and Joint ventures. The proceeds received by Invercargill City Holdings from this restructure will be utilised to reduce debt and reinvest to seek returns that satisfy the strategic and commercial requirements of the Group. Refer to Note 20 for further information with regards to this transaction.

The Electricity Invercargill Limited group produced an after-tax profit of \$4.031 million compared to \$4.787 million last year. The decreased profits reflect a higher interest rate environment compared to the prior year.

Invercargill Airport Limited reported an after-tax profit of \$428,000 compared \$1.444 million in the prior year. The reduced financial results were primarily driven by lower domestic airline capacity across the county arising from various fleet and other airline issues. During 2024, the airport invested

in various capital projects aimed at generating commercial and non-aeronautical revenue.

Invercargill City Property Limited produced an after-tax loss of \$369,000 this year compared to a loss of \$389,000 last year. Invercargill City Property Limited has loans to HWCP Management Limited which still retains some land. While sales of those parcels have not been finalised at this time, the Directors objective is to recover funds from HWCP Management Limited when those transactions are completed. ICPL continues to incur interest costs on funds borrowed from Invercargill City Holdings Limited to on-lend to HWCP Management Limited. On 3 July 2024 Invercargill City Property Limited amalgamated with Invercargill City Holdings Limited.

During the 2024 financial year, Invercargill Central Limited completed a capital raise whereby new equity amounting to \$40 million was offered to all of the existing shareholders. At the instruction of Invercargill City Council, Invercargill City Holdings Limited participated in this capital raise with an additional investment of \$19.170 million. Invercargill Central Limited used the proceeds of this new capital to repay a portion of its existing debt obligation. On 16 August 2024, a head of agreement was signed whereby Invercargill City Council agreed to lease level 1 and level 3 of Invercargill Central Limited's shopping Centre complex. This arrangement will enable the Council to relocate from their existing accommodation premises in the near future and support the future performance of Invercargill Central Limited.

I would like to thank the members of the Board for their support and to the staff of ICC for their administrative support to the Group over the year.



**B J Wood**  
Board Chair

# Statement of Financial Position

As at 30 June 2024

	NOTE	GROUP 2024 \$000	GROUP 2023 \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	1,375	3,177
Trade and other receivables	8	3,387	3,027
Other financial assets		750	750
Derivative financial instruments	21	33	133
Inventories		2	6
<b>Total current assets</b>		<b>5,547</b>	<b>7,093</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	136,494	136,298
Investment property	10	7,775	5,830
Capital work in progress		10,353	2,747
Investments in associates and joint ventures	11	131,049	106,533
Advances to associates and joint ventures		14,492	12,998
Other financial assets		701	1,323
Deferred tax asset	15	-	3
Derivative financial instruments	21	798	1,349
<b>Total non-current assets</b>		<b>301,662</b>	<b>267,081</b>
<b>Total assets</b>		<b>307,209</b>	<b>274,174</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Derivative financial instruments	21	-	-
Trade and other payables	13	4,398	3,888
Employee benefit liabilities		169	169
Borrowings	14	78,765	43,019
Tax payable		3,895	913
Provision	12	3,885	-
<b>Total current liabilities</b>		<b>91,112</b>	<b>47,989</b>
<b>Non-current liabilities</b>			
Borrowings	14	36,200	48,200
Deferred tax liability	15	29,180	29,628
<b>Total non-current liabilities</b>		<b>65,380</b>	<b>77,828</b>
<b>Total liabilities</b>		<b>156,492</b>	<b>125,817</b>

	NOTE	GROUP 2024 \$000	GROUP 2023 \$000
<b>EQUITY</b>			
Share capital	16	82,569	82,570
Retained earnings	16	19,333	16,411
Other reserves	16	48,815	49,376
<b>Total equity attributable to the equity holders of the company</b>		<b>150,717</b>	<b>148,357</b>
<b>Equity is attributable to:</b>			
Parent entity	16	148,895	146,523
Minority interest	16	1,821	1,834
		<b>150,717</b>	<b>148,357</b>

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



# Statement of Comprehensive Income

For the year ended 30 June 2024

	NOTE	GROUP 2024 \$000	GROUP 2023 \$000
<b>INCOME</b>			
Revenue from contracts with customers	1	24,907	25,491
Rental income		2,367	2,322
Other income		798	415
Other gains	2	480	325
<b>Total income</b>		<b>28,552</b>	<b>28,553</b>
<b>EXPENDITURE</b>			
Employee expenses	4	1,941	1,621
Depreciation	9	6,605	6,269
Other expenses	3	15,347	15,965
<b>Total operating expenditure</b>		<b>23,893</b>	<b>23,855</b>
Finance income	5	1,286	947
Finance expenses	5	(4,424)	(3,365)
<b>Net finance expense</b>		<b>(3,138)</b>	<b>(2,418)</b>
Operating profit/(loss) before tax from continuing operations		1,521	2,280
Share of associate and joint ventures surplus/(deficit)	11	4,393	7,123
Adjustment for share of net losses not recognised	11	(6,483)	(500)
<b>Profit/(loss) before tax from continuing operations</b>		<b>(569)</b>	<b>8,903</b>
Income tax expense	6	4,099	1,980
Profit/(loss) after tax from continuing operations		(4,668)	6,923
Profit/(loss) after tax from discontinued operations	24	12,702	(2,250)
<b>Profit/(loss) after tax for the year</b>		<b>8,034</b>	<b>4,673</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>To be classified to surplus or deficit in subsequent periods:</b>			
Property, Plant and Equipment revaluation gains/(losses) – net of tax	9	-	12,719
Cash flow hedges net of tax	16	(469)	648
<b>Total other comprehensive income</b>		<b>(469)</b>	<b>13,367</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>7,565</b>	<b>18,040</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		7,553	18,004
Minority interest		12	36
		7,565	18,040

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



# Statement of Changes in Equity

For the year ended 30 June 2024

	Attributable to Equity Holders of the Company						Total \$000
	Share Capital \$000	Cashflow Hedging Reserve \$000	Revaluation Reserve \$000	Retained Earnings \$000	Total \$000	Minority Interest \$000	
Balance at 1 July 2022	82,570	419	35,598	16,818	135,405	1,798	133,607
Surplus/(deficit) after tax	-	-	-	4,673	4,673	36	4,637
Other comprehensive income	-	649	12,710	9	13,368	-	13,368
<b>Distributions to Shareholders</b>							
Dividends paid/declared	-	-	-	(5,089)	(5,089)	(7)	(5,082)
<b>Contributions from Shareholders</b>							
Shares issued and paid up	-	-	-	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>82,570</b>	<b>1,068</b>	<b>48,308</b>	<b>16,411</b>	<b>148,357</b>	<b>1,827</b>	<b>146,530</b>
Balance at 1 July 2023	82,570	1,068	48,308	16,411	148,357	1,827	146,530
Surplus/(deficit) after tax	-	-	-	8,034	8,034	12	8,022
Other comprehensive income	-	(468)	(91)	91	(468)	-	(468)
<b>Distributions to Shareholders</b>							
Dividends paid/declared	-	-	-	(5,206)	(5,206)	(18)	(5,188)
<b>Contributions from Shareholders</b>							
Shares issued and paid up	-	-	-	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>82,570</b>	<b>600</b>	<b>48,217</b>	<b>19,330</b>	<b>150,717</b>	<b>1,821</b>	<b>148,896</b>

# Statement of Cash Flows

For the year ended 30 June 2024

	NOTE	GROUP 2024 \$000	GROUP 2023 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		1,129	741
Receipts from other revenue		27,803	28,044
Payments to suppliers and employees		(17,332)	(16,945)
Interest paid		(4,465)	(3,163)
Income tax (paid) / refund		(1,469)	(2,753)
Goods and services tax [net]		(121)	5
Subvention payment		4	(205)
<b>Net cash from operating activities</b>		<b>5,549</b>	<b>5,724</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		27	47
Proceeds from sale of investments	11	750	
Dividends received from associates/joint ventures		5,539	6,564
Purchase of property, plant and equipment		(8,425)	(9,447)
Purchase of investment property		(2,908)	-
Purchase of investments		(19,300)	(250)
Purchase of construction work in progress		-	(1)
Advances made to associates/joint ventures		(1,407)	261
Investments in associates/joint ventures		(150)	-
<b>Net cash from investing activities</b>		<b>(25,874)</b>	<b>(2,826)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		23,747	4,850
Repayment of borrowings		-	(4,577)
Dividends paid		(5,224)	(5,096)
<b>Net cash from financing activities</b>		<b>18,523</b>	<b>(4,823)</b>
<b>NET (DECREASE) / INCREASE IN CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS</b>			
		<b>(1,802)</b>	<b>(1,925)</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year		3,177	5,102
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>7</b>	<b>1,375</b>	<b>3,177</b>

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

**RECONCILIATION OF NET PROFIT / (LOSS) TO NET CASH INFLOWS  
(OUTFLOWS) FROM OPERATING ACTIVITIES**

	NOTE	GROUP 2024 \$000	GROUP 2023 \$000
RECONCILIATION WITH REPORTED OPERATING SURPLUS			
Net profit after tax for the year		8,034	4,673
<i>Add/(deduct) non-cash items:</i>			
Depreciation		6,604	6,269
Net (profit) / loss on sale of fixed assets		80	27
Impairment of trade receivables			-
Change in fair value of investment property		(480)	(325)
Increase / (decrease) in deferred taxation		(265)	279
Associate / joint venture post-acquisition profits		(4,393)	(7,123)
(Profit)/loss from discontinued operations	24	(12,824)	2,010
Tax arising on sale of Investments in associates	11	2,418	
Change in fair value of loan		17	169
Adjustment for share of net losses not recognised	11	6,483	500
<i>Add / (less) movements in working capital:</i>			
(Increase) / decrease in receivables		(619)	(602)
(Increase) / decrease in inventories		4	-
(Increase) / decrease in prepayments		2	(10)
Increase / (decrease) in accounts payable and accruals		(8)	828
Increase / (decrease) in GST/taxation		496	(971)
Net cash inflow (outflow) from operating activities		5,549	5,724

**CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The changes in the liabilities arising from financing activities can be classified as follows:

	Current Borrowings	Non- Current Borrowings	Total \$000
1 July 2023	43,019	48,200	91,219
Non cash movements	30,000	(30,000)	-
<b>CASHFLOWS</b>			
Proceeds	5,746	18,000	23,746
Repayments			
30 June 2024	78,765	36,200	114,965

# Notes to the Financial Statements

For the year ended 30 June 2024

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## REPORTING ENTITY

Invercargill City Holdings Limited ("the Company") is a Council Controlled Trading Organisation as defined in the Local Government Act 2002 and registered under the Companies Act 1993. The Company is wholly owned by the Invercargill City Council ("the Council").

The Invercargill City Holdings Limited Group consists of:

- Electricity Invercargill Limited (100% owned) and its wholly owned subsidiary Pylon Limited. The Electricity Invercargill Limited Group has a balance date of 31 March 2024.
- Invercargill Airport Limited (97.47% owned)
- Invercargill City Property Limited (100% owned)
- All the Group's subsidiaries and associates are incorporated in New Zealand

The primary objective of the Company is to manage the commercial investments of the Council. Accordingly, the Company has designated itself and the group as profit orientated entities for the purposes of New Zealand equivalent to International Financial Reporting Standards ("NZ IFRS").

The financial statements of the Company and Group are for the year ended 30 June 2024. The financial statements were authorised for issue by the Board on 18 November 2024. The entities directors do not have the right to amend the financial statements after issue.

## BASIS OF PREPARATION

The financial statements of the Group have been prepared in accordance with the requirements of the Local Government Act 2002, the Companies Act 1993, the Financial Reporting Act 2013 and the Energy Companies Act 1992.

The financial statements of the Group comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The Group is a Tier 1 for profit entity, as the Group has expenses over \$30 million. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). The financial statements have been prepared on a historical cost basis, modified by the revaluation of, investment property, network assets and financial instruments (including derivative instruments). certain property,

plant and equipment has been revalued to fair value.

The accounting policies that have been applied to these financial statements are based on the External Reporting Board A1, Accounting Standards Framework (For-profit Entities Update).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand (\$'000). The functional currency of the Group is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Income.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the reporting date.

The financial statement has been prepared on a going concern basis. The Group has assessed the refinancing risk of its debt and whether it has sufficient liquidity to meet investment or funding needs as the key judgements it considers in assessing it is a going concern.

As described in note 16 to the financial statements, The Company has 74,675,202 (2023: 74,675,202) ordinary shares that have been called and a further \$100,000,000 (2023: 100,000,000) of ordinary shares that have been issued to the Invercargill City Council which are able to be called upon. On this basis, together with the funding available through Group's loan facility held with New Zealand Local Government Funding Agency the Group is able to refinance appropriately and meet immediate investment and funding needs.

## SUBSIDIARIES

The Company consolidates as subsidiaries in the group financial statements all entities where the Company has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity.

This power exists where the Company controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Company or where the determination of such policies is unable to

materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

The Company measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill.

#### **BASIS OF CONSOLIDATION**

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

#### **ASSOCIATES AND JOINT VENTURES**

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Joint ventures are those entities over which the Group has joint control, established by contractual agreement. The Group's investments in its associates and joint ventures are accounted for using the equity method. The investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the surplus or deficit after the date of acquisition. The Group's share of the surplus or deficit is recognised in the Group's Statement of Comprehensive Income. Distributions received reduce the carrying amount of the investment.

The Group's share in the associate's surplus or deficits resulting from unrealised gains on transactions between the Group and its associates is eliminated.

#### **BORROWING COSTS**

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

#### **FINANCIAL ASSETS**

Where applicable the Group classifies its investments in the following categories:

- Amortised cost, fair value through other comprehensive income, and fair value through profit or loss.
- The classification is determined by the Group's business model for managing the financial asset

and the contractual cashflow characteristics of the financial assets.

#### **Financial Assets at Amortised Cost**

Financial assets are measured at amortised cost if the assets are held within a business model where the objective is to hold the financial asset and collect its contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

#### **Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)**

A debt instrument is measured at FVOCI if the asset is held under a business model where the objective is to hold to collect the contractual cash flows and sell, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial Assets at Fair Value through Profit or Loss (FVTPL)**

Financial assets that are held within a different business model than "hold to collect" or "hold to collect and sell", and financial assets whose contractual cash flows are not solely payments of principal and interest on the principal amount outstanding. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments.

#### **Impairment of Financial Assets**

At each Statement of Financial Position date, the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Statement of Comprehensive Income.

#### **FINANCIAL INSTRUMENTS**

##### **Receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant amount of risk of changes in value.

#### Trade and Other Payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost using the effective interest method

#### Borrowings

Borrowings are recognised initially at fair value, net of any transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between the proceeds (net of transaction costs) and the redemption value are recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

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

#### Loans to HWCP Management Limited (Associate)

Loans to HWCP Management Limited are measured at fair value through profit or loss, transaction costs are expensed as incurred. Subsequently, these loans are measured at fair value through profit or loss with any realised and unrealised gains or losses recognised in profit or loss in the Statement of Comprehensive income. Refer to critical accounting estimates and assumptions for the valuation techniques and key assumptions used in the valuation.

#### Accounting for Derivative Financial Instruments and Hedging Activities

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. However, where derivatives qualify for hedge accounting, recognition for any resultant gain or loss depends on the nature of the hedging relationship.

#### Cash Flow Hedge

Changes in the fair value of the derivatives hedging instruments designated as a cashflow hedge are recognised as follow:

- the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity through the OCI; and
- the ineffective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in profit or loss, within other gains/(losses)

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. The amount recognised in equity is transferred to revenue or expenditure in the same period that the hedged item affects the Statement of Comprehensive Income.

#### LEASES

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

All leases are classified as leases of right-of-use assets unless they meet the definition of short term or low value leases, or are sub-let. Lease payments that are short-term or low value are recognised as an expense on a straight-line basis over the lease term.

Lease liability payments are allocated between principal and finance cost over the term of the lease.

Right-of-use assets are depreciated over the shorter of the assets estimated useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the asset's useful life.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

The Group has elected to apply the practical expedient not to apply to requirements of NZ IFRS 16 to leases for which the lease terms end within 12 months of the date of initial application.

#### CAPITAL WORK IN PROGRESS

Work in progress includes the cost of direct materials and direct labour used in putting replacement and new systems and plant in their present location and condition. It includes accruals for the proportion of work completed at the end of the period. Capital work in progress is stated at cost and is not depreciated.

#### **IMPAIRMENT OF ASSETS**

Goodwill and indefinite life intangible assets are not subject to amortisation but are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive Income.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve.

However, to the extent that an impairment loss for that asset was previously recognised in Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

#### **GOODS AND SERVICES TAX (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department ("IRD") is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### **DIVIDEND**

A dividend is recognised when it is declared and approved by the Board.

#### **CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

In preparing these financial statements, the Company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates, assumptions and critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- There are estimates and judgements made to determine the fair value of investment property. These are discussed in Note 10. The most sensitive assumption on the valuation is that one property is planned to be demolished within the next year but no decision has been made on its replacement (2023: this property is planned to be demolished within the next year but no decision has been made on its replacement).
- Invercargill City Property Limited - determination of the fair value of the loan to HWCP Management Limited.

The fair value of the loan to HWCP Management Limited was determined using discounted cashflow methodology.

The valuation is based on forecast free cashflows to 2030. The following assumptions were adopted:

- A discount rate of 15.27% (2023: 15.22%) was used to reflect the unsecured loan including the credit margin of 2.6%.
- The forecast cashflows reflect a realisation of the remaining assets in 2030; and
- The value of the assets sold in 2030 are deemed to reflect the market value as at 30 June 2024.
- No adjustment has been made with regards the increase or decrease in market value of these assets to the point of forecasted realisation in 2030.

Changes in the discount rate and the final cashflow have an impact on the fair value of the loan.

- Invercargill Central Limited – The fair value of the Group's interest in Invercargill Central Limited



was determined using the value in use methodology using the following assumptions:

- Internal rate of return- 11.25%
- Terminal Yield - 7.75%
- Initial yield - 7.00%

- Invercargill Airport Limited - determination of the recoverable amount of assets.

For 2024, due to the impact high inflation and a rising interest rate environment in New Zealand and globally, an impairment assessment was carried out.

The following major inputs and assumptions were adopted:

- The forecast free cash flows reflect the charges determined following the 2025 aeronautical charge review.
- Expected revenues reflect expected passenger numbers and other contractual revenues.
- The weighted average cost of capital (WACC) used ranges from 7.12% to 8.64% (2023: 7.04% to 8.48%) depending on the asset class
- The assessment indicated that the value of property, plant and equipment was not impaired. The assessment is sensitive to the WACC applied. An impairment arises if the WACC for all asset classes is increased by any amount more than 2.10% (resulting in an average WACC of 9.75%).
- There are estimates and judgements made to determine the lessee improvements settlement provision, these are discussed in Note 12.

- Electricity Invercargill Limited Group Estimates and Assumptions. The estimates and associated assumptions have been based on historical experience and other factors that are believed to be reasonable under the circumstances and have been used in the following areas:
  - Property, plant and equipment.
  - Network assets valuation.
  - Revenue estimation - Network Charges.

Sale of Pylon Ltd - As described in note 20, the sale of Pylon Ltd was approved on 26 September 2024 by Invercargill City Council. As at 30 June 2024 it was deemed probable that this transaction would be approved by Council subsequent to the year then ended however not highly probable given Council could vote against the sale and purchase agreement to be entered into. As such the sale of Pylon was not reclassified as "held for sale" as at 30 June 2024.

Discontinued operations – As disclosed at note 24, the Group's investment in Roaring Forties Energy Limited Partnership is reported as a discontinued operation as at 30 June 2024. The critical assumption resulting in this treatment is because the Group's interest in Roaring Forties Energy Limited Partnership represents a separate major line of business within the Group.

#### Property, Plant and Equipment

In the process of applying accounting policies, Electricity Invercargill Limited management has made the following judgements, estimates and assumptions that have the most significant impact on the amounts recognised in these financial statements.

The Group operates extensive integrated electricity distribution networks comprising large numbers of relatively minor individual network asset components. These components are replaced over time as part of an ongoing maintenance/refurbishment programme, consistent with the Group's approved network asset management plans. The costs associated with recording and tracking all individual components replaced and removed from the networks substantially outweigh the benefits of doing so. Management has estimated the quantities and the carrying values of components removed from the networks in each reporting period. Any errors in the estimates of such removals are corrected at the next asset revaluation, and are not considered to be material on either an annual or a cumulative basis with respect to either reported net surpluses on carrying values of the networks.

The electricity distribution network is valued at fair value. Fair value is determined on the basis of a periodic valuation at a maximum of every five years, based on discounted cash flow methodology. The fair values are recognised in the financial statements of the Group and are reviewed at the end of each reporting period to ensure that the carrying amount of the distribution network is not materially different from its fair value.

The carrying amounts of the property, plant and equipment are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

#### Revenue Estimation

The Group invoices its customers (predominantly electricity retailers) monthly for electricity delivery services on the basis of an estimation of usage, adjusted for the latest wash-up data available from the electricity wholesale market and certain



metering data from electricity retailers. Management has made an allowance in revenue and in current assets/liabilities for any amounts which are estimated to be under/over charged during the reporting period. However, as final wash-up metering data is not available for in excess of 12 months, it is possible for the final amounts payable or receivable to vary from that calculated.

#### **NEW STANDARDS ADOPTED**

There have been no new standards adopted during the financial year.

#### **NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

The new standards and amendments that are relevant to the Company and Group are:

##### **Amendments to NZ IAS 1 – Classification of Liabilities as Current or Non-current**

The amendments clarify a criterion in NZ IAS 1 for classifying a liability, such as loans, as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The Company and Group are assessing the effect of these amendments on its financial statements.

##### **Amendments to FRS-44 - Disclosure of Fees for Audit Firms' Services**

This amendment updates the required disclosures for fees relating to services provided by an entity's audit or review firm. The disclosure is to be disaggregated into specified categories of services and includes guidance to assist entities. The mandatory date for application of this new standard is 01 January 2024. This new standard is not expected to have a material impact on the financial statement disclosure given the Company and Group's auditor fees are disaggregated within Note 1 of the financial statements.

##### **2019 Omnibus Amendments to NZ IFRS**

Effective for periods on or after 1 January 2025, the amendments clarify that in a transaction involving an associate or joint venture, the extent of the gain or loss recognised is dependent upon whether the assets sold or contributed constitute a business, as defined in NZ IFRS 3 Business Combinations. The Company and Group are assessing the effect of these amendments on its financial statements.

No new or amended standards that are issued but not yet effective have been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact in the current or future reporting periods

#### **CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies during the period except for those arising from the adoption of the new standards. All accounting policies have been consistently applied throughout the period covered by these financial statements.

## 1. OPERATING REVENUE

Revenue is recognised as the amount of consideration expected to be received in exchange for transferring promised goods or services to a customer.

### ELECTRICITY DISTRIBUTION SERVICES: Revenue from Contracts with Customers:

#### Electricity Delivery Services

Electricity delivery service revenue relates to the provision of electricity distribution services to electricity retailers through its electricity network in Invercargill City and the Bluff area. Electricity retailer delivery services are performed on a daily basis and considered a series of distinct goods and services provided over time. Prices are regulated and retailers are charged based on the published schedule and quantities delivered. Revenue is recognised over time using an output method based on the actual delivery services provided on a daily basis.

#### Capital Contributions

Capital contributions revenue relates to contributions received from customers, excluding delivery service customers who are directly billed, for construction activities relating to the establishment of new connections or upgrades of an existing connection. The subsequent electricity distribution is contracted separately, interposed through a retailer, and is therefore not considered to impact the assessment of the customer or performance of the obligations of the capital contribution contracts. Pricing is fixed and contributions are paid prior to assets being connected to the network. Capital contributions are recognised as revenue at the point in time when construction activities are completed and the asset is connected to the network.

#### Airport Services

Services are provided on demand and the transaction price is recognised as revenue based on their stand-alone selling price. The stand-alone selling price is based on published prices, and calculated on a price per unit of the service, net of rebates.

Revenue is recognised over time as the customer simultaneously obtains the benefits from the service as it is being performed.

### Other Income:

#### Meter Rental Income

Meter rental income represents amounts invoiced to customers based on their usage of the metering assets owned by the Group.

#### Rental Income

Rent and lease income is recognised on a straight-line basis over the term of the lease where the group is the lessor.

	Group 2024 \$000	Group 2023 \$000
Electricity delivery services	18,617	18,498
Electricity capital contributions	308	418
Airport services	5,952	6,545
Other income	29	30
	<b>24,907</b>	<b>25,491</b>

## 2. OTHER GAINS AND LOSSES

	Group 2024 \$000	Group 2023 \$000
Change in fair value of investment property	480	325
Electricity capital contributions	<b>480</b>	<b>325</b>

**3. OTHER EXPENSES (INCLUDES)**

	Group 2024 \$000	Group 2023 \$000
Loss on financial assets at fair value through profit or loss	-	169
Director fees	584	581
Network costs	10,523	9,917
Transmission costs	4,580	5,762
Loss on sale of plant, property and equipment	80	27
Auditor's remuneration to Audit New Zealand comprises:		
audit of financial statements	138	145
2022 audit fee recovery	-	22
Auditor's remuneration to other auditors comprises:		
audit of financial statements	57	66
audit of default price path	38	36
audit of regulatory disclosures	57	49
Donations	-	3
PwC consulting fees*	14	24

\* Consulting fees include Regulatory Forecasting and Price Setting Compliance Statement

**4. EMPLOYEE EXPENSES**

	Group 2024 \$000	Group 2023 \$000
Wages and salaries	1,891	1,583
Defined contribution expenses	50	38
<b>Total employee expenses</b>	<b>1,941</b>	<b>1,621</b>

**5. FINANCE INCOME AND EXPENSE**

Interest income is recognised on a time-proportion basis using the effective interest method.

	Group 2024 \$000	Group 2023 \$000
<b>Finance income</b>		
Interest income on bank deposits	1,286	947
<b>Total finance income</b>	<b>1,286</b>	<b>947</b>
<b>Financial expense</b>		
Interest expense on financial liabilities measured at amortised cost	4,424	3,365
<b>Total financial expenses</b>	<b>4,424</b>	<b>3,365</b>
<b>Net finance costs</b>	<b>(3,138)</b>	<b>(2,418)</b>

## 6. INCOMETAX EXPENSE

### Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax are charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.



	Note	Group 2024 \$000	Group 2023 \$000
<b>Current tax expense</b>			
Current period		4,478	1,954
Adjustment for prior periods		-	(1)
<b>Total current tax expense</b>		<b>4,478</b>	<b>1,953</b>
<b>Deferred tax expense</b>			
Origination and reversal of temporary differences		(30)	264
Adjustment for prior periods		(5)	3
Reversal of deferred tax on Southern Generation*		(2,296)	
Tax Law Change in Building Depreciation **		2,074	-
<b>Total deferred tax expense</b>		<b>(257)</b>	<b>267</b>
<b>Total income tax expense</b>		<b>4,221</b>	<b>2,220</b>
<b>Reconciliation of effective tax rate</b>			
Profit/ (loss) for the year - Continuing operations		(569)	8,903
Profit/ (loss) for the year - Discontinued operations	24	12,824	(2,010)
<b>Profit for the year</b>		<b>12,255</b>	<b>6,893</b>
Tax at 28%		3,431	1,930
Permanent Differences		134	279
Tax liability on sale of investments *		2,418	-
Change in recognised temporary differences		(3,894)	(143)
Under/(over) provided in prior periods		(5)	41
Tax Law Change in Building Depreciation **		2,074	-
Subvention payment made in respect of prior period		-	118
Expenses not deductible		63	(5)
<b>Total income tax expense</b>		<b>4,221</b>	<b>2,220</b>
Tax expense relating to continuing operation		4,099	1,980
Tax expense relating to discontinuing operations	24	122	240
<b>Total income tax expense</b>		<b>4,221</b>	<b>2,220</b>
Effective Tax Rate		34%	29%
<b>Imputation credits available for use in subsequent periods</b>		<b>2,032</b>	<b>1,758</b>

\* On 27 June 2024, the groups interest in Southern Generation Limited Partnership was sold. As a result of this transaction the Groups deferred tax liability of \$2.296 million in relation to this investment was reversed. In addition, a tax expense of \$2.418 million has been recognised. Refer to Note 24 for further disclosure.

\*\* In March 2024, the New Zealand Government enacted the Taxation (Annual Rates for 2023 24, Multinational Tax and Remedial Matters) Bill. As a result, from the 2024-25 income tax year onwards, the Group can no longer claim any tax depreciation on their buildings with estimated useful lives of 50 years or more in New Zealand. The Group assessed the accounting impact of this change, which resulted in an increased deferred tax liability recognised on property, plant, and equipment.

## 7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

	Group 2024 \$000	Group 2023 \$000
Cash and cash equivalents	1,375	3,177
Cash and cash equivalents in the statement of financial position and statement of cashflows	<b>1,375</b>	<b>3,177</b>

## 8. TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses.

	Group 2024 \$000	Group 2023 \$000
Trade receivables	2,487	2,285
Less allowance for expected credit losses	-	(98)
Prepayments	24	207
Related party receivables	242	8
GST Receivable	196	126
Accrued revenue	437	499
	<b>3,387</b>	<b>3,027</b>

Trade receivables are non-interest bearing and are generally on terms of 30 days. For terms and conditions relating to related party receivables, refer to note 17.

The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance. The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. To measure expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The status of trade receivables at the reporting date is as follows:

	Group 2024 \$000	Group 2023 \$000
Not past due	2,450	2,051
Past due 30-60 days	31	27
Past due 61-90 days	-	-
Past due more than 90 days	6	207
<b>Total</b>	<b>2,487</b>	<b>2,285</b>

## 9. PROPERTY, PLANT AND EQUIPMENT

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

Certain items of property, plant and equipment that had been revalued to fair value on or prior to 1 July 2005, the date of transition to NZ IFRS are measured on the basis of deemed cost, being the revalued amount at the date of transition.

#### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

#### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Income.

When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

#### Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably.

#### Depreciation

Depreciation is provided on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Depreciation rates of major classes of assets have been estimated as follows:

a. Buildings	
• Electricity Invercargill Ltd	1%–15% Straight Line
• Invercargill Airport Limited	1.5%–19.2% Straight Line
b. Furniture and Fittings	
• Invercargill Airport Limited	9.6%–30% Diminishing Value and 6%-67% Straight Line
c. Plant	
• Invercargill Airport Limited	8%–50% Diminishing Value and 5%-67% Straight Line
d. Motor Vehicles	
• Invercargill Airport Limited	10%–15.6% Diminishing Value and 7%-25% Straight Line
e. Network Assets	
• Electricity Invercargill Limited	1%–50% Straight Line
f. Other Airport Assets	
• Runway, Apron and Taxiway (Base-course and sub-base)	3% Straight Line
• Top Surface (Runway)	8.3% Straight Line
• Top Surface (Apron and Taxiway)	6.7% Straight Line
• Roads, carparks, fencing and stop banks	1%–30% Straight Line

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

#### Revaluation

Those asset classes that are revalued are valued on a valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

#### Valuation

All assets are valued at historic cost, except the following:

- The electricity distribution network is valued at fair value. Fair value is determined on the basis of a periodic valuation, at a maximum of every five years based on discounted cash flow methodology.

#### Accounting For Revaluations

The Group accounts for revaluations of property, plant and equipment by class of asset.



The results of revaluing are credited or debited to an asset revaluation reserve for each asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Income.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that asset.

GROUP (\$000)	1 July 2023			30 June 2024								
	Cost / Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount	Current Year Additions – Cost	Current Year Disposals – Cost	Current Year Disposals – Depreciation	Current Year Depreciation	Revaluation – Surplus	Revaluation Correction Depreciation	Cost / Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount
Land	509	-	509	159	-	-	-	-	-	668	-	668
Gravel and Fencing	4,498	1,838	2,660	28	-	-	173	-	-	4,526	2,011	2,515
Buildings, Yards and Terminals	7,373	1,756	5,617	27	-	-	220	-	-	7,400	1,976	5,424
Network Assets	154,090	36,079	118,011	6,197	200	97	4,842	-	-	160,087	40,824	119,263
Plant and Equipment	2,891	2,424	467	120	1	1	104	-	-	3,010	2,527	483
Motor Vehicles	3,908	2,558	1,320	2	34	33	117	-	-	3,877	2,672	1,205
Furniture and Fittings	5,752	3,436	2,316	36	-	-	359	-	-	5,788	3,795	1,993
Runway, Taxiway and Apron	17,055	11,658	5,397	336	-	-	790	-	-	17,391	12,448	4,943
<b>Total Assets</b>	<b>196,076</b>	<b>59,779</b>	<b>136,297</b>	<b>6,905</b>	<b>235</b>	<b>131</b>	<b>6,605</b>	<b>-</b>	<b>-</b>	<b>202,747</b>	<b>66,253</b>	<b>136,494</b>





Council - Public - ICHL Resolution in Lieu to be Approved by Council (A5658760)

**GROUP  
(\$000)**

**2023**

	Cost / Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount	Current Year Additions – Cost	Current Year Disposals – Cost	Current Year Disposals – Depreciation	Current Year Depreciation	Revaluation – Surplus	Revaluation Correction Depreciation	Cost / Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount			
	1 July 2022												30 June 2023		
Land	509	-	509	-	-	-	-	-	-	509	-	509			
Gravel and Fencing	4,337	1,668	2,669	161	-	-	170	-	-	4,498	1,838	2,660			
Buildings, Yards and Terminals	7,285	1,538	5,747	88	-	-	218	-	-	7,373	1,756	5,617			
Network Assets	137,232	31,630	105,601	5,149	105	36	4,485	11,814	-	154,090	36,079	118,011			
Plant and Equipment	2,770	2,336	434	130	9	9	97	-	-	2,891	2,424	467			
Motor Vehicles	2,678	2,543	135	1,230	-	-	45	-	-	3,908	2,558	1,320			
Furniture and Fittings	5,732	3,037	2,695	27	7	3	402	-	-	5,752	3,436	2,316			
Runway, Taxiway and Apron	14,974	10,806	4,168	2,081	-	-	852	-	-	17,055	11,658	5,397			
<b>Total Assets</b>	<b>175,517</b>	<b>53,558</b>	<b>121,959</b>	<b>8,866</b>	<b>121</b>	<b>48</b>	<b>6,269</b>	<b>11,814</b>	<b>-</b>	<b>196,076</b>	<b>59,779</b>	<b>136,297</b>			



### Revaluation:

The following classes of assets are carried at fair value and are categorised as Level 3 in the fair value hierarchy:

#### Network assets

##### Valuation

The network assets of Electricity Invercargill Ltd were revalued to fair value using discounted cash flow methodology on 31 March 2023 by Ernst & Young, who is an independent valuer. There was no revaluation during the year ended 31 March 2024. This resulted in a favourable revaluation movement of \$11,814,000. The valuation is based on seven years forecast free cash flows and a calculated terminal value beyond the discrete cash flow period. The following valuation assumptions were adopted:

- The free cash flows were based on the Company's three-year business plan and asset management plan adjusted for transactions that arise from expansionary growth in the network after the date of the valuation.
- Annual inflation based on forecast from the New Zealand Treasury
- The corporate tax rate used was 28%.
- The weighted average cost of capital (WACC) used was 6.1%.
- RAB multiple range of 1.05 times for the terminal value

##### Impairment and Fair Value Assessment

No events or circumstances identified that indicate the electricity network assets may be impaired as at 31 March 2024. Presently the listed assets of the electricity distribution network and other property, plant and equipment are generating business cash flow, the value of the assets are not deemed to require an impairment adjustment.

There have been no significant changes or events that result in a material increase in the value of the network assets that requires an update to valuation to be performed 31 March 2024.

### Capital Work in Progress

Capital Work in Progress is stated at cost and is not depreciated. It includes an accrual for the proportion of work completed at the end of the year. As presented in the Statement of Financial Position work in progress of \$10,353,000 for 2024 is disclosed (2023: \$2,747,000)

	Group 2024 \$000
Land	19
Gravel and Fencing	32
Buildings, Yards and Terminals	4,363
Network Assets	3,371
Plant and Equipment	138
Motor Vehicles	21
Furniture and Fittings	40
Runway, Taxiways and Apron	502
Investment Property	1,866
Total	<u>10,353</u>

## 10. INVESTMENT PROPERTY

All investment properties are related to Invercargill Airport Limited. Land is held by the Group for long term strategic purposes and is not held for resale.

Investment properties are land and buildings that are not occupied by the Group and is held for long term rental yield, where the Group intends to maximise the return on the land and buildings.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, the Group measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the Statement of Comprehensive Income.

	Group 2024 \$000	Group 2023 \$000
Balance at 1 July	5,830	5,505
Acquisitions	1,465	-
Change in fair value	480	325
<b>Balance at 30 June</b>	<b>7,775</b>	<b>5,830</b>

Investment property comprises a number of commercial properties that are leased to third parties.

The Company's investment properties are valued annually at fair value effective 30 June. For 2024 and 2023, all investment properties were valued based on the income approach and comparable sales approach except for one property being less than 5% of the portfolio value. This property is planned to be demolished within the next year but no decision has been made on its replacement (2023: this property is planned to be demolished within the next year but no decision has been made on its replacement), hence the open market evidence valuation has been adjusted by management to be valued on a discounted cashflow basis of their remaining expected earnings. The 2024 and 2023 valuations were performed by Robert Todd, an independent valuer from TelferYoung from CBRE. The valuer is an experienced valuer who holds a recognised and relevant professional qualification and has extensive market knowledge in the types of investment properties owned by the Company.

As presented in the Statement of Financial Position work in progress of \$10,353,000 for 2024 is disclosed (2023: \$2,747,000) Of this balance \$1,789,000 relates to investment property (2023: \$330,000).

#### 11. EQUITY ACCOUNTED ASSOCIATES AND JOINT VENTURES

Associate and Joint Venture Companies	Principal Activity	Country of Incorporation	Percentage Held by Group		Balance Date
			2024	2023	
HWCP Management Limited*	Property Investment	NZ	49.9%	49.9%	30 June
Invercargill Central Limited	Property Development	NZ	47.8%	49.7%	30 June
PowerNet Limited Group	Electricity network management	NZ	50.0%	50.0%	31 March
OtagoNet Joint Venture	Electricity network owners	NZ	25.0%	25.0%	31 March
Lakeland Network Limited	Electricity network owners	NZ	24.9%	24.9%	31 March
Roaring Forties Energy Limited Partnership	Electricity generation	NZ	50%	50%	31 March

\* The initial investment in HWCP Management Limited of \$200,000 has been reduced to nil after the share of losses have been recognised. The loss for the year ended 30 June 2024 of \$603,000 has not been recognised for the investment in HWCP Management Limited as Invercargill Property Limited's share of losses exceeds its interest in the associate.

The HWCP Management Limited associate has no contingent liabilities as at 30 June 2024 of nil (2023: nil).

The Group holds a 25% interest in OtagoNet Property Limited which is a shell company and has no asset, liabilities, contingent asset, contingent liabilities or commitments.

	Group 2024 \$000	Group 2023 \$000
Balance at beginning of year	106,533	102,995
Additional investment in joint ventures *	19,320	-
Share of profit from joint ventures recognised in surplus or deficit in the statement of comprehensive income	4,393	7,123
Profit/(loss) from discontinued operations**	12,824	(2,010)
Revaluation gain on network assets	-	5,490
Adjustment for share of net losses not recognised*	(6,483)	(500)
Distributions from joint ventures and associates	(5,538)	(6,565)
<b>Balance at end of year</b>	<b>131,049</b>	<b>106,533</b>

\* The group discontinued the equity method to account for its share of net losses from ICL in the year ending 30 June 2023. This was because the group's share of net losses exceeded the carrying amount of the group's interest in the joint venture.

On 20 May 2024 the Group provided equity funding of \$19.170 million to ICL. At this point the carrying amount of the group's interest in the joint venture again exceeded the group's share of accumulated net losses (including net losses which had not been recognised when the equity method was discontinued).

The carrying amount of the group's interest in ICL includes an adjustment of \$6.333 million. This reflects the group's share of net losses which were not recognised in the period the equity method was discontinued. The adjustment is required so that the carrying value of the group's interest in ICL reflects its share of the net assets presented in ICL's financial statements for the year ended 30 June 2024.

The Group purchased an additional \$150,000 new share capital in HWCP Management Limited. This balanced was impaired in the year ended 30 June 2024.

\*\* Included in this balance is the Groups share of profit of \$13,364m recognised upon the sale of Southern Generation Limited Partnership on 27 June 2024. Refer to note 24 for additional disclosure.

A summary financial information included below is not adjusted for intercompany eliminations. 31 March figures are used for the Electricity Invercargill Limited assets held for sale; this is the balance date for the Group. It would be impracticable and the Group would incur undue costs to prepare additional financial statements at 30 June.

#### Summarised Statement of Financial Position

	HWCP Management Ltd	
	100% 2024 \$000	100% 2023 \$000
Cash and cash equivalents	3	25
Other current assets	14	16
Total current assets	17	41
Non-current assets	2,065	1,975
<b>Total assets</b>	<b>2,082</b>	<b>2,016</b>
Current liabilities	418	160
Non-current liabilities	4,169	4,060
<b>Total Liabilities</b>	<b>4,587</b>	<b>4,220</b>
<b>Net assets</b>	<b>(2,505)</b>	<b>(2,204)</b>

Summarised Statement of Comprehensive Income Includes

	HWCP Management Ltd	
	100%	100%
	2024	2023
	\$000	\$000
Interest expense	247	(274)
Depreciation	-	(1)
Profit before tax from continuing activities	(602)	(322)
Gain loss on sale of investment property	-	152
Impairment loss on investment property	-	(921)
<b>Total comprehensive income</b>	<b>(602)</b>	<b>(1,101)</b>

Reconciliation of the summarised financial information presented to the carrying amount of the interest in the associate:

	HWCP Management Ltd	
	100%	100%
	2024	2023
	\$000	\$000
Closing net assets	-	-
Interest in associate	-	-

Summarised Statement of Financial Position

	Invercargill Central Limited	
	100%	100%
	2024	2023
	\$000	\$000
Cash and cash equivalents	1,250	432
Other current assets	509	1,355
Total current assets	1,759	1,787
Non-current assets	73,015	70,383
<b>Total assets</b>	<b>74,774</b>	<b>72,170</b>
Current liabilities	3,324	4,705
Non-current liabilities	49,140	80,600
<b>Total Liabilities</b>	<b>52,464</b>	<b>85,305</b>
<b>Net assets</b>	<b>22,310</b>	<b>(13,135)</b>

	Invercargill Central Limited	
	100%	100%
	2024	2023
	\$000	\$000
Closing net assets	(22,310)	(13,135)
Interest in joint venture	10,660	500
Impairment	-	*(500)
Adjusted interest in joint venture	10,660	-

Summarised Statement of Comprehensive Income Includes

Invercargill Central Limited

	100%	100%
	2024	2023
	\$000	\$000
Operating revenue	7,007	4,855
Interest expense		-
Depreciation	(5,450)	(2,350)
Profit (loss) before tax from continuing activities	(2,396)	(947)
Impairment on investment property*	(4,039)	(871)
<b>Total comprehensive income</b>	<b>(517)</b>	<b>(103,709)</b>

The Company is a joint venture development of a city block within Invercargill, into a major regional shopping centre and carpark. The shopping centre has opened in stages as the development was completed, with the first stage open in July 2022. All areas of the shopping Centre are now largely complete.

This is a recently constructed asset, there is no physical damage or obsolescence to the building and no change to the expected use of it. Over the long term income projections are positive. The view of the directors is that the investment property has been built to hold over the long term for public benefit, and that if it were to be built now, the costs would be significantly more. A valuation of the investment property was completed for the year ended 30 June 2023 when it was determined that its fair value was \$69,800,000 against a carrying value of \$173,509,208. Given that, based on this valuation the carrying value of the investment property exceeded the recoverable amount, an impairment expense of \$103,707,208 was recorded for the year ended 30 June 2023.

This valuation has been updated as at 30 June 2024 and the financial statements reflect this updated valuation of the market value of \$71,600,000. In this impairment assessment, ICL management have relied on the findings of the property valuation report compiled by CBRE.

This valuation includes the following key assumptions:

- Market value of investment property - \$71,600,000
- Internal rate of return - 11.25%
- Terminal Yield - 7.75%
- Initial yield – 7.00%

While this valuation of the investment property assets indicated an impairment, management considers the commercial yields, generated by the investment property, and the long-term outlook, to be acceptable. In their report, CBRE found the quality of the design and finishes of the property are at the very upper end of retail complexes throughout New Zealand. Rewards of the high quality builds are expected to be reaped over the longer term through realization of strong income growth into the future. The tenants are currently trading well and affordability levels are good. Conclusions within the CBRE report are based on the data and market sentiment as at the date of valuation.

#### Summarised Statement of Financial Position

	PowerNet Limited Group	
	100%	100%
	2024	2023
	\$000	\$000
Cash and cash equivalents	430	463
Other current assets	21,942	23,024
Total current assets	22,372	23,487
Non-current assets	44,251	44,701
<b>Total assets</b>	<b>66,623</b>	<b>68,188</b>
Current liabilities	12,135	13,014
Non-current liabilities	50,460	49,546
<b>Total Liabilities</b>	<b>62,595</b>	<b>62,560</b>

<b>Net assets</b>	<b>4,028</b>	<b>5,628</b>
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**Summarised Statement of Comprehensive Income Includes**

**PowerNet Limited Group**

	100%	100%
	2024	2023
	\$000	\$000
Operating revenue	(3,899)	(3,595)
Interest revenue	(3,659)	(3,599)
Interest expense	2,686	1,300
Depreciation	1,127	13
Profit before tax from continuing activities	<b>1,559</b>	<b>1,313</b>
Income tax expense	(3,899)	(3,595)
<b>Total comprehensive income</b>	<b>(3,659)</b>	<b>(3,599)</b>

Reconciliation of the summarised financial information presented to the carrying amount of the interest in the joint venture:

**PowerNet Limited Group**

	100%	100%
	2024	2023
	\$000	\$000
Closing net assets	4,028	5,628
Interest in joint venture	2,014	2,814

**Summarised Statement of Financial Position**

**OtagoNet Joint Venture**

	100%	100%
	2024	2023
	\$000	\$000
Cash and cash equivalents	13	82
Other current assets	3,783	3,129
<b>Total current assets</b>	<b>3,796</b>	<b>3,211</b>
Non-current assets	244,702	240,565
<b>Total assets</b>	<b>248,498</b>	<b>243,776</b>
Current liabilities	6,410	5,414
Non-current liabilities	-	-
<b>Total Liabilities</b>	<b>6,410</b>	<b>5,414</b>
<b>Net assets</b>	<b>242,088</b>	<b>238,362</b>

**Summarised Statement of Comprehensive Income Includes**

**OtagoNet Joint Venture**

	100%	100%
	2024	2023
	\$000	\$000

Operating revenue	29,389	29,004
Interest revenue	4	17
Interest expense	(86)	(24)
Depreciation	(9,314)	(9,093)
Profit before tax from continuing activities	3,726	6,178
Income tax expense	-	-
Revaluation of network assets	-	18,323
<b>Total comprehensive income</b>	<b>3,726</b>	<b>24,501</b>

Reconciliation of the summarised financial information presented to the carrying amount of the interest in the joint venture:

	<b>OtagoNet Joint Venture</b>	
	<b>100%</b>	<b>100%</b>
	<b>2024</b>	<b>2023</b>
	<b>\$000</b>	<b>\$000</b>
Closing net assets	242,088	238,362
Interest in joint venture	60,280	59,352

As disclosed in note 9, the Group's network assets were revalued to fair value using as Discounted cash flow methodology by Ernst and Young, who is an independent valuer during the 2023 financial year. This resulted in a fair value gain of \$18,323,000 which was recognised in the Statement of Comprehensive Income for the year ended 30 June 2023 in OtagoNet Joint venture for the year 31 March 2023. There was no revaluation for the year ended 30 June 2024.

**Summarised Statement of Financial Position**

	<b>Lakeland Network Ltd</b>	
	<b>100%</b>	<b>100%</b>
	<b>2024</b>	<b>2023</b>
	<b>\$000</b>	<b>\$000</b>
Cash and cash equivalents	323	206
Other current assets	637	630
Total current assets	960	836
Non-current assets	57,610	52,238
<b>Total assets</b>	<b>58,570</b>	<b>53,074</b>
Current liabilities	1,879	1,917
Non-current liabilities	31,460	26,198
<b>Total Liabilities</b>	<b>33,339</b>	<b>28,115</b>
<b>Net assets</b>	<b>25,231</b>	<b>24,959</b>



**Summarised Statement of Comprehensive Income Includes**

	<b>Lakeland Network Ltd</b>	
	<b>100%</b>	<b>100%</b>
	<b>2024</b>	<b>2023</b>
	<b>\$000</b>	<b>\$000</b>
Operating revenue	6,169	4,956
Interest expense	(2,151)	(1,327)
Depreciation	(1,204)	(692)
Profit before tax from continuing activities	855	655
Income tax expense	(583)	(278)
<b>Net profit after tax</b>	<b>272</b>	<b>377</b>
Revaluation gain	-	3,726
<b>Total comprehensive income</b>	<b>272</b>	<b>4,103</b>

Reconciliation of the summarised financial information presented to the carrying amount of the interest in the associate:

	<b>Lakeland Network Ltd</b>	
	<b>100%</b>	<b>100%</b>
	<b>2024</b>	<b>2023</b>
	<b>\$000</b>	<b>\$000</b>
Closing net assets	25,321	24,959
Interest in associate	6,282	6,215

As disclosed in note 9, the Group's network assets were revalued to fair value using as Discounted cash flow Methodology by Ernst and Young, who is an independent valuer for the year ended 30 June 2024. This resulted in a fair value gain of \$3,726,000 which was recognised in the Statement of Comprehensive Income of Lakelands Network Ltd for the year ended 31 March 2023. There was no revaluation for the year ended 30 June 2024.

**Summarised Statement of Financial Position**

	<b>Roaring Forties Energy Limited Partnership</b>	
	<b>100%</b>	<b>100%</b>
	<b>2024</b>	<b>2023</b>
	<b>\$000</b>	<b>\$000</b>
Cash and cash equivalents *	105,847	33
Other current assets	33	45
Total current assets	105,880	78
Non-current assets	-	80,197
<b>Total assets</b>	<b>105,880</b>	<b>80,275</b>
Current liabilities	14	55
Non-current liabilities	-	-
<b>Total Liabilities</b>	<b>14</b>	<b>55</b>
<b>Net assets</b>	<b>105,866</b>	<b>80,220</b>

**Summarised Statement of Comprehensive Income Includes**

	<b>Roaring Forties Energy Limited Partnership</b>	
	<b>100%</b>	<b>100%</b>
	<b>2024</b>	<b>2023</b>
	<b>\$000</b>	<b>\$000</b>
Operating revenue	8,750	6,788
Profit before tax from continuing activities	8,456	6,470
Income tax expense	-	-
Gain on sale of investment *	26,728	-
<b>Total comprehensive income</b>	<b>35,184</b>	<b>6,470</b>

	<b>Roaring Forties Energy Limited Partnership</b>	
	<b>100%</b>	<b>100%</b>
	<b>2024</b>	<b>2023</b>
	<b>\$000</b>	<b>\$000</b>
Closing net assets	105,866	80,220
Interest in associate	52,933	40,110

The summarised statement of financial position and summarized statement of comprehensive income includes all major transactions for the year ended 30 June 2024.

\* On 26 June 2024, Roaring Forties Energy Limited Partnership sold its interest in Southern Generation Limited Partnership. As a result of this transaction, Roaring Forties Energy Limited recorded cash proceeds of \$105,800m in the summarised statement of financial position and a gain on sale of \$26.728 million within the summarised statement of comprehensive income. Given the Group holds 50% interest in Roaring Forties Energy Limited Partnership, the Group has recognised its share of the gain on sale of \$13.364 million within the consolidated statement of comprehensive income for the year ended 30 June 2024.

**12. PROVISIONS**

Provisions are recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

	<b>Group 2024 \$000</b>	<b>Group 2023 \$000</b>
<b>Lessee Improvements Settlement Provision</b>		
Balance at 1 July 2024	-	-
Provisions made during the year	3,895	-
Expenditure for the year	-	-
<b>Total Provisions</b>	<b>3,895</b>	<b>-</b>

A provision has been recognised for the estimated cost of settlement for improvements made to Invercargill Airport land by a former lessee. Under the terms of the leases and in accordance with the Public Bodies Leases Act the Group is required to provide compensation for improvements made during the tenure of the leases.

The lessee has been provided with the valuation and has 2 months to agree to the amount or require the valuation be determined by arbitration in accordance with the Act. The provision has been disclosed as a current liability as settlement is expected to occur within the next financial year. If arbitration is required the timeframe for settlement may be extended and the final costs may differ subject to the arbitration process.

The provision is calculated based on an independent valuation performed by CBRE of the lessee improvements. The valuation methodology applied is based on a market approach using comparative sale

### 13. TRADE AND OTHER PAYABLES

	Group 2024 \$000	Group 2023 \$000
Trade payables	72	158
Accrued expenses	1,345	1,294
Retentions	-	49
Amounts due to other related parties	2,611	2,219
GST payable	-	-
Income in advance	370	168
<b>Total trade and other payables</b>	<b>3,498</b>	<b>3,888</b>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximate their fair value.

### 14. BORROWINGS

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

	Group 2024 \$000	Group 2023 \$000
<b>Current</b>		
Secured loans	78,765	43,019
<b>Total trade and other payables</b>	<b>78,765</b>	<b>43,019</b>
<b>Non-current</b>		
Secured loans	18,200	48,200
Related party loans	18,000	-
<b>Total non-current borrowings</b>	<b>36,200</b>	<b>48,200</b>

Secured loans relate to the Local Government Funding Agency (LGFA) multi-option facility.

Secured loans of the Company are secured against assets, undertakings and uncalled capital of the Group. The effective interest rate for the multi-option note facility was 4.48% (2023: 3.96%) with hedging refer note 22.

The Group have the following loans maturing in the 2025 financial year: .:

- Various commercial papers held with LGFA for \$48.765 million maturing during the 2025 financial period; and
- Long term borrowings held with LGFA for \$30 million maturing on 3 December 2024.

As disclosed in Note 20, the Group has settled \$30 million of LGFA debt using the proceeds from the sale of Southern Generation. Further disclosed in Note 20, the sale of Pylon Ltd was approved. This transaction is expected to complete in the 2025 financial year. The Group intends to utilise a portion of the proceeds from this transaction to settle all remaining debt held with LGFA.

Related party loans (2024: \$18 million; 2023: Nil) include loans payable to Invercargill City Limited. The loan has a maturity date of 31 July 2025 and an interest rate of 6.24%.

#### Borrower notes

Borrower notes are subordinated convertible debt instruments that the Company subscribes for an amount equal to 2.5% of the total long-term borrowings from LGFA. LGFA will redeem borrower notes when the Company's related borrowings are repaid or no longer owed to LGFA. At 30 June 2024 the Company had subscribed to \$1,205,000 (2023: \$1,955,000) of borrower notes.

#### 15. DEFERRED TAX

<b>GROUP:</b>	<b>Balance 30 June 2022</b>	<b>Recognised in Profit or Loss</b>	<b>Recognised in Equity</b>	<b>Balance 30 June 2023</b>	<b>Recognised in Profit or Loss</b>	<b>Recognised in Equity</b>	<b>Balance 30 June 2024</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Property, plant and equipment	23,198	219	4,585	28,002	(241)	-	27,761
Investment property	389	7	-	396	(28)	-	368
Derivatives	163	-	251	414	-	(182)	232
Provisions	5	(18)	-	(13)	(3)	-	(16)
Other items	770	59	-	829	6	-	835
Tax losses	(78)	75	-	(3)	3	-	-
<b>Total movements</b>	<b>24,447</b>	<b>342</b>	<b>4,836</b>	<b>29,625</b>	<b>(261)</b>	<b>(182)</b>	<b>29,180</b>

**16. EQUITY GROUP**

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
	Share Capital	Cashflow Hedging Reserve	Revaluation Reserve	Retained Earnings	Total	Minority Interest	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2022	82,570	419	35,598	16,818	135,405	1,798	133,607
Surplus/(deficit) after tax	-	-	-	4,673	4,673	36	4,637
<b>Other comprehensive income</b>							
Property, Plant and Equipment Revaluation gains/(losses) - pre tax	-	-	12,710	9	12,719	-	12,719
Transfer of revaluation reserve to retained earnings due to asset disposal	-	649	-	-	649	-	649
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	-	-
<b>Distributions to Shareholders</b>							
Dividends paid/declared	-	-	-	(5,089)	(5,089)	(7)	(5,082)
<b>Contributions from Shareholders</b>							
Shares issued and paid up	-	-	-	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>82,570</b>	<b>1,068</b>	<b>48,308</b>	<b>16,411</b>	<b>148,357</b>	<b>1,827</b>	<b>146,530</b>
Balance at 1 July 2023	82,570	1,068	48,308	16,411	148,357	1,827	146,530
Surplus/(deficit) after tax	-	-	-	8,034	8,034	12	8,022
<b>Other comprehensive income</b>							
Property, Plant and Equipment Revaluation gains/(losses) - pre tax	-	-	(91)	91	-	-	-
Transfer of revaluation reserve to retained earnings due to asset disposal	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges, net of tax	-	(468)	-	-	(468)	-	(469)
<b>Distributions to Shareholders</b>							
Dividends paid/declared	-	-	-	(5,206)	(5,206)	(18)	(5,188)
<b>Contributions from Shareholders</b>							
Shares issued and paid up	-	-	-	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>82,570</b>	<b>600</b>	<b>48,217</b>	<b>19,333</b>	<b>150,717</b>	<b>1,821</b>	<b>148,896</b>

The Company has 74,675,202 (2023: 74,675,202) ordinary shares that have been called and a further \$100,000,000 (2023: \$100,000,000) of ordinary shares that have been issued to the Invercargill City Council (67,427,000 for \$1 each and 5,211,680 for \$6.25 each but remain uncalled at balance date). All shares, whether called or uncalled, have equal voting rights and have no par value. The Company issued 16,777,000 ordinary shares at \$1.00 on 14 July 2021.

**17. RELATED PARTY TRANSACTIONS**

The Company is the sole shareholder of Electricity Invercargill Limited and Invercargill City Property Limited and holds a 97% stake in Invercargill Airport Limited. During the year, the following transactions took place with the group companies. All transactions with the subsidiaries have been eliminated upon consolidation.

**Ultimate Parent:**

<b>(A) INVERCARGILL CITY COUNCIL</b>	<b>Group 2024 \$000</b>	<b>Group 2023 \$000</b>
<b>Revenue</b>		
Provision of services	30	30
<b>Expenditure</b>		
Provision of services	601	587
Interest payments	157	-
Purchase of management services	170	-
Dividends from Subsidiary to Parent	5,206	5,089
Subvention payment	21	205
Loss offset	54	527
Outstanding at balance date by Parent and Group	-	-
Outstanding at balance date to Parent and Group	3	3
Loans outstanding by Parent and Group	18,000	-
<b>B) POWERNET LIMITED</b>	<b>Group 2024 \$000</b>	<b>Group 2023 \$000</b>
<b>Revenue</b>		
Provision of services	586	509
<b>Expenditure</b>		
Provision of goods and services	12,034	10,013
Outstanding at balance date by Parent and Group	2,381	2,009
Outstanding at balance date to Parent and Group	146	133
Advances provided to (repaid by)	250	(212)
<b>(C) LAKELAND NETWORK LIMITED</b>	<b>Group 2024 \$000</b>	<b>Group 2023 \$000</b>
<b>Revenue</b>		
Provision of services	534	329
<b>Expenditure</b>		
Provision of goods and services	-	-
Outstanding at balance date by Parent and Group	-	-
Outstanding at balance date to Parent and Group	143	107
Advances provided to (repaid by)	1,153	1,429

<b>(D) HWCP MANAGEMENT LIMITED</b>	<b>Group 2024 \$000</b>	<b>Group 2023 \$000</b>
<b>Revenue</b>		
Provision of services	247	273
<b>Expenditure</b>		
Provision of goods and services	-	-
Outstanding at balance date by Parent and Group	388	141
Outstanding at balance date to Parent and Group	728	646

<b>(E) INVERCARGILL CENTRAL LIMITED</b>	<b>Group 2024 \$000</b>	<b>Group 2023 \$000</b>
<b>Revenue</b>		
Provision of services	25	-
<b>Expenditure</b>		
Provision of goods and services	-	-
Outstanding at balance date by Parent and Group	-	-
Outstanding at balance date to Parent and Group	-	-

The Local Government Funding Authority (LGFA) is considered a related party by the group. As disclosed in note 14, the Group utilises LGFA for its borrowing requirements. The Group's lending arrangements with LGFA are conducted on an arms lengths basis.

No related party transactions have been written off or were forgiven during the 2024 year (2023: nil).

**Key management personnel compensation comprises:**

	<b>Group 2024 \$000</b>	<b>Group 2023 \$000</b>
Management fees	170	170
Short term Employment benefits	782	787
Post-employment benefits	7	26

Key management personnel compensation comprises:

- Management fees consist of key management personnel service obtained from Invercargill City Council.
- Short term employee benefits consist of key management personnel at Invercargill Airport and director fees for Invercargill City Holdings Limited, Invercargill Airport Limited and Electricity Invercargill limited.
- Post-employment benefits consist of Kiwisaver contribution and annual leave payout of key management personnel at Invercargill Airport Limited.

**18. COMMITMENTS AND OPERATING LEASES**

	<b>Group 2024 \$000</b>	<b>Group 2023 \$000</b>
<b>Capital commitments Group</b>		
Invercargill City Holdings Ltd Group - Plant, property and equipment	3,207	1,633
<b>Associates and Joint ventures</b>		
OtagoNetJV	6,773	2,589
Lakeland Network Limited	3,872	568
Powernet Limited	1,293	1,364
Roaring Forties Limited Partnership	-	-
HWCP Management Limited	-	-

### **Invercargill Central Limited**

Capital commitments as at 30 June 2024 total Nil.

At 30 June 2023, the Company had entered into contractual commitments for the development of property, plant and equipment and investment property, and tenancy contributions amounting to \$180.8 million, of which \$173.2 million has been spent at balance date.

### Other commitments

The Group has a conditional commitment as at 31 March 2024 of \$415,000 (2023: \$415,000). This relates to an agreement with Smart Co, for the Group to provide a subordinated loan to Smart Co once a number of terms have been met.

### Operating leases as lessee

The Group does not have any operating leases where it is the lessee (2023: Nil).

### Operating leases as lessor

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Income over a straight-line basis over the period of the lease.

The Group leases its investment property under operating leases. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Group 2024 \$000	Group 2023 \$000
<b>Non-cancellable operating leases as lessor</b>		
Not later than one year	674	613
Later than one year and not later than five years	1,168	1,304
Later than five years	381	177
<b>Total non-cancellable operating leases</b>	<b>2,223</b>	<b>2,094</b>

There are no restrictions placed on the Group by any of the leasing arrangements.

## **19. CONTINGENCIES**

During the 2020-year Invercargill Airport Limited received a \$500,000 grant from the Provincial Growth Fund. The grant was in recognition that Air New Zealand was to commence a 12-month pilot of scheduled jet services from Auckland to Invercargill on 25 August 2019 and Invercargill Airport Limited needed to rapidly deliver urgent airside and non-airside upgrades to handle the scheduled jet services.

A contingency for repayment exists for a 10-year term from 31 October 2019 if the Invercargill Airport Ltd either:

- sells, disposes or transfers the asset, without the Ministry's prior written consent; or
- the asset will no longer be used for the purpose intended.

There are no other contingent liabilities or assets at 30 June 2024 (2023: Nil)

### Contingencies – Associates and Joint ventures

There are no contingent assets or liabilities (2023: Nil).



## 20. EVENTS AFTER THE BALANCE SHEET DATE

Invercargill City Property Limited (ICLP) was amalgamated into Invercargill City Holdings Limited (ICHL), and removed from the Companies Register effective 3 July 2024. While the business of ICPL will continue as part of ICHL, ICPL will no longer exist as a separate legal entity.

On 8 July 2024, Roaring Forties Energy Limited Partnership remitted the Group's share of the proceeds of the sale of Southern Generation Limited Partnership by issuing a dividend of \$52.9 million to Pylon Limited on 8 July 2024.

Invercargill City Holdings Limited have received a total of \$50.75 million from Electricity Invercargill Limited in multiple instalments between 30 June 2024 and the date the annual report is approved. These payments are comprised of:

- Dividend paid to Invercargill City Holdings Limited of \$6.5 million; and
- Repayment of \$44.25 million towards the loan payable between Electricity Invercargill Limited to Invercargill City Holdings Limited.

Between 30 June 2024 and the date the annual report has been approved, Invercargill City Holdings Limited has made the following loan repayments:

- \$18 million loan payable to Invercargill City Council was settled in full; and
- \$30 million debt repayment to Local Government Funding Agency regarding amounts outstanding from Invercargill City Holdings Limited.

On 24 September 2024, the Group's ultimate shareholder, Invercargill City Council approved a major transaction being the sale of Pylon Limited. The sale price for the Group's interest in Pylon Ltd is \$89.601 million. This transaction is expected to settle during the 2025 financial year.

There are no further events subsequent to 30 June 2024.

## 21. FINANCIAL INSTRUMENTS

Invercargill City Holdings Limited provides services to the businesses in the group and the shareholder, coordinates access to domestic financial markets and monitors and manages financial risks relating to the group.

### Capital management

The group's capital includes share capital, reserves and retained earnings.

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising return to stakeholders through the optimisation of the debt and equity balance.

The objective of the group from the parent company's Statement of Intent is to provide reasonable returns to the shareholder, while acting generally as a responsible corporate citizen and in accordance with sound business practice, by having regard to the interests of the community.

The board monitors the performance of the subsidiary companies in the group, to meet the objectives while maintaining a strong capital base to sustain future development of the group's businesses.

The intentions of the parent company in respect of distributions for each three-year period are disclosed in the annual Statement of Intent submitted to council in public.

### Hedge Accounting

At the inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps.

#### Financial Instruments - Risk

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has a series of policies to manage the risks associated with financial instruments. The Group is risk averse and seeks to minimise exposure from its treasury activities. The Group has established Company approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

#### Credit risk

Credit risk is the risk that a counterparty will default on its obligation causing the Group to incur a financial loss.

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash, short-term investments, trade receivables, loans, foreign exchange transactions and other financial instruments. Cash and short-term investments are placed with banks with high credit ratings assigned by international credit-rating agencies, or other high credit quality financial institutions.

The Group has no significant concentrations of credit risk. The Group invests funds only in deposits with registered banks and local authority stock and its investment policy limits the amount of credit exposure to any one institution or organisation.

The maximum exposure to credit risk at reporting date relates to bank balances of \$1.375 million (2023: \$3.2 million), trade receivables of \$2.487 million (2023: \$2.285 million) and advances to associates and joint ventures of \$14.9 million (2023: \$13.2 million).

The Group manages its exposure to credit risk from trade receivables by performing credit evaluations on all customers requiring credit whenever possible, and continuously monitoring the outstanding credit exposure to individual customers. The Group does not generally require or hold collateral against credit risk.

The Group is exposed to credit risk through loans to associates and joint ventures. Should there be events which lead to a change in the credit quality of the loans including but not limited to increases in interest rates it will be necessary to consider whether the loans are impaired or not. At 30 June 2023 no loans investments were considered to be impaired.

The Electricity Invercargill Limited group is exposed to a concentration of credit risk with regards to the amounts owing by energy retailers for line charges. However, these entities are considered to be high credit quality entities. Credit quality of financial assets: For counterparties with credit ratings the cash at bank and deposits are held in banks with credit ratings from BBB to AA-. Derivative financial instruments assets are transacted with banks with credit ratings of AA-. For counterparties without credit ratings the community and related party loans are with parties that have had no defaults in the past.

#### Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its contractual obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls and meet capital expenditure requirements. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Group maintains a target level of investments that must mature within the next 12 months.

The Group manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below analyses the Group's financial assets and liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

The following table details the exposure to liquidity risk as at 30 June 2024:

	Carrying amount	Contractual cash flows	<1 year	1-3 years	>3 years	Total
Group 2024	\$000	\$000	\$000	\$000	\$000	\$000
<b>Financial Assets</b>						
Cash and cash equivalents	1,375	1,375	1,375	-	-	1,375
Other financial asset	1,415	2,023	1,047	23	953	2,023
Trade and other receivables	3,387	3,387	3,387	-	-	3,387
	<b>6,704</b>	<b>6,785</b>	<b>5,808</b>	<b>23</b>	<b>953</b>	<b>6,785</b>
<b>Financial Liabilities</b>						
Trade and other payables	4,397	4,397	4,397	-	-	4,397
Borrowings - secured loans	114,965	119,737	82,123	29,018	8,595	119,737
	<b>119,362</b>	<b>124,134</b>	<b>86,520</b>	<b>29,018</b>	<b>8,595</b>	<b>124,134</b>

The following table details the exposure to liquidity risk as at 30 June 2023:

	Carrying amount	Contractual cash flows	<1 year	1-3 years	>3 years	Total
Group 2023	\$000	\$000	\$000	\$000	\$000	\$000
<b>Financial Assets</b>						
Cash and cash equivalents	3,177	3,177	3,177	-	-	3,177
Other financial asset	1,955	2,115	805	1,079	231	2,115
Trade and other receivables	2,285	2,285	2,285	-	-	2,285
	<b>7,417</b>	<b>7,577</b>	<b>6,267</b>	<b>1,079</b>	<b>231</b>	<b>7,577</b>
<b>Financial Liabilities</b>						
Trade and other payables	3,887	3,887	3,887	-	-	3,887
Advances	3,938	3,938	-	-	3,938	3,938
Borrowings - secured loans	91,219	97,120	44,947	42,868	9,305	97,120
Total	<b>99,044</b>	<b>104,945</b>	<b>48,834</b>	<b>42,868</b>	<b>13,243</b>	<b>104,945</b>

The interest rates on the Group's borrowings are disclosed in note 14. The ultimate parent (ICC) being the holder of the redeemable preference shares has indicated that the shares will not be called for redemption in the next financial year. As the shares are callable the debt is classified as current in the statement of financial position.

The table below analyses the Group's derivative financial assets and liabilities that are settled on a net basis into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

The following table details the exposure to liquidity risk as at 30 June 2024:

	Carrying amount	Contractual cash flows	<1 year	1-3 years	>3 years	Total
Group 2024	\$000	\$000	\$000	\$000	\$000	\$000
<b>Financial Assets</b>						
Derivative financial instruments	830	606	564	205	(163)	606
	<b>830</b>	<b>606</b>	<b>564</b>	<b>205</b>	<b>(163)</b>	<b>606</b>

The following table details the exposure to liquidity risk as at 30 June 2023:

	Carrying amount	Contractual cash flows	<1 year	1-3 years	>3 years	Total
Group 2023	\$000	\$000	\$000	\$000	\$000	\$000
<b>Financial Assets</b>						
Derivative financial instruments	1,482	1,143	685	550	(92)	1,143
	<b>1,482</b>	<b>1,143</b>	<b>685</b>	<b>550</b>	<b>(92)</b>	<b>1,143</b>

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

#### Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

#### Interest Rate Risk

##### Interest Rate Risk: Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates expose the Group to fair value interest rate risk. The Group's Liability Management policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where the Group has borrowed at fixed rates.

The Group has interest bearing debt which is subject to interest rate variations in the market. The debt is raised from the Group's parent company, Invercargill City Holdings Limited's bank borrowing facility and then advanced onto the group companies.

The Group through the Parent uses interest rate swaps to manage its exposure to interest rate movements on its multi option facility borrowings.

The interest rates on the Company's borrowings are disclosed in note 14. The financial assets and liabilities are exposed to interest rate risk as follows:

#### Financial Assets

Cash and cash equivalents	Variable interest rates
Trade and other receivables	Non interest bearing
Dividends receivable	Non interest bearing
Derivative financial instruments (interest rate swaps)	Variable interest rates
Advances	Variable interest rates
Short term investments	Variable interest rates

**Financial Liabilities**

Trade and other payables	Non interest bearing
Dividends payable	Non interest bearing
Advances	Variable interest rates
Derivative financial instruments (interest rate swaps)	Variable interest rates
Borrowings - secured loans	Variable and fixed interest rates
Borrowings - redeemable preference shares	Non interest bearing

**Interest Rate Risk: Cash Flow Interest Rate Risk**

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Company to cash flow interest rate risk.

The Group manages its cash flow interest rate risk on borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower than those available if the Group borrowed at fixed rates directly.

Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

The notional principal outstanding in regard to the interest rate swaps is as follows:

	Group 2024 \$000	Group 2023 \$000
	Liability	Liability
Maturity < 1 year	10,000	17,500
Maturity 1-2 years	14,000	10,000
Maturity 2-3 years	8,000	14,000
Maturity 3-4 years	8,000	8,000
Maturity 4-5 years	9,000	8,000
Maturity 5-6 years		
Maturity 6-7 years	-	-
Maturity 7-10 years	-	-
	49,000	57,500

**Effectiveness of Cash Flow Hedges**

The matched terms method is used in applying hedges. In all cases the terms of both the hedge instrument and the underlying transaction are matched. All hedges are interest rate swaps.

	Company / Group	
	2024 %	2023 %
Effectiveness	100	100

**Sensitivity analysis on Financial Instruments**

Borrowings: If interest rates on borrowings at 30 June 2024 had fluctuated by plus or minus 1.0% (2023: 1.0%) the effect would have been to decrease/increase the surplus after tax by \$270,332 (2023: \$107,062) as a result of higher/lower interest expense on floating rate borrowings.

Cash and cash equivalents included deposits at call which are at floating interest rates. Sensitivity to a 1.0% (2023:1.0%) movements in rates is immaterial as these cash deposits are very short term.

**Derivative Asset: Cash Flow hedge**

The derivatives are hedge accounted and managed by the company to be 100% effective and thus there is no sensitivity to the profit and loss to change in the interest rates.

Sensitivity to a movement in rates is as follows and affect the equity balance of the Group:

	Carrying Amount	Equity Change	
	Year 2024 \$000	+1.0% \$000	-1.0% \$000
Net Derivative financial asset/(Liability) - Cashflow Hedge	833	764	(793)
	Year 2023 \$000	+1.0% \$000	-1.0% \$000
Net Derivative financial asset/(Liability) - Cashflow Hedge	1,482	846	(875)

**22. FAIR VALUE MEASUREMENTS**

**Fair Value measurements recognised in the Statement of Comprehensive Income**

The following classes of assets are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

**Level 1** - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Level 3** - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Classification of assets and liabilities**

	30 June 2024				30 June 2023			
	Quoted prices in active markets Level 1 \$'000	Significant observable inputs Level 2 \$'000	Significant unobservable inputs Level 3 \$'000		Quoted prices in active markets Level 1 \$'000	Significant observable inputs Level 2 \$'000	Significant unobservable inputs Level 3 \$'000	
<b>Cash flow hedge derivatives</b>								
Derivative financial instrument assets	830	-	830	-	1,482	-	1,482	-
<b>Total financial assets/ (liabilities) at fair value</b>	830	-	830	-	1,482	-	1,482	-
<b>Financial assets/ (liabilities) at amortised cost</b>								
Cash	1,375	-	-	-	3,177	-	-	-
Debtors and other receivables	3,387	-	-	-	3,027	-	-	-
Other financial assets	1,452	-	-	-	2,073	-	-	-
Advances to associates and joint ventures	14,492	-	-	-	12,998	-	-	-
Creditors and other payables	(4,397)	-	-	-	(3,888)	-	-	-
Borrowings	(114,965)	-	-	-	(91,219)	-	-	-
<b>Net financial assets/ (liabilities) at amortised cost</b>	(98,657)	-	-	-	(73,832)	-	-	-
<b>Total financial assets and liabilities</b>	(97,827)		830		(72,350)		1,482	

**Non-financial assets measured at fair value**

	30 June 2024				30 June 2023			
	Quoted prices in active markets Level 1 \$'000	Significant observable inputs Level 2 \$'000	Significant unobservable inputs Level 3 \$'000		Quoted prices in active markets Level 1 \$'000	Significant observable inputs Level 2 \$'000	Significant unobservable inputs Level 3 \$'000	
Plant, property and equipment (network assets)	111,914	-	-	111,914	110,144	-	-	110,144
Investment property	7,775	-	-	7,775	5,830	-	-	5,830
<b>Total</b>	119,689	-	-	119,689	115,974	-	-	115,974

**Analysis of movements in Level 3 assets**

	30 June 2024			30 June 2023		
	Total	Plant, property and equipment (network assets)	Investment property	Total	Plant, property and equipment (network assets)	Investment Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening carrying value	115,974	110,144	5,830	102,818	97,313	5,505
Additions	7,409	5,944	1,465	4,955	4,955	-
Disposals	(102)	(102)	-	(65)	(65)	-
Fair value movements	480	-	480	11,998	11,673	325
Depreciation	(4,072)	(4,072)	-	(3,732)	(3,732)	-
<b>Closing carrying value</b>	<b>119,689</b>	<b>111,914</b>	<b>7,775</b>	<b>115,974</b>	<b>110,144</b>	<b>5,830</b>

The Group carries interest rate swaps (derivative financial instruments) at fair value. These instruments are included in Level 2 of the fair value measurement hierarchy. Interest rate swaps are held with financial institutions with investment grade credit ratings. Interest rate derivative fair values are valued using swap model valuation techniques using present value calculations. The key inputs include interest rate curves and forward rate curves.

The Group's network assets are valued by external valuation on the basis of fair value using the discounted cash flow (DCF) method. The network assets are revalued every five years. The key inputs include discount rate, growth rate and future cash flows. The cash flow term for the valuation is three years.

Invercargill Airport Limited's investment properties are valued annually at fair value effective 30 June. For 2024 and 2023, all investment properties were valued based on the income approach and comparable sales approach except for one property being less than 5% of the portfolio value. This property is planned to be demolished within the next year but no decision has been made on its replacement (2023: this property is planned to be demolished within the next year but no decision has been made on its replacement), hence the open market evidence valuation has been adjusted by management to be valued on a discounted cashflow basis of their remaining expected earnings. The 2024 and 2023 valuations were performed by Robert Todd, an independent valuer from TelferYoung from CBRE. The valuer is an experienced valuer who holds a recognised and relevant professional qualification and has extensive market knowledge in the types of investment properties owned by the Company.

The Group's advance to associate is valued on the basis of fair value using the discounted cashflow (DCF) method. The loan is revalued annually. The key inputs include a discount rate of 15.27% (2023: 12.22%) and realisation of the remaining assets in 2030).

**23. BREACH OF STATUTORY DEADLINE**

The Invercargill City Holdings Limited Group was required under section 67(5) of the Local Government Act 2002 to complete its audited financial statements and service performance information by 30 September 2024. This has also resulted in a breach of section 22.3 of the Invercargill City Holdings Limited company constitution, which requires audited financial statements and service performance information to be completed within 3 months after balance date.



**24. DISCONTINUED OPERATIONS****The sale of Southern Generation Limited Partnership and Southern Generation General Partner Limited**

On 26 June 2024, Roaring Forties Energy Limited Partnership sold its interest in Southern Generation Limited Partnership and Southern Generation GP Ltd ("collectively Southern Generation"). As a result of this transaction, Roaring Forties Energy Limited recorded cash proceeds of \$105.800 million in the summarised statement of financial position and a gain on sale of \$26.728 million within the summarised statement of comprehensive income as disclosed in note 11. Given the Group holds 50% interest in Roaring Forties Energy Limited Partnership, the Group has recognised its share of the gain on sale of \$13.364 million within the consolidated statement of comprehensive income for the year ended 30 June 2024.

As at 30 June 2024, Roaring Forties Energy Limited Partnership has divested in its sole income generating asset, being its interest in Southern Generation. Accordingly, for the financial year ending 30 June 2024, the investment in Roaring Forties Energy Limited Partnership is reported as a discontinued operation. The comparative Statement of Comprehensive Income and respective notes have been re-presented to show the discontinued operations.

**Profit/(loss) after tax from discontinued operations**

	Group 2024 \$000	Group 2023 \$000
Revenue	8,750	6,788
Expense	291	318
Net profit before income tax	8,459	6,470
Income tax expense*	-	-
Net profit after income tax	8,459	6,470
Share of Roaring Forties Surplus/ (Deficit) ( at 50% interest)	4,229	3,235
Dividend received from Roaring Forties	4,770	5,245
Share of Roaring Forties Surplus/ (Deficit) to be accounted though equity accounting in the Statement of Comprehensive Income	(541)	(2,010)
Change in tax temporary differences	-	(240)
Share of gain on disposal before income tax	13,365	-
Income tax liability on the sale of SGLP	(2,418)	-
Reversal of deferred tax on the sale of SGLP	2,296	-
Share of gain on disposal after income tax	13,243	-
Profit/(loss) after tax from discontinued operations	12,702	(2,250)
Tax expenses relating to discontinued operation	(122)	(240)

\*Roaring Forties Energy is a limited partnership, and income and expenses flowing through the partnership is not taxed at the partnership level.

**Cashflows from Roaring Forties Energy Limited Partnership**

The below table illustrates cash received by the Group from Roaring Forties Energy Limited Partnership

	Group 2024 \$000	Group 2023 \$000
Dividend received from Roaring Forties Energy Limited Partnership	4,770	5,245

**Accounting policy for discontinued operations**

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of comprehensive income.

# Statement of Service Performance

For the year ended 30 June 2024

The performance targets established in the 2024 Statement of Corporate Intent for Invercargill City Holdings Limited (ICHL) and the results achieved for the year ended 30 June 2024:

## Group Financial Performance Targets

	Group 2024 Target \$000	Group 2024 Actual \$000	Group 2023 Actual \$000
Gross Revenue	43,926	47,054	34,870
Expenditure	36,702	34,799	27,977
Net Profit (Loss)	7,224	12,255	6,893
Tax	(1,310)	(4,221)	(2,220)
Group Net Profit/(Loss) after tax	5,914	8,034	4,673
Dividend to Invercargill City Council	5,096	5,206	5,089

## Shareholder Funds to Total Assets

Invercargill city Holdings reported a lower shareholder funds to total asset compared to budget due to the additional \$19.170 million investment in Invercargill Central Limited during the 2025 financial year. Refer to Note 11 for disclosures relating to this transaction.

Shareholder Funds to Total Assets	52.75%	49.03%	54.11%
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## Return on Commercial Investments (ICHL, EIL)

ICHL is currently reviewing the manner in which its returns are reported to Invercargill City Council. In the interim ICHL will report, for its commercial investments rates of return on equity:

Rate of Return (after tax) on Shareholders Funds:	3.73%	11.56%	3.60%
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The higher rate of return achieved in 2024 is largely due to revenue of \$13.364m recognised by the Group with regards to the sale of Southern Generation Limited Partnership. Refer to note 11 for further information with regards to this transaction.

## Electricity Invercargill Limited Network Reliability Performance:

The following results were calculated using information from the Company's non-financial systems, which due to the manual recording processes have inherent limitations relating to the completeness of interruption data and the accuracy of installation control point (ICP) numbers included in the SAIDI and SAIF.

	Group 2024 Target \$000	Group 2024 Actual \$000	Group 2023 Actual \$000
<b>System Average Interruption Duration Index (SAIDI)</b>			
The average total time in minutes each customer connected to the network is without supply.			
SAIDI (planned)	32.00	13.82	15.76
SAIDI (unplanned)	41.00	11.24	17.80

**System Average Interruption Frequency Index (SAIFI)**

The average number of times each customer connected to the network is without supply.

SAIFI (planned)	0.15	0.09	0.08
SAIFI (unplanned)	0.70	0.03	0.24

SAIDI and SAIFI for planned and unplanned interruptions are calculated using the methodology defined in the Electricity Distribution Services DPP3 Determination 2020. SAIFI is calculated per interruption against the total network ICPs. Planned SAIDI is calculated in categories dependent on minutes occurring within or outside interruption windows, number of ICPs affected and total network ICPs – buckets are then summed to an assessed SAIDI value per interruption. Assessed SAIDI and SAIFI for unplanned interruptions include normalisation of major events for periods that exceed the DPP3 defined boundary values. The annual planned SAIFI and SAIDI figures are shown for comparison with targets, but planned SAIFI and SAIDI are assessed at the end of the five-year DPP3 period. Electricity Invercargill Ltd has met the SAIDI and SAIFI target for the year and were well below the supply quality limits set by the Commerce Commission. The Directors have reasonable assurance that the performance data of the Company is free from material misstatement and is a reliable measure of the network’s performance.

**Health and Safety**

	Target 2024	Achievement 2024      2023	
Total Recordable Injury Frequency Rate Contractors Target (TRIFR)	3.1	1.0	1.0

Electricity Invercargill Ltd contracts PowerNet Ltd to manage its Network assets and operations. Electricity Invercargill Ltd employ no staff, therefore the PowerNet Ltd Health and Safety Performance targets are relevant to the Group.

PowerNet Ltd safety performance (TRIFR) remained at 1.0 and Electricity Invercargill Ltd network continued to record zero injuries in the 2023 reporting year. These results were maintained despite the constantly increasing volume of critical works undertaken through the year. The Board has a strong commitment to ensuring PowerNet’s employees, contractors and the public remain safe and well. The Board monitors the health, safety and environment aspects of the Group’s activities, principally through the Health, Safety and Environment Committee. Monthly reports to the Board provide information on accidents, near misses and incidents, together with monthly data on PowerNet’s health, safety, and environment performance Risks are further identified through regular monitoring, using internal and external audits, reporting of accidents and near misses and formal risk reviews. Directors also focus on the management of critical safety risks by undertaking field observation visits using the Risk Mentor tool to ensure the controls identified in the critical control framework are being consistently applied on site.

## Invercargill Airport Limited

### Safety

#### **ZERO LOST TIME INJURIES FOR STAFF**

NOT ACHIEVED

There were two injuries sustained in the IAL workplace this financial year. These injuries resulted in eight days of lost time. IAL continues to strive for improvements in its health and safety practices

### Environmental

#### **NO NOTIFIABLE ENVIRONMENTAL INCIDENTS ON AIRPORT MANAGED PROPERTY**

ACHIEVED

There were no notifiable environmental incidents on airport managed property in this period.

### Operations

#### **RETAIN AERODROME CERTIFICATION VIA ASSESSMENT FROM THE CIVIL AVIATION AUTHORITY**

ACHIEVED

The Civil Aviation Authority audited the Airport in October 2023. The aerodrome operator's certification was renewed for five years following that audit.

### Infrastructure

#### **NO SIGNIFICANT DISRUPTION TO AIRPORT OPERATIONS DUE TO INFRASTRUCTURE FAILURE**

ACHIEVED

No significant disruption to airport operations in the reporting period, caused by infrastructure.

### Sustainability

#### **COMMENCE ACERT LEVEL 2**

ACHIEVED

Level 1 accreditation was certified in October 2023. IAL has commenced level 2, with a review of reduction pathways completed.

### Roaring Forties Energy Limited Partnership

Roaring Forties Energy Limited Partnership Investment monitoring – ICHL will monitor the performance in the Southern Generation Limited Partnership

ACHIEVED

ICHL has monitored the performance of Southern Generation Limited Partnership throughout the 2024 financial year.

### Invercargill Central Limited

Invercargill Central Limited is an investment that has been fully funded by injection of further equity into Invercargill City Holdings Limited by Invercargill City Council. ICL is a two-level city centre shopping centre which commenced trading in July 2022 and is now largely complete.

## Parent Non-Financial Performance Targets

### Corporate Governance

***The ICHL Group will adopt strategies that are compatible with the strategic direction of its shareholder.***

ACHIEVED

ICHL actively engaged with its subsidiaries and its shareholder to ensure strategic alignment with the Council's strategic priorities.

***ICHL maintains contact with subsidiary company boards and remains aware of their strategic and business issues.***

ACHIEVED

ICHL receives regular reports detailing financial and performance updates. ICHL meets with subsidiary boards regularly to review current performance and strategic focus areas.

***ICHL keeps ICC informed of matters of substance affecting the group on a no surprises basis*** ACHIEVED

ICHL made timely and balanced disclosure to ICC of all matters concerning it that a reasonable shareholder would expect to be made aware.

Sustainability

**ICHL will promote and support ICHL Group companies' contribution to ICC's climate change initiatives.**

ACHIEVED

ICHL supported progress across the group in moving towards measuring, report and reducing carbon emissions.

Dividends

**ICHL expects a long- term sustainable dividend flow to the shareholder, while maintaining an appropriate balance between dividends and reinvestment.**

ACHIEVED

ICHL required its subsidiaries to provide projections of at least 10 years of capital requirements for at least asset replacement to enable it to monitor the balance between these competing demands. ICHL worked with its subsidiaries to achieve the most efficient use of staff resources, capital assets and working capital through innovative management and sound business practices.

Public Expectations

**ICHL worked with its subsidiaries to ensure that they are mindful of the public scrutiny that comes with being a Council Controlled Organisation.**

ACHIEVED

ICHL required its subsidiaries to commit to transparency and accountability to the public. This includes fulfilling the planning, reporting and disclosure requirements of the Local Government Act 2002 as it applies to CCOs, and the requirements of the Local Government Official Information and Meetings Act 1987 as it applies to CCOs, and any other company specific legislation. Ensured their company is fiscally disciplined with expenditure

# Audit Report

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AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## Independent Auditor's Report

### To the readers of Invercargill City Holdings Limited's Group financial statements and statement of service performance for the year ended 30 June 2024

The Auditor-General is the auditor of Invercargill City Holdings Limited Group and its controlled entities (collectively referred to as 'the Group'). The Auditor-General has appointed me, Chris Genet, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the statement of service performance of the Group, on his behalf.

#### Opinion

We have audited:

- the financial statements of the Group on pages 9 to 53, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Group on pages 54 to 57.

In our opinion:

- the financial statements of the Group:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2024; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards; and
- the statement of service performance of the Group presents fairly, in all material respects, the Group's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Group's objectives for the year ended 30 June 2024.

Our audit was completed on 19 November 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the statement of service

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performance, we comment on other information, and we explain our independence.

### **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of the Board of Directors for the financial statements and the statement of service performance**

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the statement of service performance for the Group.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of service performance, the Board of Directors is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

### **Responsibilities of the auditor for the audit of the financial statements and the statement of service performance**

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and the statement of service performance.



For the performance targets reported in the statement of service performance, our procedures were limited to checking that the information agreed to the Group's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported statement of service performance within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. We are responsible solely for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify in our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 8 but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### **Independence**

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by New Zealand Auditing and Assurance Standards Board.

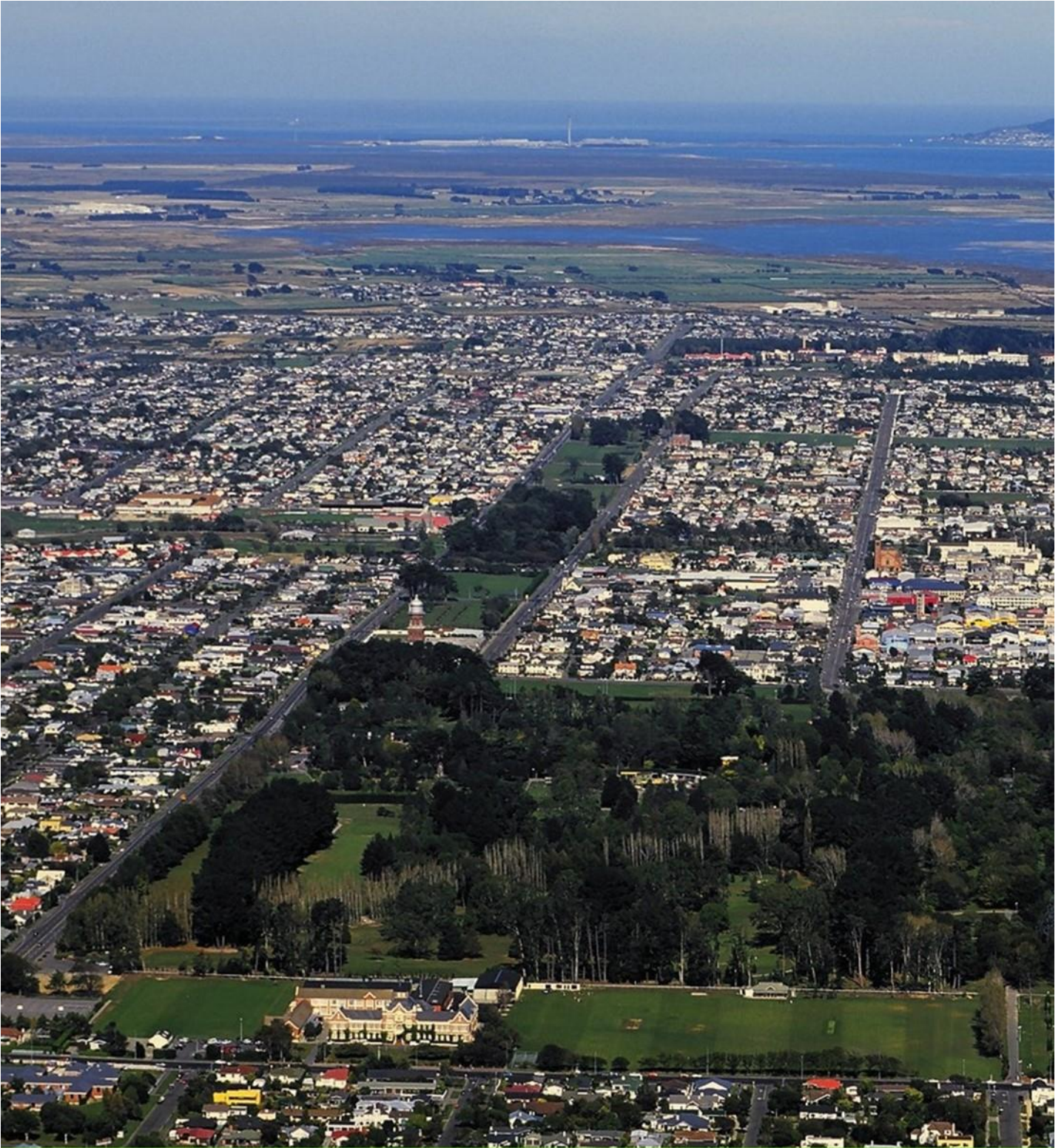
For the year ended 30 June 2024 and subsequently, a Director of the Board of Directors of the Group is a member of the Auditor-General's Audit and Risk Committee. The Auditor-General's Audit and Risk Committee is regulated by a Charter that specifies that it should not assume any management functions. There are appropriate safeguards to reduce any threat to auditor independence, as a member of the Auditor-General's Audit and Risk Committee (when acting in this capacity) has no involvement in, or influence over, the audit of the Group.

In addition to this audit, we have carried out other audit and assurance engagements, and regulatory training and advisory services for the Group. These engagements, as described in note 3 on page 22, are compatible with those independence requirements.

Other than the audit, these engagements, and the relationship with the Auditor-General's Audit and Risk Committee, we have no relationship with or interests in the Group.



Chris Genet  
Audit New Zealand  
On behalf of the Auditor-General Christchurch,  
New Zealand





## LIABILITY MANAGEMENT POLICY AND INVESTMENT POLICY

<b>To:</b>	Council
<b>Meeting Date:</b>	Tuesday 17 December 2024
<b>From:</b>	Rhiannon Suter, Manager – Strategy, Policy and Engagement
<b>Approved:</b>	Patricia Christie - Group Manager - Finance and Assurance
<b>Approved Date:</b>	Tuesday 10 December 2024
<b>Open Agenda:</b>	Yes

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### Purpose and Summary

This report presents the Liability Management Policy 2024 and the Investment Policy 2024 for adoption.

### Recommendations

That Council:

1. Receives the report "Liability Management Policy and Investment Policy".
2. Adopts the Liability Management Policy 2024 (A5062752).
3. Adopts the Investment Policy 2024 (A5059534).

### Background

The draft Liability Management Policy 2024 and draft Investment Policy 2024 were first confirmed by Council on 19 December 2023, then adopted for consultation following further updates on 27 February 2024. They were both consulted on alongside the Long-term Plan throughout March 2024. It was intended that they be adopted in June 2024.

It has come to the attention of officers that these two policies were inadvertently not included with the Long-term Plan and related documents presented to Council for adoption on 27 June 2024. Accordingly, they are presented here for adoption.

## **Issues and Options**

### **Analysis**

The policies as presented remain unchanged from what was presented for consultation.

Submitters were specifically asked for their feedback on both policies, but there were limited comments on these two policies, and no changes were recommended by officers as a result.

It is therefore recommended that the policies be formally adopted as presented.

### **Significance**

As financial policies, both the Liability Management and Investment Policies are significant in terms of impacting Council's financial performance. The changes made to the policies compared to previous versions, however, were relatively minor and of limited interest to the community.

## **Community Views**

Both policies have been consulted on, and feedback presented to Council.

## **Implications and Risks**

### **Strategic Consistency**

Both policies align with the Long-term Plan and are unchanged from what was presented for consultation.

### **Financial Implications**

Council has already been advised of the financial implications arising from the amendments made to these policies. No further changes have been made.

### **Legal Implications**

There are no particular legal implications from the policies themselves. Formal adoption of the policies is a necessary procedural formality.

### **Climate Change**

There are no particular climate change issues.

### **Risk**

Failing to adopt the new policies would risk inconsistent decision making.

### **Next Steps**

If Council agrees to formally adopt these policies, both will be uploaded to Council's website for access by the public.

### **Attachments**

1. Liability Management Policy 2024 (A5062752).
2. Investment Policy 2024 (A5059534).

A5062752



# Liability Management Policy 2024



## Purpose

Council borrows for the following primary purposes:

- General debt to fund Council's capital works primarily on infrastructure assets. The use of debt is seen as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers in relation to Council's assets and investments.
- Short term debt to manage timing differences between cash inflows and outflows, and to maintain Council's liquidity.
- Specific debt associated with significant "one-off" projects and non-financial investments from time to time.
- Borrowing through hire purchase, credit, deferred payment or lease arrangements in the ordinary course of Council business.

## Local Government Act 2002 Requirements

Section 104 of the Local Government Act 2002 provides that the Liability Management Policy adopted under Section 102(1) must state Council policies in respect of liability management, including:

- a) Interest rate exposure,
- b) Credit exposure,
- c) Liquidity, and
- d) Debt repayment.





## Objectives

The objectives of this Liability Management Policy are consistent with market best practice and will take into account Council's 10 year plans as set out in the Long-term Plan. The key Liability Management Policy objectives in relation to borrowings are to:

- Prudently manage Council's borrowing activities to ensure the ongoing funding of Council.
- Borrow only under Council approved facilities and as permitted by this policy.
- Minimise borrowing costs within prudent risk management control limits.
- Manage exposure to adverse interest rate movements.
- Ensure operational controls and procedures to protect Council against financial loss, opportunity cost and other inefficiencies are maintained.

## Borrowing Management and Internal Controls

Council approves policy parameters in relation to borrowing activities. Council approves, by resolution, the borrowing requirement for each financial year in the Annual Plan or Long-term Plan or by later resolution during the year. Council considers the impact on its borrowing limits as well as the size and the economic life of the asset that is being funded and its consistency with Council's Long-term Plan.

A resolution of Council is not required for hire purchase, leased, credit or deferred purchase of goods if:

- The period of indebtedness is less than 365 days; or
- The goods or services are obtained in the ordinary course of operations on normal commercial terms for amounts not exceeding in aggregate \$50,000.

Council's Chief Executive has overall responsibility for the operations of Council.



The Group Manager of Finance and Assurance reviews regular treasury reports to ensure compliance with policies, procedures and risk limits and has overall responsibility for setting risk management strategies in relation to the implementation of this treasury policy. The Group Manager will also oversee the management of Council's relationship with financial institutions and the negotiation of borrowing facilities with bankers, the appointment of brokers/arrangers/managers.

Council's borrowing activities are managed centrally through its accounting function. The accounting function is broadly charged with the following responsibilities:

- Manage Council's borrowing programme to ensure funds are readily available at margins and costs favourable to Council.
- Raise authorised and appropriate borrowing, in terms of both maturity and interest rate strategies.
- Manage the impact of market risks such as interest rate risk and liquidity on Council's borrowing by undertaking appropriate hedging activity in the financial markets.
- Minimise adverse interest rate related increases on ratepayer charges and maintain overall interest costs within budgeted parameters.
- Provide timely and accurate reporting of treasury activity and performance.

Council is prohibited from borrowing in a foreign currency by Section 113 of the Local Government Act 2002.

## Interest Rate Exposure

Interest rate risk management refers to managing the impact that movements in interest rates can have on Council's cash flows. This impact can be both favourable and unfavourable. Council's ongoing borrowing requirement gives rise to direct exposure to interest rate movements.





## Fixed / Floating Profile

Interest is incurred on any bank funding facility, issuance of local authority stock and other borrowing arrangements. This policy recognises that the longer the term of borrowing, the greater the interest rate risk. Longer term fixed rate borrowings may be of benefit if market interest rates rise, but equally may not allow Council to take advantage of periods of low interest rates.

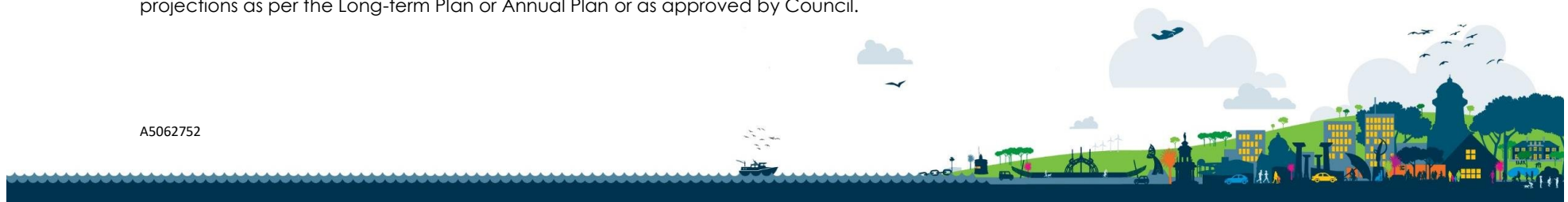
A balance is achieved through having variable terms with regard to interest rate resets.

Council manages its interest rate exposures by defining minimum and maximum hedging percentages within various time buckets. These parameters are reviewed annually by the Group Manager - Finance and Assurance. Any changes recommended must be approved by the full Council before inception. The table below shows an example of how minimum and maximum hedged or fixed rate exposure requirements within various time buckets are detailed in operational procedure and reporting documentation.

Interest Rate Maturity Profile Limit		
	Minimum Fixed Rate	Maximum Fixed Rate
Zero to two years	40%	100%
Two to four years	25%	80%
Four to ten years	0%	60%

Any hedging outside the determined parameters or for longer than 10 years must be approved by Council, before initiation.

When managing the interest rate risk of Council the hedging percentages relate to total core debt. Core debt cannot exceed borrowing projections as per the Long-term Plan or Annual Plan or as approved by Council.



## Interest Rate Risk Management Contracts

Interest rate risk can be managed by using interest rate risk management contracts that allow the re-profiling of the portfolios including the:

- Hedging of up to 100% of repricing risk on existing fixed rate debt and issue yield risk on planned new debt within the next 12 month period.
- Converting fixed rate borrowing into floating rate or hedged borrowing and floating rate borrowing into fixed or hedged borrowing within the overall parameters of this policy.

The following interest rate risk management instruments are approved by Council:

- Interest Rate Swaps.
- Forward Rate Agreements.
- Interest Rate Options on approved underlying instruments, e.g. on Interest Rate Swaps or bonds.

Interest Rate Collar Strategy, but only where the ratio of the face value and interest rate exposure on bought to sold legs is 1:1.

## Credit Exposure

Council hedging can only be undertaken with approved New Zealand Registered Banks.



## Liquidity and Funding Risk

Liquidity management refers to the timely availability of funds to Council when needed, without incurring penalty costs. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and terms of existing facilities. A key factor of funding risk management is to reduce the concentration of risk at any one point in time so that if one-off internal or external negative credit events occur, the overall interest cost is not unnecessarily increased.

The following guidelines have been established to provide Council with appropriate levels of liquidity at all times, as follows:

- Cash flow forecasts will be produced to assist in the matching of operational and capital expenditure to revenue streams and borrowing requirements.
- Council will maintain its financial investments in liquid instruments.
- Council will ensure that, where sinking funds or Council created investments are maintained to repay borrowing, these investments are held for maturities not exceeding the relevant borrowing repayment date.
- To minimise the impact of unexpected cash surpluses, Council will take advantage of the efficiencies of any floating rate loan facility.

The following guidelines have been established to control funding risk:

- To avoid concentration of debt maturity dates no more than 50% or \$25 million (whichever is the highest) of total debt can be subject to refinancing on a rolling 12 month basis. Total debt is defined as total existing external debt.



## Debt Repayment

Repayment of debt (interest and principal) is governed by:

- Affordability of debt servicing costs.
- Intergenerational equity principles (debt will be repaid over the life of the asset or an appropriate period of time determined by the asset involved, whichever is the lesser).
- Maintenance of prudent debt levels and borrowing limits.
- Council repays borrowings from general, special funds, the existing specific sinking fund, or operating surpluses allocated to that borrowing.
- Where a loan is raised for a specific purpose and the funds are no longer required, the funds will be used to repay existing debt or held in a special fund until the funds can be applied against a future borrowing.

## Borrowing Mechanisms

In developing strategies for new borrowing (in relation to source, term, size and pricing) Council takes into account the following:

- Available and Council approved sources, terms and types of borrowing.
- Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time.
- Prevailing interest rates, margins and total cost relative to term and nature of the borrowing.
- The market's outlook on future interest rate movements as well as Council's own.
- Legal documentation and financial covenants.



## Guarantees

Council provides guarantees to banks for loans between the bank and non-profit bodies by exception and only where Council considers the guarantee to be beneficial to the community and in accordance with the following parameters:

- The loan must be in the name of a legally constituted body.
- To qualify for a guarantee, the proposed works should be such as are not available for normal security when situated on Council reserve.
- The guarantee must be required by the lender.
- The organisation must provide Council with satisfactory evidence of its ability to repay the loan, on the terms specified for the loan. To that end the organisation shall supply the latest annual accounts and such other information as may be available in support of its application. A three-year projection of the organisation's financial ability to meet loan repayments should be included.
- Where the loan is for an insurable asset, such as a building, it shall be insured in the joint names of Invercargill City Council and the applicant organisation for full replacement value (not the indemnity value).
- The loan shall be subject to personal guarantees, by way of a legal document, from persons acceptable by Council. Such personal guarantees shall remain in force until the loan is fully paid off and shall not reduce proportionality to repayments.
- In consideration of the guarantee, the organisation which will benefit shall pay an annual charge of 1/2% of the amount guaranteed either to form a fund from which any liability of Council could be met, or for administration purposes. Such a percentage, together with the personal guarantees suggested, will tend to make an application for guarantees more realistic.
- In the event of Council being required to meet a guarantee all the assets of the organisation revert to Council. To ensure that these assets are kept in good repair Council shall have the right to inspect assets and request any action necessary to maintain them in good repair.
- Guarantees require approval by way of Council resolution.

## Leases

Council utilises finance leases (as opposed to an operational lease ie, renting) as a means of financing some office equipment.

## Approved Risk Management Instruments

### Interest Rate Swap ("IRS")

An interest rate swap is an agreement between Council and a counterparty (usually a bank) protecting Council against a future adverse interest rate movement. Council pays (or receives) a fixed interest rate and receives (or pays) a floating interest rate. The parties agree to a notional principal amount, the future interest rate, the settlement dates and the benchmark floating rate, which is usually off the Reuters page containing the daily rate sets for BKBM (bank bill reference rates).

**Objective:** To provide Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period. Floating rate sets are typically every three or six months over the life of a swap.

**Example:** Council fixes its interest rate for three years at 6.50%, on a quarterly basis on a portion of its planned borrowings by entering into a three year 6.50% fixed rate swap. The floating rate reference is three month BKBM.

**Outcome:** On a swap-reset date, the three month bank bill rate is at, say 4.75%. Council borrows from its bank the principal, for three months at 4.75% plus Council's margin. At the same time, the bank pays Council 4.75% on the principal amount for a three month period. Council then pays the bank 6.50% on the principal amount for a three month period. This means that Council's effective interest rate is 6.50% plus its margin. In practice, cashflows would be netted off if the swap and the underlying borrowing facility were with the same bank.





## Monitoring and Auditing

The Risk and Assurance Committee will monitor the application of hte Policy, via reports from staff.

A5062752



<b>Revision History:</b>	February 2024
<b>Effective Date:</b>	17 December 2024
<b>Review Period:</b>	This policy will be reviewed every six years unless an earlier review is required due to legislative change, or is warranted by another reason requested by Council.
<b>New Review Date:</b>	December 2030
<b>Associated Documents / References:</b>	Financial Strategy – A4915537 Investment Policy – A5059534
<b>Supersedes:</b>	Liability Management Policy 2021
<b>Reference Number:</b>	A5062752
<b>Policy Owner:</b>	Group Manager – Finance and Assurance





# Investment Policy

2024



## Purpose

Council holds financial investments sufficient to match reserve accounts created by Council resolution and as a result of short term cash flow surpluses.

## Local Government Act 2002 Requirements

Section 105 of the Local Government Act 2002 provides that the Investment Policy adopted under Section 102(1) must state Council policies in respect of investments, including:

- a) The mix of investments,
- b) The acquisition of new investments,
- c) An outline of the procedures by which investments are managed and reported on to Council,

An outline of how risks associated with investments are assessed and managed.

## Objectives

The objectives of this Investment Policy are consistent with market best practice and will take into account the requirements of Council's Annual Plan and Long-term Plan. The key Investment Policy objectives are to:

- Prudently manage Council's investment assets in the interests of Council's district and its inhabitants and ratepayers, only for lawful purposes and so as to safeguard against loss.
- Manage investments in accordance with the Local Government Act 2002; administer, manage and account for its funds and exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.



- Maximise investment income within a prudent level of investment risk. Council recognises that as a responsible public authority any investments that it does hold should be of relatively low risk. It also recognises that lower risk generally means lower returns
- Invest only in approved securities and asset classes as permitted by this policy. Accordingly, only creditworthy counterparties are acceptable.
- Ensure investments are maintained at an appropriate level of liquidity to enable the provision of cash flow when required.
- Minimise potential risk due to adverse interest rate movements.
- Regularly review the performance and credit worthiness of all investments.
- Maintain operational controls and procedures to best protect Council against financial loss, opportunity cost and other inefficiencies.

## Investment Management and Internal Controls

Council approves policy parameters in relation to borrowing and investment activities. In making any investment decisions the Group Manager

- Finance and Assurance considers:

- The desirability of diversifying investments.
- The nature of existing investments.
- The risk of capital loss or depreciation.
- The potential for capital appreciation.
- The likely income return.
- The length of the term of the proposed investment.
- The marketability of the proposed investment during, and on the determination of the term of the proposed investment.
- The effect of the proposed investment in relation to tax liability.
- The likelihood of inflation affecting the value of the proposed investment.





Council's Chief Executive has overall responsibility for the operations of Council. The Group Manager - Finance and Assurance has financial management responsibility over Council's investments.

## Investment Portfolio

An investment is an asset held by Council that provides service potential or future economic benefit to Council. Investments include property, ownership in Council related trading entities and financial assets. A financial asset is any asset that is cash or the contractual right to receive cash including the financial investment instruments.

Council invests in the following assets:

- Financial investments (excluding day to day cash management activity).
- Property investments.
- Cash and working capital management.
- Invercargill City Holdings Limited.

## Financial Investments

Council maintains financial investments for the following primary reasons:

- Invest amounts allocated to special reserves.
- Invest surplus cash and working capital funds.





The following are approved financial investments:

- Government investments (treasury bills, government stock).
- New Zealand Registered Bank investments (call and term deposits, registered certificates of deposit) subject to Counterparty Exposure Limits.
- Local authority investments subject to Counterparty Exposure Limits.
- State Owned Enterprise investments subject to Counterparty Exposure Limits.
- Corporate investments (corporate bonds, promissory notes) subject to Counterparty Exposure Limits.

### **Acquisition/Disposition and Revenue**

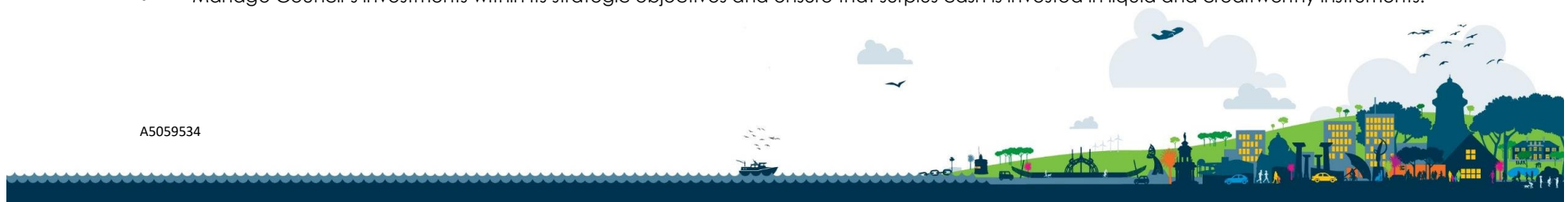
Interest income from financial investments is credited to general funds or special reserves and is included in the Statement of Comprehensive Revenue and Expenses.

Proceeds from the disposition of financial investments are used for operational and capital expenditure purposes or for the purpose for which they have been established, as approved in the Annual Plan or Long-term Plan.

### **Management Procedures**

Financial investment strategy is set by the Group Manager - Finance and Assurance and implemented by the Finance Team of Council with day to day management centrally through its treasury function. The treasury function is broadly charged with the following responsibilities:

- Assist the Group Manager - Finance and Assurance in developing its investment strategy by reviewing on a regular basis, cash flow forecasts incorporating plans for approved expenditure and strategic initiatives, evaluation of the outlook for interest rates and the shape of the yield curve, and where applicable, seeking appropriate financial advice.
- Develop and maintain professional relationships with the financial markets in general and Council's main relationship bank in particular.
- Manage Council's investments within its strategic objectives and ensure that surplus cash is invested in liquid and creditworthy instruments.





- Manage the impact of market risks such as interest rate risk and liquidity on Council's investments and currency risk on investments by undertaking appropriate hedging activity in the financial markets.
- Minimise adverse interest rate related increases on ratepayer charges and maintain overall revenues within budgeted parameters.
- Manage the overall cash and liquidity position of Council's operations.
- Provide timely and accurate reporting of treasury activity and performance for management and Council

## Investment Risk: Credit Risk – Counterparty Exposure Limits

Council's primary objective when investing is the protection of its capital. Accordingly, only creditworthy counterparties are acceptable. Creditworthy counterparties are selected on the basis of their Standard and Poor's (S&P) and/or Fitch rating except for unrated Local Authorities secured by charge over rates, which are governed by individual counterparty limits.

More specifically, Council minimises its credit exposure by:

- Ensuring all investment, cash management, interest rate risk management and any foreign exchange transactions are undertaken with entities (excluding Government) that have a S&P / Fitch credit rating of at least A2 / F2 for short term and A- / A- for long term except for unrated Local Authorities secured by charge over rates, which are governed by individual counterpart limits and State Owned Enterprises which must have minimum credit ratings of A2 / F2 and BBB / BBB respectively.
- Limiting total exposure to prescribed amounts and portfolio limits.
- Rigorous monitoring of compliance against set limits.







Council approval is required to add to or delete from the counterparty exposure limits. The following table summarises credit requirements and limits:

Institution	Minimum S&P / Fitch Short Term Credit Rating <sup>1</sup>	Minimum S&P / Fitch Long Term Credit Rating <sup>2</sup>	Total Exposure Limit for Each Counterparty	Portfolio Limit (% of Total Portfolio)
Government	N/A	N/A	Unlimited	100%
New Zealand Registered Banks – On balance sheet exposures	A2 / F2	AA- / AA-	\$35 million	80%
New Zealand Registered Banks – Off balance sheet exposures	A2 / F2	AA- / AA-	\$10 million	N/A
Strongly Rated Corporates, SOEs (on balance sheet exposures only), Local Authorities with rates as security (on balance sheet exposures only)	A2 / F2 (N/A for Local Authorities)	A- / A- (BBB / BBB for SOEs, N/A for Local Authorities)	\$5 million (Face Value)	50%

<sup>1</sup>Short term refers to securities with a remaining maturity of 12 months or less

<sup>2</sup>Long term refers to securities with a remaining maturity of more than 12 months

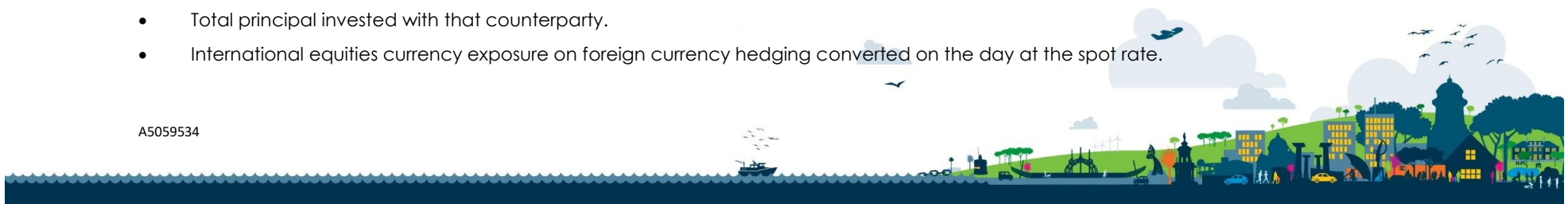
If any counterparty's credit rating falls below the minimum specified in the above table then Council approval will be required in order to continue trading with them, otherwise all practical steps are taken to reduce the credit exposure to that counterparty to zero as soon as possible or in any case within three months of the downgrade being notified.

Exposures to each counter party are computed as follows:

**On-Balance Sheet**

- Total principal invested with that counterparty.
- International equities currency exposure on foreign currency hedging converted on the day at the spot rate.

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### **Off-Balance Sheet**

Credit exposure on interest rate contracts computed by multiplying face value of outstanding transactions by an interest rate movement factor of 5%, per calendar year or part thereof of the life of the instrument.

### **Interest Rate Risk**

Interest rate risk refers to the impact that movements in interest rates can have on Council's cash flows. Council's financial investments give risk to direct exposure to interest rate movements. Interest rate risk is managed by Council as part of its overall investment strategy.

The following interest rate risk management instruments are approved by Council:

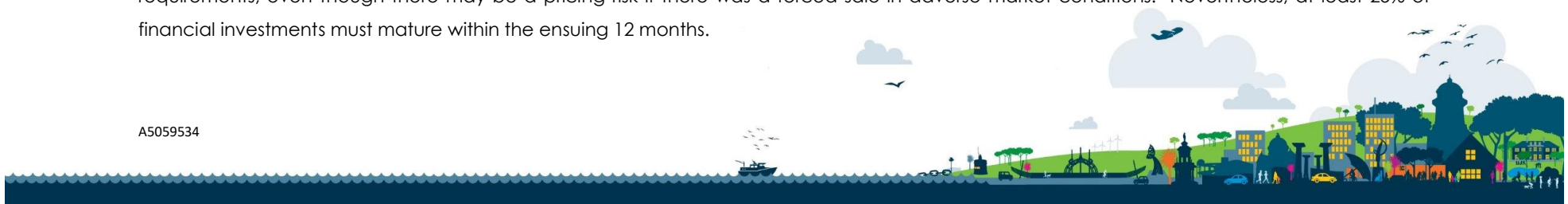
- Interest Rate Swaps.
- Forward Rate Agreements.
- Interest Rate Options on approved underlying instruments, e.g. on Interest Rate Swaps or bonds.
- Interest Rate Collar Strategy, but only where the ratio of the face value and interest rate exposure on bought to sold legs is 1:1.

Council does not enter into incidental arrangements within or outside New Zealand in currency other than New Zealand currency.

### **Liquidity Risk**

Liquidity Risk Management refers to the timely availability of funds to Council when needed, without incurring penalty costs.

Because of Council's credit rating criteria, all investments would be readily saleable in the secondary market, which addresses Council's liquidity requirements, even though there may be a pricing risk if there was a forced sale in adverse market conditions. Nevertheless, at least 25% of financial investments must mature within the ensuing 12 months.





The average duration\* of the total investment portfolio would normally be between two and three years.

*\*Duration is a mathematically calculated term representing the average of the time weighted cash flows of the investment, discounted at current yields.*

## Property Investments

Council maintains an Investment Property portfolio, and Operational Property portfolio, and properties maintained for a strategic purpose. The Investment Property portfolio is further 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 primary objective for property owned for development needs or for investment purposes is that it is important for the economic, physical and social development of the Invercargill district and to achieve an acceptable rate of return. Council generally follows a similar assessment criteria in relation to the acquisition of new property investments.

\*Final categorisation to be updated following completion of the Activity Management Plan





### **Acquisition/Disposition and Revenue**

Prior to acquisition of property for the development needs of the district or for investment purposes the property will be assessed as follows:

- Property for the development needs of the district – a financial and non financial assessment of economic, physical and social benefit to the district, the cost of owning the property and the cost of ownership and assessment.
- Investment property – a financial assessment including a calculation and assessment of the total cost of ownership, and the likely returns to be generated from that ownership.

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.

Proceeds from the disposition of property investments are used for retirement of debt relating to such property, or allocated to general funds, endowment funds or special funds. All income from property investments is shown in the Statement of Comprehensive Revenue and Expenses and forms part of general funds.

### **Management Reporting and Procedures**

Council reviews the performance of its property investments on at least a six monthly basis, and ensures that the benefits of continued ownership are consistent with its stated objectives. Reports are made to Council by staff.

### **Investment Risks**

Insurance cover is held for all property investments. A risk assessment is carried out prior to acquisition of a property investment.



## Cash and Working Capital Management

Cash management deals with the net balance in Council's main bank accounts. The treasury function is responsible for managing Council's cash surpluses and/or deficits.

Council maintains a Daily Balancing Report (bank reconciliation) and short term and long term cash flow projections which are updated weekly and which form the basis of its cash management activity. Generally cash management surpluses are available for periods less than 90 days.

Cash management instruments are limited to:

- Call deposits with New Zealand Registered Banks.
- Corporate Commercial Paper with a maturity less than three months.
- Term deposits (less than three months) with registered banks.
- The use of interest rate risk management instruments on cash management balances is not permitted.

Cash and the counterparties on cash management instruments may only be invested with approved counterparties within the limits detailed.

Council holds cash for two main reasons, to ensure strong lines of liquidity and access to cash remains available to Council, and to support the balance of reserves through short-term investments (90-360 days) to maximise return on investment.



## Monitoring and Auditing

The Risk and Assurance Committee will monitor the application of this Policy, including through the provision of reports from staff.

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<b>Revision History:</b>	February 2024
<b>Effective Date:</b>	17 December 2024
<b>Review Period:</b>	This policy will be reviewed every six years unless an earlier review is required due to legislative change, or is warranted by another reason requested by Council.
<b>New Review Date:</b>	December 2030
<b>Associated Documents / References:</b>	Financial Strategy – A4915537 Liability Management Policy – A5062752
<b>Supersedes:</b>	Investment Policy 2021
<b>Reference Number:</b>	A5059534
<b>Policy Owner:</b>	Group Manager – Finance and Assurance



# Appendix 1: Approved Risk Management Instruments

## Examples of the Use of Derivative Products

### Forward Rate Agreement

An agreement between Council and counterparty (usually a bank) protecting Council against a future adverse interest rate movement. Council and the counterparty agree to a notional future principal amount, the future interest rate, the date and the benchmark rate, which is contained on the Reuters system.

**Objective:** To provide Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period. A Forward Rate Agreement (FRA) typically applies to a three month period, starting at some point within the next 12 months.

**Example:** Council wishes to provide certainty on a portion of its floating rate borrowings over the event risk posed by an expected change in monetary policy at a point in the future. A borrower's FRA is purchased in say, March, at 6.00% for protection through the June to September period. It is described as a 3X6 FRA, i.e. the rate applies to a borrowing for three months starting in three months' time.

**Outcome:** If on the rate set date in June, the three month interest rate has climbed to, say, 8.00%, Council receives the difference between this and the FRA rate of 6.00%. It then borrows at 8.00%, the payment received making the effective borrowing rate 6.00%, plus its margin.





### Interest Rate Swap

An interest rate swap is an agreement between Council and a counterparty (usually a bank) protecting Council against a future adverse interest rate movement. Council pays (or receives) a fixed interest rate and receives (or pays) a floating interest rate. The parties agree to a notional principal amount, the future interest rate, the settlement dates and the benchmark floating rate, which is usually off the Reuters page containing the daily rate sets for BKBM (bank bill reference rates).

**Objective:** To provide Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period. Floating rate sets are typically every three or six months over the life of a swap.

**Example:** Council fixes its interest rate for three years at 6.50%, on a quarterly basis on a portion of its planned borrowings by entering into a three year 6.50% fixed rate swap. The floating rate reference is three month BKBM.

**Outcome:** On a swap-reset date, the three month bank bill rate is at, say 4.75%. Council borrows from its bank the principal, for three months at 4.75% plus Council's margin. At the same time the bank pays Council 4.75% on the principal amount for a three month period. Council then pays the bank 6.50% on the principal amount for a three month period. This means that Council's effective interest rate is 6.50% plus its margin. In practice cashflows would be netted off if the swap and the underlying borrowing facility were with the same bank.





### Interest Rate Collar

The combined purchase (or sale) of a cap or a floor with the sale (or purchase) of another floor or cap. Unlike an outright option purchase there is no premium payable but conversely participation in favourable movements is limited.

**Objective:** To provide Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period, but at the same time avoid the need to pay an up front premium.

**Example:** Council wishes to secure a worst case borrowing rate of 7.50% for the next five years, but wishes to avoid paying a premium. In exchange for the worst case protection at 7.50%, Council accepts a best case outcome at 6.00%. In this structure, Council has bought and sold options, with the respective option premiums offsetting each other. On each quarterly rate rest date Council will have a rate between 6.00% and 7.50%, the parameters of the collar.

**Outcome:** If on each rate set date the three month interest rate is in excess of 7.50% Council exercises its option and pays 7.50%, for that three month period, its worst case rate. If on each rate set date the three month interest rate is below 6.00%, the bank exercises its option on Council and Council pays 6.00%, Council's best case rate. If on any rate set date the three month interest rate is between 6.00% and 7.50%, Council borrows at the market rate.



## TE KUPEKA TIAKI TAOKA - SOUTHERN REGIONAL COLLECTIONS TRUST

**To:** Council

**Meeting Date:** Tuesday 17 December 2024

**From:** Michael Morris - Manager Governance and Legal

**Approved:** Michael Day - Chief Executive

**Approved Date:** Thursday 12 December 2024

**Open Agenda:** Yes

**Public Excluded Agenda:** No

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### Purpose and Summary

To provide background information and update to-date status information of Te Kupeka Tiaki Taoka - Southern Regional Collections Trust.

### Recommendations

That Council:

1. Receives the report "Te Kupeka Tiaki Taoka - Southern Regional Collections Trust".

### Background

As advised by Mayor Clark at the November Council meeting he has requested this report be prepared to provide Council with relevant information relating to the creation of the Trust and the current status of the Trust.

### Issues and Options

#### Background to the Trust

The Trust as it currently stands is the full successor to the Southland Museum and Art Gallery Trust Board, that for many years ran/operated the former Te Niho o te Taniwha/ Southland Museum and Art Gallery under a contract for services with Council.

Once the former Museum closed, there was a large amount of behind the scenes work to actually understand the complex ownership/management arrangements that had evolved over time.

It was during this process that Council ownership of the Museum buildings was definitively confirmed.

As respective Councils continued to debate the future needs and look of the new Museum, the former Trust Board had a diminished role to play. This led to a review instigated by the Chief Executives (CEs) of the councils<sup>1</sup> that looked to focus the Trust Board onto collection governance, as it was Council's view that Council was to manage the Museum and not the Board.

PRLaw were instructed to review, update and modernise the Trust Deed and to focus the Board to be a skills based board focused on collection governance.

On 5 May 2022 the former Trust Board retired and in their place the Interim Trustees were appointed, being the three CEs and an appointed member to represent the four Rūnaka.<sup>2</sup>

The intention was to create a new skills based Trust Board that was stand alone, this was to allow the Trust Board to actually oversee the collection from a governance level<sup>3</sup>.

### **The Interim Trust Board**

The key role of the Interim Trust Board (ITB) was to ensure there were Trustees responsible for the collection and to appoint an Appointments Committee to enable the skills based Trustees to be appointed to take over.

The ITB appointed themselves as the Appointments Committee with the exception of the Rūnaka representative. The Rūnaka appointee Mr Gerald O'Regan to the Appointments committee.

The ITB stayed in office, ensuring the basic needs of the Trust were met but were very clear it was only as a holding pattern until the skills based Board was appointed.

### **The Appointments Committee**

The Appointments Committee, appointed a recruitment company to recruit for the skills based roles.

The Appointments Committee also developed a remuneration policy to ensure the skills based roles were appropriately remunerated and help ensure people with the desired skills would apply for the roles.

As is known the roles were originally all filled by people who, while having strong links to Southland, did not actually live in Southland.

This led to a development of a Co-opted Trustee to enable people from Southland to join the Trust for 12 months to enable them to develop the skills to be able to take up the Trustee role in the future.

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<sup>1</sup> ICC, GDC and SDC who were all funding partners of SMAG via SHRC and were also represented or able to be represented on the SMAG board

<sup>2</sup> Name the Waihōpai Rūnaka, Te Rūnaka o Awaura, Hokonui Rūnaka, Te Rūnanga o Ōrakā Aparima

<sup>3</sup> It is worth recording that all the Trustees have spoken that they understood they were to be an independent Trust.

Each appointment was for either a one, two or three year term to enable the Trustees to always been in place and allow for refresh as required.

### **The New Board takes Office**

On 22 August 2023 the new Board officially took office and undertook an induction to their role.

At the first meeting, Mr David Hall-Jones was elected Chair and Rev. Evelyn Cook was elected Deputy Chair.

At this time the Board was fully independent in its governance<sup>4</sup>, however remained a CCO for Audit purposes because the councils retained a level of control as the Appointments Committee remained the Chief Executives and there was an unresolved question relating to the funding control able to be exercised via Southland Regional Heritage Committee.

### **CCO Status Then and Now**

The former SMAG Trust was a CCO for Audit purposes<sup>5</sup> because Council directly controlled the appointment of the Trustees, and was therefore able to exercise a high level of control over the Board.

The Trust, started life as a CCO while the Trustees were on-boarded.

The Trustees have all indicated it was their understanding that the intention was to move away from being a CCO. It is unclear and considered unlikely that the Councils had this understanding at this time.

It should also be noted that being a CCO leads to a more restrictive and vigorous Audit, and requires the use of Audit NZ, this in-turn leads to much higher Audit charges, costs the Trust were required to pay.

For Audit the Trust was a CCO as long as the Appointments Committee remained the Chief Executives. Audit also needed to understand the use of ratepayer funds and the ability of the councils to control this.

Once the Appointments Committee was changed, Audit accepted the Trust was no longer a CCO for their purposes and considered the funding arrangements removed enough from Councils direct control because of the funding agreements in place for that requirement to also be meet.

For Local Government Act purposes, there is no procedure in place to undo a CCO or how to end the status as a CCO but to retain the entity. Section 6 of the Local Government Act states:

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<sup>4</sup> Governance Support and Financial Administration were undertaken by Council in accordance with a Management Contract (that has expired but operated by agreement)

<sup>5</sup> As well as being a CCO under the Local Government Act 2002

### **Meaning of council-controlled organisation and council organisation**

(1)

In this Act, unless the context otherwise requires,—

**6 council-controlled organisation** means a council organisation that is—

(a) ...

*(b) an entity in respect of which 1 or more local authorities have, whether or not jointly with other local authorities or persons,—*

*(i) control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the entity; or*

*(ii) the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the entity*

As can be seen Council needs to have control, directly or indirectly of the ability to appoint 50% or more of the trustees. With the changes to the Trust Deed this test was also ended- and was confirmed by the Auditor-General in their decision to end the status of the Trust as a CCO.

The Trust Deed, as drafted by PRLaw, allowed the Trust to change the vast majority of the terms of its own Deed.<sup>6</sup> This is normal practice for most Charitable Trust Deeds. It is open to debate if this was the correct approach for a CCO Trust or a Trust of this nature, however it is legal.

The wider question and one this report cannot answer is whether there was nonetheless an obligation for the Trustees to refer this decision back to the councils or to advise of the steps they were taking.

This meant that the Board were able to take steps to change the Appointments Committee and remove the Chief Executives.

The Board requested advice on whether they could take this step (legal advice confirmed they could) but no advice was requested on whether they should, noting that doing so dramatically reduced the Audit costs. No advice was requested on providing this information to the councils or to the members of the former Appointments Committee.

The work relating to the change was undertaken by the Board in late 2023 and early 2024.

On 17 June 2024 the Board voted unanimously at a special meeting to amend the Trust Deed and replace the Appointments Committee with the current committee made up of the Chair of Southland Regional Heritage Committee (SRHC), the Chief Executive of Community Trust South and the Chair/ CE of each of the four Rūnaka.

### **The Current Trust**

The Trust is not considered a CCO by Audit NZ. This may change following the Council decision regarding SRHC as direct control of funding to the Trust is likely to be seen by Audit NZ as meeting the control tests on the Companies Act 1993 meaning the Trust will again be considered a CCO for Audit purposes.

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<sup>6</sup> The only exceptions were to the Charitable nature of the Deed, the powers of the Board set out under the Charitable Trusts Act 1957 (ability to received gifts etc.), the prohibition on using assets income or profits of in connection with the Boards property being distribute between the Board Members, changing the dissolution process of the Trust (timing and procedure of what it takes effect) and to pay he proceeds of income, after administration costs towards toe business of the trust.

At the time of 1 July 2024 the Trustees were:

- David Hall-Jones - Chair
- Rev. Evelyn Cook - Deputy Chair
- Lou Sanson
- Dougal Austin
- Teina Herzer
- Jane Stanton
- Katie McRae - Co-opted Trustee (not remunerated).

As is well known, Mr David Hall-Jones, sadly passed away in July 2024. Rev Cook became the Acting Chair, and Ms Jane Stanton the Acting Deputy Chair. The new permanent Chair is to be confirmed at the AGM.

On 5 November 2024 Ms Katie McRae resigned as a Trustee noting her 12 month appointment had ended on 21 August 2024, and on 3 November 2024 Ms Teina Herzer resigned as a Trustee.

The current Trustees as at the date of this report are:

- Rev Evelyn Cook - Acting Chair
- Jane Stanton - Acting Deputy Chair
- Lou Sanson
- Dougal Austin.

The Appointments Committee is yet to meet to start the process to appoint new Trustees.

A copy of the current Trust Deed is attached<sup>7</sup>.

### **Iwi Liaison Komiti**

The Iwi Liaison Komiti is established under the Trust Deed. It is a long standing liaison Komiti and was set up to ensure there was an Iwi input into Museum (originally), including the provision of advice and oversight relating to taoka collections and not collections decisions.

The current remit<sup>8</sup> is:

- *An opportunity to bring more Iwi input into day-to-day decisions by public programme and curatorial staff of the Museum & Art Gallery*
- *To provide an opportunity to show a greater Māori presence in what our audiences see*
- *Provide an opportunity for staff training in things Māori*
- *Provide a window on the Museum and Art Gallery for rūnaka representatives.*

The current Komiti is made up from a representative of each of the four Rūnaka. The Board Member appointed by the four Rūnaka, the Director or equivalent<sup>9</sup> and the Chief Executives

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<sup>7</sup> The Board have made a further change to this Trust Deed- to give the Board the power to appoint a Secretary- this is expected to be ratified at the AGM and the change duly made to the Trust Deed. Note- the Board has made this change, by way of an email vote approval, and given it is a Deed alternation it will be asked to be confirmed at the next meeting.

<sup>8</sup> It appears that this Remit is not currently aligned with what the Komiti actually do and therefore will require a wider review in due course- and in conjunction with partner Rūnaka.

<sup>9</sup> The Trust Deed does not define this role beyond using the word the "Director"

of the four Rūnaka are all ex-officio members. The Komiti is also able to appoint four additional ex-office members.

### **Revenue Streams for the Trust**

The Trust has operated under a grant from the Southland Regional Heritage Committee<sup>10</sup> to cover its costs as well as an administration grant from Council.<sup>11</sup>

There are also small income streams from bequests and other gifts left under Wills or made from trusts.

No other revenue streams have been fully explored or developed by the Trust at this time.

### **What accounts payable to yet to be authorised**

Accounts payable are approved as they fall due by each trustee approving the expenditure. There are no financial delegations in place between the Trustees to allow the Chair to approve accounts to a certain value.

All financial administration continues through Council staff acting on behalf of the Trust.

All invoices are presented to a Trust meeting for approval by Trustees.

### **NZAS Collection**

The NZAS collection was excavated at the time of the Tiwai site construction and has largely sat undisturbed within the collection storage area of the former Museum until moved recently.

The Trust consider that it is the owner of this collection as it is been in the care of the Trust since it was excavated.

NZAS has taken a more active interest in the collection recently and is financially supporting Te Rūnaka O Awarua to arrange the cataloguing and analysis of the materials to be completed to help build a picture of life at the Tiwai site.

Council has no role<sup>12</sup> in the arrangements between Te Rūnaka o Awarua and NZAS. Collections staff will help facilitate the moving of the collection, but do not otherwise have a role. It is of course hoped that the information from the collection and at least some of the artefacts will be displayed at Te Unua – Museum of Southland as they will undoubtedly be able to help tell the Story of Southland.

Council will manage any staff relationships in accordance with our employment guidelines and conflict protocols where required.

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<sup>10</sup> A Joint Committee of the three Councils.

<sup>11</sup> This will change following Councils decisions regarding Southland Regional Heritage Committee in accordance with the resolutions passed.

<sup>12</sup> Council's role will be operational to support the Trust and the parties for the collection to be moved and studied and then once that work has been completed assisting the Trust the Rūnaka on support and advice for display operations and making the material able to be displayed with the contextual information.



### **The Collection at Te Pātaka**

Te Pātaka is the home to many collections housed by Council on behalf of itself and other originations, including the Trust. The Collection is also spread across two other sites (Parks and the BJB Building, formerly LIC).

The collection is able to be used for display across He Waka Tuia and Te Unua- Museum of Southland venues in Invercargill and other venues and locations across Southland and further afield as requested.

### **Food/drink**

As a collections facility, Te Pātaka and the staff working at the site (and indeed across the various collections) work in accordance with best practice and Museum Industry standards.

These standards of course have strict protocols in place to ensure the protection of a collection, which will limit food and drink.

This includes protocols in place as display facilities such as He Waka Tuia.

### **How much is stored away from Te Pātaka**

As noted above there is part of the collection currently not stored at Te Pātaka this would equate to about 15 % of the collection<sup>13</sup>.

Many of the items stored off site are those of a more robust nature (like the geological collection) but all are planned to move to Te Pātaka as the collection becomes housed and it becomes fully operational.

### **Progress on reduction of the collection**

Work on de-accessioning items of the collection commenced with the move from Te Niho o Te Taniwha - Southland Museum and Art Gallery, however this work was only in the considering for de-accessioning. This work currently has no priority given to it, and the current collection team do not have the resources to complete this programme to the standard required. Work will commence in due course on this programme.

## **Attachments**

1. Current Trust Deed as at 17 June 2024 (A5404082).

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<sup>13</sup> This is an approximate figure only based on records- and note that one record does not always equal one object but can serve as a guide for the work to be done.

**TRUST DEED**  
**TE KUPEKA TIAKI TAOKA – SOUTHERN REGIONAL COLLECTIONS**  
**TRUSTBOARD**  
**(INCORPORATED)**

**1. NAME**

The name shall be the " Te Kupeka Tiaki Taoka – Southern Regional Collections Trust Board (Incorporated)" hereinafter called "the Trust Board."

**2. REGISTERED OFFICE**

The Registered Office of the Board shall be situated at Te Pātaka Taoka Southern Regional Collections Facility, 223 -233 Boxall Street, Tisbury, Invercargill.

**3. PURPOSE AND AIMS OF THE BOARD**

3.1 The enhancement, preservation and maintenance of the collection are the principle responsibilities of the Board.

3.2 Enabling access of the collection for display is also a responsibility of the Board.

3.3 The purpose and aims of the Board shall be to foster, promote and celebrate a sense of connection, understanding and awareness of the importance of the cultural, social and natural history of Murihiku, Southland; Rakiura (Stewart Island); Te Rua o Te Moko (Fiordland); Tini Heke (Snare Islands); Motu Ihupuku (Campbell Island); Auckland Islands, Adams Island and Antipodes Island Group – the Subantarctic Islands) through the collection.

3.4 The Board will also provide the opportunity for Mana Whenua to connect directly with taoka.

3.5 The Board shall serve the community and its development. This can be done by providing vision, leadership and support for the acquisition, care, research, communication, loan and exhibition of the material evidence and related information.

**4. TREATY OF WAITANGI – TE TIRITI O WAITANGI**

4.1 The Board and the Board Members acknowledge the unique relationship between iwi and the Crown established through the Preamble and Articles of the Treaty of Waitangi, and the Ngāi Tahu Claims Settlement Act 1998, and will be guided by recommendations of the Waitangi Tribunal, or its successor, in any negotiations or discussions between the Board and Mana Whenua.

4.2 The Board acknowledges the special place of the *Herald* (Bunbury) Sheet of the Treaty of Waitangi, signed at Ruapuke Island on 10 June 1840 by Hone Tūhawaiki, Kaikoura Whakatau, Te Matenga Tairaroa; and Thomas Bunbury and Joseph Nias on behalf of the Crown.

- 4.3 The Board acknowledges the special relationship between themselves and Te Rūnanga o Ngāi Tahu and the four Rūnaka - Waihōpai Rūnaka; Te Rūnanga o Awarua; Te Rūnaka o Ōraka Aparima; Hokonui Rūnanga as intergenerational guardians of Taoka Māori held within the collection. The four Rūnaka/ Rūnanga have appointed representatives to the Iwi Liaison Komiti which meets quarterly to discuss issues relating to the collections and exhibitions.

**5. VESTING OF MUSEUM PROPERTY**

All the property and assets of the Trust Board and its predecessors, including the income arising therefrom and all legacies, monies bequeathed or donated to the Board, shall be vested in the Board and shall be held by the Board in accordance with and subject to the rules or trusts following.

**6. POWERS OF BOARD**

- 6.1 The said Board shall have all the powers of a Trust Board under Part II of the "Charitable Trusts Act 1957" (the Act) and the powers in Schedule I of Powers and Discretions annexed and shall take purchase and hold all goods and chattels and personal property whatever now owned by the Board or acquired by gift bequest purchase or exchange for the purpose of the said the Trust Board and administer the funds in conformity with the provisions of the Act and these Rules.
- 6.2 The Board shall have full control and discretion as to the governance of the collection and assets of the the Trust Board and shall manage the affairs and control all the assets and funds of the Trust Board in accordance with the terms of the Act and these Rules and shall have power consistent with the Act.
- 6.3 The Board shall have the final approval on the collection. They will direct staff to negotiate and receive short term and long term loans of collection items, provided the such loans are consistent and in accordance with the terms of the Act and these Rules.
- 6.4 The Board shall have the power to contract with the Invercargill City Council or any other local authority or corporate body for the provision of services or management of services in respect to the collection.

**7. INITIAL BOARD MEMBERS**

- 7.1 The Initial Board Members as at the date of these Rules are the Chief Executive Officers of the Invercargill City Council, Southland District Council and Gore District Council, and the duly elected representative of the four Rūnaka –Waihōpai Rūnaka; Te Rūnanga o Awarua; Te Rūnaka o Ōraka Aparima; Hokonui Rūnanga, namely Evelyn Anne Cook ("the Initial Board Members").
- 7.2 The Initial Board Members shall immediately upon the adoption of this Trust Deed, take the necessary steps to establish the Appointments Committee to be established pursuant to clause 8.1, and once the Appointments Committee has been established shall provide such administrative and other support as that Committee may require to enable the appointment of Board Members pursuant to clause 9.
- 7.3 Once all the Board Members have been appointed pursuant to clause 9 the Initial Board Members shall cease to hold office.

**8. APPOINTMENTS COMMITTEE**

An appointments committee has been established to undertake the independent appointing and reappointing of the Board.

- 8.1 An Appointments Committee (6) shall be established comprising:
  - 8.1.1 The Chief Executive/ General Manager of Te Rūnaka o Awaura or their nominee (one)
  - 8.1.2 The Chief Executive/ General Manager of Hokonui Rūnaka or their nominee (one)
  - 8.1.3 The Chief Executive/ General Manager of Te Rūnanga o Ōraka – Aparima or their nominee (one)
  - 8.1.4 The Chief Executive/ General Manager of Waihōpai Rūnaka or their nominee (one)
  - 8.1.5 The Chair of the Southland Regional Heritage Committee or their nominee (one)
  - 8.1.6 The Chief Executive Officer Community Trust South or their nominee (one)
- 8.2 The functions of the Appointments Committee are:
  - 8.2.1 The appointment of Board Members (Clause 9.1.1)
  - 8.2.2 The filling of vacancies in Board Members (Clause 9.9)
  - 8.2.3 The removal of Board Members (Clause 9.1.1)
- 8.3 The Appointments Committee shall meet as and when necessary for the purpose of carrying out its functions.
- 8.4 A meeting of the Appointments Committee may be called by any member of the Committee on 7 days written notice to other members of the Committee.
- 8.5 At each meeting of the Appointments Committee those present shall elect a Chairperson who, in the case of an equality of votes, shall have a casting vote as well as deliberative vote.
- 8.6 Other than as provided in this Deed the Appointments Committee shall determine its own procedures.
- 8.7 At any meeting of the Appointments Committee and any four members shall form a quorum.
- 8.8 Every question before the Appointments Committee shall be decided by a majority of votes, however it is hoped that all matters will be decided by the consensus of members.
- 8.9 The Appointments Committee will seek nominations of persons for consideration as Board Members of the Trust from the public and shall, prior to the appointment process taking place, if it deems it necessary, publicly call for nominations for Board Members of the Trust.



- 8.10 The Appointments Committee shall appoint Board Members from the list of persons nominated and in making any appointment shall take into account the following criteria:
- 8.10.1 Board Members should be interested in and able to promote the objectives of the Trust;
- 8.10.2 Board Members should be persons known in their communities for their following attributes, which are in no way intended to be listed in order of priority:
- a. business acumen,
  - b. governance skills,
  - c. competence in financial stewardship,
  - d. expertise and knowledge in arts, and/or
  - e. culture and heritage matters;
- 8.10.3 Board Members should be familiar with and have a demonstrated passion and knowledge of an appreciation of arts, culture and heritage issues, education, tourism and regional developmental issues, promotional issues, access to collections and iwi perspective and cultural awareness especially of issues relating to Taoka Māori; or have and be willing to gain;
- 8.10.4 All persons appointed as Board Members shall hold office in accordance with clause 9.5 until the Annual Meeting which takes place at the expiry of any Board Members term of office or immediately after the expiry of the term.
- 8.11 The Appointments Committee may at any time revoke the appointment of a Board Member, excluding the Rūnaka appointed Member.
- 8.12 Board Members appointed at the inaugural meeting of the Appointments Committee will have lots drawn to stagger the rotation of Trustees. One (1) Board member will be appointed for an initial term of 1 year; two (2) for an initial term of 2 years and two (2) for an initial term of 3 years. Board members appointed for the initial term of 1 year and 2 years respectively, may by resolution of the Appointments Committee be eligible to serve a third consecutive term. This does not apply to the Board Members appointed for an initial term of 3 years; nor does it apply to the Board Member appointed by the four Rūnaka.
- 8.13 All appointments of Board Members will be by a unanimous decision of the members of the Appointments Committee
- 8.14 The majority of Board Members must reside within the geographic boundaries of Invercargill City Council, Southland District Council or Gore District Council or have significant connection to three stakeholder Councils and four Rūnaka, unless by agreement of all members of the Appointments Committee that an appointment(s) from outside the defined area is of significant advantage to the Board.
- 8.15 No appointments of Board members will be made of persons who reside outside of New Zealand. This is also applicable to co-opted Board members (See clause 9.1.3).

## **9. COMPOSITION OF THE BOARD**

- 9.1 The Board shall consist of the following members:
- 9.1.1 Five (5) persons appointed by the Appointments Committee. The Appointments Committee may at any time revoke any one or more of the appointments.
- 9.1.2 The four Rūnaka – Waihōpai Rūnaka; Te Rūnanga o Awarua; Te Rūnaka o Ōraka Aparima; and Hokonui Rūnanga will appoint a member of the Board (1) as a representative of the four Rūnaka - Waihōpai Rūnaka; Te Rūnanga o Awarua; Te Rūnaka o Ōraka Aparima; Hokonui Rūnanga, who may at any time revoke such appointment.
- 9.1.3 The Board will have the power to co-opt up to two (2) members to provide additional skills for a fixed period, of not more than twelve (12) months. Such appointments shall be made with the unanimous support of all Board members. Co-opted Board members will have voting rights.
- 9.1.4 All Board members and Co-opted Board members will comply with the Code of Conduct.
- 9.2 The Role of the Secretary of the Board will be filled by the holder of the Management Contract.
- 9.3 The appointment of and revocation of a Board member and any successor shall take effect on notification to the Secretary of the Board.
- 9.4 A member of the Board shall ipso facto cease to hold office if he or she:
- 9.4.1 Resigns by notice in writing delivered to the Board; or
- 9.4.2 Dies; or
- 9.4.3 Declines to act; or
- 9.4.4 Is declared bankrupt or becomes insolvent; or
- 9.4.5 Is convicted of a Category 3 or 4 offence (as those terms are defined under the Criminal Procedure Act 2011); or
- 9.4.6 Is a person prohibited from managing companies under Section 382(1) of the Companies Act 1993 (or any Act in substitution); or
- 9.4.7 Is a person who is deemed to be subject to a compulsory treatment order under Part II Mental Health (Compulsory Assessment and Treatment) Act 1992 or any Act in substitution; or
- 9.4.8 Is a person in respect of whom an Order has been made under Section 30 or 31 of the Protection of Personal and Property Rights Act 1988 or any Act in substitution; or
- 9.4.9 Is a person who is subject to an order made under Section 31 of the Charities Act 2005 disqualifying the person from being an officer of a charitable entity.
- 9.4.10 Is absent from four consecutive meetings of the Board without the leave from the Board.

- 9.5 The term of office for Board Members will be three years (3), with a maximum of two (2) terms, at which time following a period of not less than one term (3 years) a former Board Member may resubmit their application to the Appointments Committee.
- 9.6 The term of the appointed Board Member of the four Rūnaka will be three (3) years with the right of further reappointment by the four Rūnaka. There is no time limit on this appointment.
- 9.7 At any time, there shall be no more than 6 nor fewer than 3 Board Members.
- 9.8 At any meeting of the Board, any 3 Board Members shall form a quorum. Co-opted Board members do not count towards the quorum.
- 9.9 If at any time the number of Board Members falls below the minimum number provided for in this clause, the Appointments Committee will procure the number of Board Members to such minimum number as soon as reasonably practical.
- 9.10 Notwithstanding anything to the contrary in this Deed, all acts and decisions of the remaining Board members or Board member in relation to the Trust pending the increase in the number of Board members will be valid and binding.

## **10. BORROWING POWER**

The Board may borrow or raise such sums of money as the Board may think necessary or expedient and may secure the repayment of such sums by way of mortgages sub-mortgages or otherwise on all or any part of the undertaking property or assets of the Board or by bonds debentures or other securities or by bills of exchange promissory notes or other negotiable instruments and such mortgages or other securities may contain such covenants powers and obligations as the Board thinks fit provided that the Board may only give security if not less than seventy five percent (75%) majority of members present and entitled to vote so decide.

If the Board wishes to borrow or raise such sums of money, the Board must seek written approvals from three stakeholder Councils or their successor and the four Rūnaka.

## **11. ANNUAL AND OTHER MEETINGS**

- 11.1 The Financial Year of the Board shall run from the 1st of July to the 30th of June in the following year and accounts for the year then immediately passed shall be taken as soon as may be conveniently possible following each 30th of June.
- 11.2 The Annual General Meeting of the Board shall be held no earlier than the 1<sup>st</sup> day of September and no later than the 31<sup>st</sup> day of December in each year on a day to be fixed by the Board of which not less than seven (7) days notice shall be given by the Secretary by notice addressed to each member.
- 11.3 At the Annual General Meeting of the Board a report on the activities of the Board and a report on the collection activities shall be presented to the Meeting together with a duly audited statement of receipts and payments for the financial year then past and a statement in respect of the same financial year of cash assets and liabilities and of any special funds held by the Board.
- 11.4 The Board will, within 12 months of the adoption of these Rules, develop and complete a Statement of Intent to give effect to the purpose and aims of the Board. The Statement of Intent will be submitted to the Councils and to the four Rūnaka in draft form not less than three months prior to the end of the financial year and the Councils



and the four Rūnaka shall be invited to submit comments in respect of the Statement of Intent which shall be had regard to by the Board in finalising the Statement of Intent. The Statement of Intent will be reviewed once each year no later than the end of the financial year and the Councils and the four Rūnaka shall be given the opportunity to comment each year in respect of the Board's Statement of Intent.

- 11.5 The Board will also outline its compliance with the Collection Management Policy in the annual report.
- 11.6 The Board shall meet as often as it may deem necessary to transact the business of the Board but so that at least one meeting shall be held during each period of three months in any financial year.
- 11.7 A Special General Meeting may be convened at any time and shall be convened on receipt by the Secretary of a written requisition for such a meeting signed by the Chair or Deputy Chair or by not less than two members.
- 11.8 In respect of any ordinary meeting or Special General Meeting of the Board at least seven days' notice shall be given by the Secretary to members by circular letter of such meeting or meetings and a quorum for each such meeting or for the Annual Meeting shall be four members.
- 11.9 In the event of no quorum being present the meeting shall be adjourned by members present from time to time until a quorum is present.
- 11.10 At any meeting of the Board the Chair or in the Chair's absence the Deputy Chair (if any) shall take the chair. In the event of both the Chair and the Deputy Chair being absent any member present may be chosen as Chair by the members attending the meeting.
- 11.11 The Board and Board Members from time to time may meet electronically;
  - i. Board members is present
  - ii. Resolutions are adopted

## **12. RESOLUTIONS OF THE BOARD**

All resolutions submitted to any meeting of the Board unless otherwise specifically provided in this Trust Deed shall be decided by the voice of a majority of the members present and entitled to vote. All voting shall be done by voices or at the request of any voting member present on a show of hands but the voting shall be by ballot if a majority of voting members present shall so decide by resolution. In any event, the Chair shall have a deliberate and if necessary a casting vote.

- 12.1 From time to time a resolution may be circulated to Board members and voted on via email: Such resolutions are to be confirmed at the next meeting of the Board, whether in person or electronically.

## **13. ROLES OF BOARD MEMBERS**

- 13.1 The Board shall comprise the following positions who shall unless otherwise stipulated be appointed at the first meeting of the Board in each financial year:
  - 13.1.1 A member of the Board shall be elected as Chair and a member of the Board shall be elected as Deputy Chair, if the Board determines it is necessary.



- 13.1.2 Subject to any contract of engagement which the Board may have with any other party a Secretary shall be appointed. The Secretary of the Board shall be appointed by the holder of the management contract whose duties shall be to give notice of all meetings, to keep minutes and orders of all meetings of the Board and any committees and to perform such other duties as the Board may decide and as are normally incidental to the Office of a Secretary(See clause 9.2).
- 13.1.3 A member of the Board may be elected a Treasurer or the Board may appoint a Treasurer and shall have the custody of the books of account and charge of the funds of the Trust. It shall be the duty of the Treasurer to see that all statutory and other requirements with reference to the financial matters of the Trust are complied with and that the provisions of these rules as to such matters are carried out so far as lies in its powers and to perform such other duties as the Board may decide and as are normally incidental to the Office of Treasurer.
- 13.1.4 The Board may delegate such powers of the Secretary and Treasurer to a duly appointed Administrator as they shall see fit, who shall be responsible to the Secretary and Treasurer duly appointed and the Board will confirm the Administrator's appointment at each AGM.
- 13.1.5 The Board may appoint a Patron. The appointee shall not be a member of the Board but may be invited to attend public meetings of the Board without the right to vote.

#### **14. COMMON SEAL**

The Board shall have a Common Seal which shall be kept in the custody of the Secretary and shall only be affixed to documents pursuant to a resolution of the Board at a meeting of the Board and shall be attested by at least two members of the Board. The Secretary shall keep a register of documents to which all seals are affixed.

#### **15. ALTERATION TO RULES**

- 15.1 The Board may, pursuant to a motion decided by a two third majority or more of the total number of the Board members' votes, by supplemental deed make alterations or additions to the terms and provisions of this deed provided that no such alteration or additional shall:
- 15.1.1 Detract from the exclusively charitable nature of the Board or result in the distribution of its assets on winding up or dissolution for any purpose that is not exclusively charitable; or
- 15.1.2 Be made to Clauses 6.1, 16.2.1 and or 19.3 Schedule I Powers 1.1 unless it is first approved in writing by the Department of Inland Revenue.
- 15.2 Every such approved alteration or addition shall be registered as required by the Act or corresponding enactment.

#### **16. GENERAL**

- 16.1 Committees of the Board
- 16.1.1 The Board may from time to time appoint committees which may comprise members of the Board and any other suitable person or persons for the purpose of supervising work or works authorised by the Board or making enquiries into any activity or proposed action of the Board. The Board shall determine the extent of the authority of any such committee.

- 16.1.2 Any committee or person appointed with delegated powers by a resolution passed at a meeting of the Board may without confirmation by the Board exercise or perform the delegated powers or duties in like manner and with the same effect as the Board could itself have exercised or performed them.
- 16.1.3 Any committee or person to whom the Board has delegated powers or duties shall be bound by the charitable terms of the Trust.
- 16.1.4 Every such delegation shall be revocable at will and no such delegation shall prevent the exercise of any power or the performance of any duty by the Board.
- 16.1.5 It shall not be necessary that any person who is appointed to be a member of any such committee, or to whom any such delegation is made, be a member of the Board.
- 16.2 Expenses
- 16.2.1 The Board shall not allow any assets income or profits of or in connection with the Board's property at any time to be distributed between or among or paid to the Board Members.
- 16.2.2 Board Members, being skilled individuals providing professional services to the Board, will receive an annual remuneration for their services. The Appointments Committee will prepare a policy on remuneration and expense for approval by the Councils and the four Rūnaka. The Annual Remuneration will be set jointly by the Appointments Committee and Regional Heritage Committee in accordance with the remuneration policy and subject always to Clauses 1.1.1 - 1.1.6 of Schedule 1. The Initial Board Members will not be entitled to any remuneration for their services.
- 16.3 Collection Trust Board Rules
- 16.3.1 The Board may make amend or rescind rules and guidance not inconsistent with these rules for better attaining the objects of the Trust or any of them and without detracting from the generality of the power conferred in particular:
- (a) Prescribing forms of reports and returns to be made by any applicant for the benefits of the Trust or by any agent or servant of the Board.
- (b) Providing for any matter not covered or provided for in these rules.
- 16.4 Liabilities of Board Members
- 16.4.1 No Board Member shall be liable for any loss not attributable to dishonesty of the Board Member or to the wilful commission by the Board Member of an act known by the Board Member to be in breach of trust or the neglect or default of any solicitor, bank, accountant, auditor, stockbroker, investment adviser or other agent employed in good faith by the Board Member.
- 16.5 Proceedings
- 16.5.1 No Board Member shall be bound to take proceedings against a co- Board Member for any breach or alleged breach of trust committed by such co- Board Member.

## 17. ACCEPTANCE

The Board shall accept any sum of money to be devoted to any special object or purpose and such funds shall be invested separately on bank deposit or otherwise, as deemed appropriate.

**18. ETHICS**

- 18.1 The Board will be cognisant of the Museums Aotearoa Code of Ethics and Professional Practice.

**19. LIQUIDATION OF TRUST**

- 19.1 If, in the opinion of the Board, it shall become no longer possible or feasible to carry out the objects of the Trust then the Board shall consult with three stakeholder Councils and four Rūnaka before passing any resolution to liquidate the Trust.
- 19.2 No resolution dissolving the Trust shall take effect unless it has been passed by a majority of not less than two third of the total number of the members of the Board and not only after three months notice of intention to move such resolution has been given in writing to each Board Member.
- 19.3 Such dissolution shall not take effect unless at a subsequent meeting of the Board called for that purpose (such meeting to be held not earlier than 28 days and not later than 42 days after the date of the meeting declaring such dissolution), such dissolution is confirmed by resolution to that effect carried by a simple majority of those members present and entitled to vote.
- 19.4 Should the Trust be dissolved, then any moneys and property remaining after the due settlement of the affairs of the Trust and the payment of all just debts and claims shall be handed to such or one or more charitable societies, associations, institutes, organisations or corporations as in the sole and absolute opinion of the Board Members has objects similar to those of this Trust for the purposes within Southland, New Zealand and are approved as charitable by the Commissioner of Inland Revenue or in the event that agreement by resolution cannot be obtained, then as directed by the High Court of New Zealand.

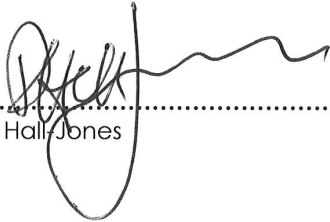
**20. INTERPRETATIONS AND DEFINITIONS**

- 20.1 In and for the purposes of these Rules:
- 20.1.1 "The Board" means the persons appointed for the time being pursuant to Clause 9;
- 20.1.2 "Councils and Stakeholder Councils" means the Invercargill City Council, the Southland District Council and the Gore District Council; or their successor
- 20.1.3 "The four Rūnaka" means Waihōpai Rūnaka; Te Rūnanga o Awarua; Te Rūnaka o Ōraka Aparima; and Hokonui Rūnanga;
- 20.1.4 "The Member or Members" means a member of the Board;
- 20.1.5 "Trustee" means and includes a Member and Board Member.
- 20.1.6 "The Trust" means the Trust created under the Trust Deed and including all property vested in the Trust Deed;



- 20.1.7 "The Trust Fund" means the initial capital and all accruals and accretions and all other property for the time being subject in whole or in part to the Trusts and all property into which the same or any part is converted and all income profits benefits and emoluments arising from any and all of the same;
- 20.1.8 "The total number of the Board Members" means the five (5) persons appointed by the Appointments Committee and one (1) person appointed by the four Rūnaka as their representatives
- 20.2 Appointees to the Board should be time limited no more than 12 months, but eligible for reappoint subject to a two third majority of the total number of the Board members.
- 20.3 The singular includes the plural and vice versa the masculine includes the other genders and vice versa and words embracing persons includes bodies corporate.
- 20.4 No account shall be taken of headings for purpose of interpretation or construction.

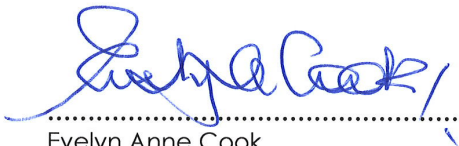
I/We hereby certify that this is the new Trust Deed of the Te Kupeka Tiaki Taoka – Southern Regional Collections Trust Board (Incorporated).



.....  
David Gerard Hall Jones  
Trustee



.....  
Dougal Rex Austin  
Trustee



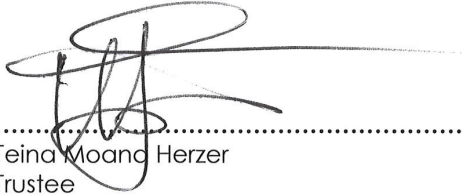
.....  
Evelyn Anne Cook  
Trustee  
Elected Representative of the four Rūnaka –  
Waihōpai Rūnaka; Te Rūnanga o Awarua; Te  
Rūnaka o Ōraka Aparima; Hokonui Rūnanga



.....  
Jane Louise Stanton  
Trustee



.....  
Lewis Vernon Sanson  
Trustee



.....  
Teina Moana Herzer  
Trustee

## SCHEDULE 1

### POWERS

- 1.1 To pay apply transfer or distribute, after payment therefrom of all costs charges and expenses of the Trust Board or incidental to the establishment management and administration of the Trust property, the whole or any part of the Trust property to for or towards the furtherance of any of the objects of the Trust as the Trustees in their absolute discretion shall determine provided that it is declared that in the carrying on of any business under this Deed and in the exercise of any power:
- 1.1.1 If authorising the remuneration of trustees no benefit or advantage whether or not convertible into money or any income of any kind shall be afforded to or received gained achieved or derived by any of the persons specified in Paragraphs (i) to (iv) of the second proviso to Section CW42(5) of the Income Tax Act 2007 or any enactment in amendment or in substitution where that person is able by virtue of that capacity as such person specified in any way (whether directly or indirectly) to determine or to materially influence in any way the determination of the nature or the amount of that benefit or advantage or that income or the circumstances in which it is or is to be so received gained achieved afforded or derived except as specifically exempted by that section.
- 1.1.2 Any income, benefit or advantage shall be applied to the charitable purposes set out in these Rules.
- 1.1.3 No member or person associated with a member of the Trust Board shall derive any income, benefit or advantage from the organisation where they can materially influence the payment of the income, benefit or advantage except where that income, benefit or advantage is derived from:
- (a) Professional services to the organisation rendered in the course of business charged at no greater rate than current market rates; or
  - (b) Interest on money lent at no greater rate than current market rates.
  - (c) Or any such income if paid shall be reasonable and relative to that which would be paid in an arm's length transaction (being the open market value).
- 1.1.4 No member of the organisation or any person associated with a member shall participate in or materially influence any decision made by the organisation in respect of the payment to or on behalf of that member or associated person of any income, benefit or advantage whatsoever.
- 1.1.5 The Trust Board shall be under no obligation to distribute any part of the Trust property in any year.
- 1.1.6 Notwithstanding anything to the contrary contained in this Deed the provisions and effect of this clause shall not be removed from this deed and shall be included and implied into any deed amending, altering or replacing this deed.
- 1.2 In accordance with the provisions of the Charitable Trusts Act 1957, the Board shall be capable of holding real and personal property of whatever nature and wherever situated in New Zealand or elsewhere and of suing and being sued and of doing and suffering all such acts and things as bodies corporate may lawfully do and suffer and shall be entitled to do all such things and exercise all such powers and authorities as it shall consider necessary or desirable in its absolute discretion for the attainment of any of the objects set out in these Rules.

- 1.3 To improve manage develop and maintain or lease let underlet surrender mortgage charge or otherwise deal with and turn to account all or any property real or personal of the Trust or any interest and to erect construct alter renovate and maintain any buildings or chattels and to retain use and occupy or deal with the properties or assets of the Trust or any part for all such purposes and in such manner as the Trustees deem fit.
- 1.4 To expend money as the Trustees shall think fit in the improvement and development of trust assets and otherwise for the benefit of the Trust property.
- 1.5 To sell dispose of or exchange all real and personal property held by them at any time and whether or not such property has been acquired since the date of signing of this Deed, in such manner and subject to such terms and conditions as the Trustees shall in their discretion think fit provided however that the Trustees shall hold all moneys received by them under this power for the purposes of and in accordance with the objects of this Trust,
- 1.6 To receive and take any gift of property real or personal for any of the purposes or objects of the Trust whether subject to any special trust or not but the Trustees may decline and refuse to accept any gift or donation.
- 1.7 To invest the trust fund and the income either alone or in common with any other person or persons in any investment the Trustees believe is prudent.
- 1.8 To lease or take on lease any freehold or leasehold property or interest with or without chattels for such period at such rent on such terms (including at the discretion of the Trustees a compulsory or optional purchasing clause) and subject to such conditions as they think fit and to effect such renewals or surrenders of leases and tenancies as they think fit.
- 1.9 To employ and pay all reasonable expenses any person, firm, company or corporation to do any acts of whatever nature relating to these trusts including the receipt and payment of money without being liable for loss incurred.
- 1.10 To place any property owned by the trust fund (including any bank account) in the name of any agent or nominee for such period or periods or indefinitely as the Trustees in their absolute discretion think fit without being liable for any loss occasioned to the trust funds.
- 1.11 To advance moneys with or without security and with or without interest to such person, persons or corporation on such terms as they think fit.
- 1.12 To pay all costs and expenses and other outgoings as may be incurred in relation to the Trust from time to time reposed in the Board.
- 1.13 To borrow money on bank overdraft or otherwise and upon security by way of mortgage or otherwise and on terms and subject to conditions and for reasons as the Trustees think fit (subject to Rule 6).
- 1.14 To pay any Trustee who may be an Accountant or Solicitor out of the Trust fund for all-business done by them in relation to the Trust fund in like manner as they would have been entitled to charge the Trustees or Trustee if not being a Trustee and the firm had been employed by them to do such business as their Accountant or Solicitor.
- 1.15 To reimburse the Trustees for their expenses in accordance with the provisions of the Fees and Travelling Allowance Act 1951 as if the Trust Board were a statutory Board



within the meaning of that Act or in accordance with any enactment which replaces that Act.

- 1.16 To remunerate for their services those Trustees who are employed by the Trust Board as full time or part-time employees by means of a fair and reasonable salary provided that the quantum of any such remuneration shall be determined solely by a firm of Chartered Accountants selected by the Institute of Chartered Accountants of New Zealand and provided further that no Trustee is associated with the firm of Chartered Accountants so selected so as to be able in any way (whether directly or indirectly) to determine, or to materially influence the determination of the nature or the amount of the remuneration of any Trustee.
- 1.17 To carry on any business of any kind whatever.
- 1.18 Subject to the provisions of the Charitable Trusts Act 1957 to do perform carry out and execute all such incidental or necessary acts or deeds and things as are requisite for or conducive to the attainment of the objects of the Trust.
- 1.19 To appoint a Custodial Trustee or Trustees to act as their Custodial Trustee in respect of investments to be made or properly held to hold on the Trustees' behalf all securities and other documents of title relating to such investments or property. The Custodial Trustee or Trustees appointed shall only act on the direct instructions of the Board and shall hold all investments and property in the name of the Custodial Trustee for the account of the the Trust Board. The appointment of a Custodial Trustee shall be limited to persons or organisations recognised as having the expertise and services to provide Custodial Trustee duties.
2. The objects and powers set out in any clause or sub-clause of this Schedule shall not, except where the context expressly requires, be in any way limited or restricted by reference to, or any inference from, the terms of any other clause or sub-clause. None of the clauses or sub-clauses or the objects specified or the powers conferred shall be deemed, subsidiary or ancillary to any other clause, sub-clause or objects, but the Board shall have the full power to exercise all or any of the objects and powers set out independently, or any other of its objects and powers.
3. The Trustees shall have all power to the fullest extent as the law provides to generally do each and every act both convenient and advantageous and necessarily expedient for the proper carrying out and accomplishment of the objects consistent with this Trust.
4. This deed shall in its interpretation of the objects in these Rules be given its widest possible expression provided that no such interpretation shall alter the charitable nature of the deed pursuant to the Charitable Trusts Act 1957 or any Act in substitution.

## SCHEDULE 2

### **Iwi Liaison Komiti**

In 1940 Thomas Spencer was the first elected Rūnaka representative by Takata Whenua and subsequently appointed to the Board. In 1981 a proposed Māori artefact tour of the United States, later called "Te Māori" provided the opportunity for the Board to engage more widely with Takata Whenua. A Māori Liaison Committee was established which enabled staff to be supported in their role. The incumbent iwi representative on the the Trust Board sat ex-officio as a member of the Liaison Committee to provide a conduit between the Committee and the Trust Board.



By the mid-1990's the Komiti formally met with the former Trust Board staff not less than four times per annum to discuss issues relating to the collection and exhibitions, and to provide advice to key staff. The Trust Board were cognisant of the view of the Komiti with regards to Te Ao Marama, outward and inward loans, exhibitions and the review or development of policy.

In 2001 the Iwi Liaison Komiti mandate was reviewed:

- An opportunity to bring more Iwi input into day-to-day decisions by public programme and curatorial staff of the Museum & Art Gallery
- To provide an opportunity to show a greater Māori presence in what our audiences see
- Provide an opportunity for staff training in things Māori
- Provide a window on the Museum and Art Gallery for rūnaka representatives.

In 2003 the Iwi Liaison Komiti and the Trust Board agreed to jointly manage the *Pounamu and Tangiwai Source Collection*, established through the Dart River Collection, as well as donation by Dr Alfred Poole.

The Iwi Liaison Komiti comprises of the following members:

- The four Rūnaka – Waihōpai Rūnaka; Te Rūnanga o Awarua; Te Rūnaka o Ōraka Aparima; and Hokonui Rūnanga will each appoint a member, and alternate, of the Iwi Liaison Komiti (4) as a representative of Waihōpai Rūnaka; Te Rūnanga o Awarua; Te Rūnaka o Ōraka Aparima; and Hokonui Rūnanga, who may at any time revoke such appointment.
- The Executive Officers of the four Rūnaka – Waihōpai Rūnaka; Te Rūnanga o Awarua; Te Rūnaka o Ōraka Aparima; and Hokonui Rūnanga are ex-officio members of the Iwi Liaison Komiti
- The Board Member appointed under 9.1.2 is an ex-officio member of the Iwi Liaison Komiti
- The Director, equivalent or nominee is an ex-officio member of the Iwi Liaison Komiti
- The Iwi Liaison Komiti may appoint up to 4 additional ex-officio members of the Iwi Liaison Komiti.

The Iwi Liaison Komiti will meet not less than four times per annum with collection affiliated staff of the Invercargill City Council and other relevant Councils.

Minutes of the Iwi Liaison Komiti will be presented to the Board for their information.

Matters requiring the Board's attention will be presented to the Board in the monthly report closest to the date of the Komiti meeting.

The Iwi Liaison Komiti will meet formally with the Board at least twice per annum.

The Board will be cognisant of the view of the Iwi Liaison Komiti when setting policy, and when required, the Board will seek the opinion of the Iwi Liaison Komiti when undertaking acquisitions or collection rationalisation which directly impact on the Iwi Liaison Komiti.

## **ELECTED AND APPOINTED MEMBERS' ATTENDANCE REGISTER AUGUST 2024 – DECEMBER 2024**

<b>To:</b>	Council
<b>Meeting Date:</b>	Tuesday 17 December 2024
<b>From:</b>	Michael Morris – Manager, Governance and Legal
<b>Approved:</b>	Michael Day – Chief Executive
<b>Approved Date:</b>	Tuesday 10 December 2024
<b>Open Agenda:</b>	Yes
<b>Public Excluded Agenda:</b>	No

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### **Purpose and Summary**

This report provides the elected and appointed members of Invercargill City Council information on their attendance register. This report also provides members the opportunity to review and raise any discrepancies in the register.

### **Recommendation**

That Council:

1. Receives the report 'Elected and Appointed Members' Attendance Register – August 2024 – December 2024.

### **Background**

Elected and appointed members of Council are expected to attend scheduled Council meetings and workshops to exercise their duties and responsibilities. Unless otherwise engaged in other Council related business or on a leave of absence or an apology has been tendered, an expectation is placed on each member to attend the meetings and workshops.

Members' attendance will be recorded in the attendance register which will provide information to be able to respond to requests for such information under the Local Government Official Information and Meetings Act 1987.

## **Issues**

If an apology has been missed then the councillor can seek to amend the minutes at the next meeting to have the record corrected. However they should be sure they did tender an apology before making the correction.

Standing Orders require elected members to tender apologies for their inability to attend meetings to the Mayor, Chief Executive or Governance and Legal Team. Therefore, it is recommended that apologies be sent to the Mayor / Chief Executive with a copy to the Governance and Legal team so that apologies are recorded in the minutes and maintained in the attendance register.

Once the minutes are corrected the attendance register will also be corrected.

The Bluff Community Board receive and confirm their own attendance register.

Please note- in September 2024 attendance by Zoom at a meeting stopped being counted as quorum as the emergency legislation in place expired and was not renewed meaning the rules in Councils Standing Orders apply which make Zoom attendance not count for quorum, but does allow voting to rights.

## **Attachment**

1. Attendance Register of Elected and Appointed Members (A5495732).

Council - Public - Elected and Appointed Members' Attendance Register – August 2024 – December 2024 (A5655761)

<b>LEGEND:</b>																
<b>Member:</b> Shaded column																
<b>Yes:</b> Attended as a member, for more than 50% of meeting duration																
<b>Partly:</b> Attended as a member for 50% or less of the meeting duration																
<b>Apols:</b> Member did not attend, apology entered																
<b>DNA:</b> Member did not attend, no apology entered																
<b>Att:</b> in attendance as a non-member of the Committee																
<b>N/A:</b> Not a member, did not attend																
<b>LG:</b> Did not attend due to other Council business																
<b>AVQ:</b> AV Attendee, counted as quorum																
<b>AVN:</b> AV Attendee, not counted as quorum																
<b>LOA:</b> Leave of Absence																
	Date of Meeting	Mayor Nobby Clark	Cr Allan Arnold	Cr Ria Bond	Cr Trish Boyle	Cr Steve Broad	Cr Tom Campbell	Cr Alex Crackett	Cr Grant Dermody	Cr Peter Kett	Cr Darren Ludlow	Cr Ian Pottinger	Cr Lesley Soper	Cr Barry Stewart	Mana Whenua - Evelyn Cook	Mana Whenua - Pania Coote
<b>Meeting Name: Council</b>																
Extraordinary Council	13/08/2024	Yes	DNA	Yes	Yes	Yes	Yes	Apols	Yes	Yes	Yes	Apols	Yes	AVQ	Att	Att
Council	27/08/2024	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	AVQ	Att	Att
Council	24/09/2024	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Apols	Yes	Att	Att
Extraordinary Council	22/10/2024	Yes	DNA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	LOA	Yes	Yes	Apols	Att
Council	29/10/2024	Yes	Yes	Yes	Yes	Yes	Yes	AVQ	Yes	Apols	Yes	LOA	Yes	Yes	Att	Att
Extraordinary Council	22/11/2024	LG	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Apols	Yes	Yes	Yes	DNA	DNA	Apols
Council	26/11/2024	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Apols	Yes	Yes	Yes	Yes	DNA	Att
Extraordinary Council	17/12/2024															
Council	17/12/2024															
<b>Meeting Name: Community Wellbeing</b>																
Community Wellbeing and Regulatory Committee	13/08/2024	Yes	N/A	Yes	Yes	Yes	Yes	Apols	Yes	Yes	Yes	Apols	Yes	AVQ	Yes	Yes
Community Wellbeing and Regulatory Committee	10/09/2024	Yes	N/A	Yes	Apols	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Apols	Yes
Community Wellbeing and Regulatory Committee	15/10/2024	Apols	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	LOA	Yes	Yes	Yes	Yes
Community Wellbeing and Regulatory Committee	12/11/2024	Yes	Att	Yes	Yes	Yes	Yes	Yes	Yes	Apols	Yes	Yes	Yes	Yes	Yes	Yes
Community Wellbeing and Regulatory Committee	10/12/2024	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Apols	Yes	Yes	Yes	Yes	Apols	Yes
<b>Meeting Name: Infrastructure Committee</b>																
Infrastructure and Projects Committee	6/08/2024	AVQ	Yes	AVQ	Apols	Yes	Yes	Yes	Yes	Yes	Yes	Apols	Yes	Yes	Yes	Yes
Infrastructure and Projects Committee	3/09/2024	Yes	Yes	Yes	Apols	Yes	Yes	Yes	Yes	Yes	Yes	Apols	Yes	AVQ	Yes	Yes
Extraordinary Infrastructure and Projects Committee	17/09/2024	Yes	Yes	Apols	Yes	Yes	Yes	Apols	Yes	DNA	Yes	Apols	Yes	Yes	Yes	Yes
Infrastructure and Projects Committee	8/10/2024	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Apols	Yes	Yes	Yes	Yes
Extraordinary Infrastructure and Projects Committee	29/10/2024	DNA	Yes	Yes	DNA	Yes	Apols	DNA	DNA	Apols	Yes	LOA	Yes	Yes	Yes	Yes
Infrastructure and Projects Committee	5/11/2024	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Apols	Yes	Yes	Yes	Yes	Apols	Yes
Extraordinary Infrastructure and Projects Committee	12/11/2024	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Apols	Yes	Yes	Yes	Yes	Apols	Yes
Infrastructure and Projects Committee	5/12/2024	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Apols	Yes	Yes	Yes	Yes	Apols	Yes
<b>Meeting Name: Finance and Projects</b>																
Finance and Policy	17/09/2024	Yes	Yes	Apols	Att	Att	Yes	Apols	Yes	N/A	Yes	Apols	Yes	Yes	Att	Att
Finance and Policy	19/11/2024	Apols	Yes	Yes	Att	N/A	Yes	N/A	Yes	N/A	Yes	Apols	Yes	Yes	Apols	Apols
<b>Meeting Name: Risk and Assurance</b>																

Council - Public - Elected and Appointed Members' Attendance Register – August 2024 – December 2024 (A5655761)

Risk and Assurance	15/08/2024	Yes	N/A	Yes	N/A	N/A	Yes	N/A	Yes	N/A	Yes	Apols	Yes	N/A	N/A	Apols
Risk and Assurance	22/10/2024	Yes	N/A	Yes	N/A	N/A	Yes	N/A	Yes	N/A	Yes	LOA	Yes	N/A	N/A	N/A
Extraordinary Risk and Assurance	19/11/2024	Yes	N/A	Yes	Att	N/A	Yes	N/A	Yes	N/A	Yes	Yes	Yes	N/A	N/A	N/A
Risk and Assurance	17/12/2024															
<b>Meeting Name: Bluff Community Board</b>																
Bluff Community Board	2/09/2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A	N/A	N/A	N/A	Att	N/A	Yes
Bluff Community Board	14/10/2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A	N/A	N/A	N/A	Att	N/A	Yes
Bluff Community Board	25/11/2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A	N/A	N/A	N/A	N/A	N/A	Yes
<b>Meeting Name: Workshops</b>																
Play Strategy Workshop	6/08/2024	AVQ	Yes	AVQ	Apols	Yes	Yes	Yes	Yes	DNA	Yes	Apols	Yes	Apols	Yes	Yes
Regional Heritage Workshop	10/09/2024	Yes	DNA	Yes	Apols	Yes	Yes	Partly	Yes	Yes	Yes	Apols	Yes	Yes	Apols	Yes
Bluff Wastewater Treatment Workshops	16/09/2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A	N/A	N/A	N/A	Yes	N/A	Yes
Workshop - 2025/26 Great South Letter of Expectation	10/10/2024	Yes	DNA	Yes	Yes	Yes	Yes	Yes	Yes	DNA	Yes	Apols	Yes	Yes	N/A	N/A
LTP Planning Workshop and Bluff Land Parcel Workshop	14/10/2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A	N/A	N/A	N/A	Yes	N/A	Yes
Annual Plan Workshop	10/12/2024	Yes	Apols	Yes	Yes	Apols	Yes	Apols	Yes	Apols	Yes	Yes	Yes	Yes	Apols	Apols
Bluff Wastewater Consent Workshop	17/12/2024															
<b>Meeting Name: Hearings</b>																
Dangerous and Insanitary Buildings Policy Hearing	13/08/2024	Att	N/A	Yes	N/A	N/A	Att	N/A	Att	N/A	Yes	N/A	Yes	N/A	Att	Yes
Disability Policy Hearing	17/09/2024	N/A	N/A	N/A	Yes	N/A	N/A	N/A	N/A	N/A	Yes	N/A	Yes	N/A	Yes	N/A
Te Unua Museum of Southland Consultation Hearing	8/10/2024	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Apols	Yes	Yes	Yes	Yes
Hearing and Deliberation - Environmental Health Bylaw	15/10/2024	N/A	N/A	Yes	Yes	Yes	Att	N/A	N/A	N/A	Yes	N/A	Yes	N/A	AVN	Yes
Water Backflow Prevention Hearing	5/11/2024	N/A	N/A	Yes	N/A	N/A	Yes	N/A	Yes	N/A	N/A	N/A	N/A	Apols	N/A	Yes

## CHIEF EXECUTIVE MANAGEMENT REPORT

<b>To:</b>	Council
<b>Meeting Date:</b>	Tuesday 17 December 2024
<b>From:</b>	Michael Day – Chief Executive
<b>Approved Date:</b>	Tuesday 10 December 2024
<b>Open Agenda:</b>	Yes
<b>Public Excluded Agenda:</b>	No

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### Purpose and Summary

This report provides an update from the Chief Executive on a wide range of activities across the Council.

### Recommendations

That Council:

1. Receives the report "Chief Executive Management Report".

### Consenting and Environment

The Resource Management (Consenting and Other System Changes) Amendment Bill has been released on 10 December and the team are in the process of reviewing the proposed amendments to the legislation.

Details on the submission process are yet to be released at the time of writing, however, the team have begun planning in readiness to submit should the need arise.

In regard to Building System reform we are yet to receive anything concrete in terms of Central Government proposals, however, the team have been contributing to the discussion at a regional level in preparation for the release of further details.

### Infrastructure

#### Government Open for Business on Market-led Infrastructure Proposals

The Government has released new guidelines for market-led proposals to clarify how market participants can contribute innovative ideas for solving New Zealand's infrastructure problems.

A market-led approach is where a private sector player wishes to deal directly with Government with a proposal, where the Government has not requested the proposal in the first place.

New Zealand has never experienced a successful market-led proposal, whereas there are numerous examples across international jurisdictions.

More information is available at the link below:

[Government open for business on market-led infrastructure proposals | Beehive.govt.nz](#)

### **New Funding and Financing Framework Released**

Cabinet has agreed to a new Funding and Financing Framework.

[New Funding and Financing Framework released | Beehive.govt.nz](#)

### **New Infrastructure Agency Up and Running**

The Government's new national infrastructure agency is up and running, acting as the shopfront for investors into public infrastructure and the centre of expertise on funding and financing for infrastructure projects, Infrastructure Minister Chris Bishop says.

"National committed to a national infrastructure agency during the 2023 election campaign, and the establishment of the agency is part of the National-New Zealand First coalition agreement. It's also a commitment in the Government's ambitious Q4 plan," Mr Bishop says.

"The new agency will be known as National Infrastructure Funding and Financing Limited (NIFFCo), to reflect its important role in infrastructure funding and financing, a crucial element of addressing New Zealand's longstanding infrastructure deficit.

"Delivering infrastructure for New Zealand's future is a critical part of the Government's plan to increase growth and productivity across all sectors".

"Having NIFFCo up and running is a key step towards a well performing infrastructure system. There is a clear gap inside government when it comes to utilising private finance and complex procurement models. NIFFCo will fill that gap and help improve the foundations of our infrastructure system".

"National Infrastructure Funding and Financing Limited has been repurposed from Crown Infrastructure Partners (CIP), an existing infrastructure entity focused on infrastructure fund administration. Most notably, CIP rolled out the Ultra-Fast Broadband (UFB) programme to 87 per cent of the population, making it the largest co-funded public-private infrastructure initiative in New Zealand:".

National Infrastructure Funding and Financing Limited will:

Provide specialised expertise in Public Private Partnerships (PPPs) and capital markets, building the Crown's internal capability and ensuring consistency and development of long-term relationships with the market.

Provide agencies with financial and commercial support and expertise when developing business cases and procuring large scale projects that may benefit from private finance or the use of a PPP model.

Receive and evaluate market-led proposals on behalf of the Crown, in line with guidance. Connect overseas investors and lenders into New Zealand's infrastructure pipeline. Continue to deliver on CIP's existing programmes of work.

"I announced the establishment of NIFFCo at the Building Nations conference in August, alongside progress on the 30-year National Infrastructure Plan. This is another step on the journey of tackling our infrastructure deficit."

"As part of creating National Infrastructure Funding and Financing Limited, the Government has also taken the opportunity to clarify roles and responsibilities within the infrastructure system. The Infrastructure Commission will focus on long-term strategy including the development of the 30-year National Infrastructure Plan. Crown Infrastructure Delivery (previously named Rau Paenga) will help deliver infrastructure projects for low-capability central government agencies".

"The inaugural chair of NIFFCo is Mark Binns, who has been Chair of CIP since June 2018. He is joined on the Board by Alan Dent, Chris Gudgeon, and Mei Fern Johnson. Further Board appointments will be made in the new year to strengthen the capability and governance of this important organisation."

[New infrastructure agency up and running | Beehive.govt.nz](#)

### **Upcoming Water Services Authority – Taumata Arowai and Commerce Commission Levy Consultations – Allan Pragnell**

At the recent LGNZ Combined Sector meeting, the Minister of Local Government, Hon Simeon Brown, signalled that the Water Services Authority – Taumata Arowai (the Authority) and the Ministry of Business, Innovation and Employment (MBIE) will be consulting on levies to fund water services regulation.

The Water Services Act 2021 has provisions for a levy to recover some or all of the Authority's costs. Since our establishment in 2021, the Authority has been funded by the Crown, with the intention that levies will be introduced to cover the cost of some or all of our activities.

Similar provisions are to be introduced through upcoming legislation for the new economic regulation and consumer protection to be implemented by the Commerce Commission.

It is common for regulators to be funded by levies. The introduction of these levies covers those regulatory functions that are performed for the benefit of consumers and communities.

Early next year, a consultation will be undertaken on the new wastewater environmental performance standards. The standards have significant scope to reduce costs to ratepayers in future. The Government has stated they will reduce the time and cost involved in obtaining a resource consent, and deliver efficiencies and cost reductions up and down the country from greater standardisation of the infrastructure required to meet the new standards. They will also provide councils with greater confidence and cost certainty when planning for this critical infrastructure over Long-term Plan horizons.



On the drinking water front, pathways to safe drinking water are anticipated to be clearer and simpler to follow and, in turn, reduce regulatory burden. Next year, feedback will be sort on end-point treatment options as well as proposed improvements to the Drinking Water Quality Assurance Rules.

### **Government Announces Major Building and Construction Reform Programme – Local Government New Zealand**

The Government has announced its reform plans in the building and construction space, with 16 reforms lined up to address the housing crisis.

Some of the most relevant include:

- Commencing a major reform of the structure of the Building Consent system.
- Making it easier to use overseas building products.
- Increasing the use of remote inspections.
- Allowing granny flats without a building or resource consent.
- A full review of the seismic strengthening regime.
- Better defining minor variations in consents.
- Investigating the impact of H1 building code changes.

### **Healthy Homes Initiative Improves Health of More than 200,000 People**

A five-year evaluation of the Healthy Homes Initiative has demonstrated the positive impact of warm, dry homes on the health and wellbeing of more than 200,000 people.

The Healthy Homes Initiative, led by Health New Zealand, helps families living in cold, damp homes, providing support like education, beds and bedding, curtains, insulation and heating.

Health Minister Dr Shane Reti says an evaluation by Otago University's He Kāinga Oranga (the Housing and Health Research Programme) provides clear evidence of the health and social benefits of warm, dry homes.

[Healthy Homes Initiative improves health of more than 200,000 people | Beehive.govt.nz](#)

## **Council**

### **LGNZ Combined Sectors Speech – Hon Simeon Brown Minister of Local Government**

Hon Brown provided a speech including information about:

- Local Water Done Well: A New Approach to Water Infrastructure.
- Expectations and Support for Councils.
- Regulation and Levies.
- Wastewater Standards and Infrastructure Design Solutions.
- Introducing Regional Deals: A Transformative Opportunity.
- Key priorities in a Regional Deal include.
- Supporting the Regions.

[Simeon Brown Speech to LGNZ combined sectors.pdf](#)

### **New Data Shows Fewer Victims of Violent Crime**

New data shows an encouraging reduction in the number of victims of violent crime, Justice Minister Paul Goldsmith says.

"The latest New Zealand Crime and Victims Survey shows there were 14,000 fewer victims of crime nationwide over the 12 months to August 2024, than there were over the 12 months to June 2024.

"This was particularly apparent in Auckland and Wellington, where there was a 26 and 21 per cent decrease, respectively.

"These results are promising, but we expect the data to remain volatile in the coming months before a longer-term trend emerges. There's still more work to do if we want to continue driving these numbers down and see 20,000 fewer victims of serious violent crime by 2029.

"It's also important to remember this survey technically covers a 24-month period, so we will continue to see the results of Labour's soft on crime approach filter through for some time.

"However, with Police now enforcing tough new gang laws and work to reform sentencing well underway, I'm confident we'll continue to see positive results."

[TOP](#)

[New data shows fewer victims of violent crime | Beehive.govt.nz](#)

### **Open Work Rights Unlocked for Partners of Skilled Migrants**

The Government has today taken steps to ensure New Zealand attracts and retains the workers and skills it needs by returning open work rights to partners of high-skilled migrants.

[Open work rights unlocked for Partners of Skilled Migrants | Beehive.govt.nz](#)

### **Attachments**

There are no attachments to this report.