



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 11 November 2025 at 2.00 pm**

Mayor T Campbell
Cr A J Arnold
Cr R I D Bond
Cr P M Boyle
Cr S J Broad
Cr A H Crackett
Cr A L de Vries
Cr G M Dermody
Cr D J Ludlow
Cr M Lush
Cr I R Pottinger
Cr B R Stewart
Cr L Tou-McNaughton

MICHAEL DAY
CHIEF EXECUTIVE

Council - Public

11 November 2025 02:00 PM

Agenda Topic	Page
1. Apologies	
2. Declaration of Interest	
a. 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.	
b. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.	
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15.	Public Excluded Session	

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 Meeting of Public Excluded Session of Council Held on 23 September 2025
- b) Our Council Programme Update
- c) Major Late Item - Minutes of the Meeting of Public Excluded Session of the Extraordinary Risk and Assurance Committee Meeting Held on 7 November 2025

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
a) Minutes of the Meeting of Public Excluded Session of Council Held on 23 September 2025	Section 7(2)(a) Protect the privacy of natural persons, including that of deceased natural persons Section 7(2)(f)(ii) Maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment Section 7(2)(g) Maintain legal professional privilege	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
b) Our Council Programme Update	Section 7(2)(b) (ii) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information Section 7(2)(h) Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

- c) Major Late Item - Minutes of the Meeting of Public Excluded Session of the Extraordinary Risk and Assurance Committee Meeting Held on 7 November 2025

Section 7(2)(b) (ii)

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

Section 48(1)(a)

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

**MINUTES OF COUNCIL, HELD IN THE COUNCIL CHAMBERS, FIRST FLOOR, CIVIC THEATRE,
88 TAY STREET, INVERCARGILL ON TUESDAY 23 SEPTEMBER 2025 AT 2.00 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 P W Kett
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr B R Stewart

In Attendance:

Rev E Cook – Māngai – Waihōpai
Mrs P Coote – Kaikaunihera Māori – Awarua
Mr M Day – Chief Executive
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 J Garnett – Group Manager – Capital Portfolio
Mr M Morris – Manager – Governance and Legal
Ms R Suter – Manager – Strategy and Policy
Mr R Pearson – Chief Engineer
Ms L Knight – Manager – Communications and Marketing
Ms M Sievwright – Senior Executive Support

1. Apologies

Nil.

2. Declaration of Interest

Nil.

3. Public Forum

Nil.

4. Minutes of the Meeting of Council held on Tuesday 26 August 2025

A6074525

Moved Cr Soper, seconded Cr Ludlow and **RESOLVED** that the Minutes of the Council meeting held on Tuesday 26 August 2025 be confirmed.

5. Minutes of the Bluff Community Board Meeting held on Monday 1 September 2025

A6082935

Moved Cr Dermody, seconded Cr Stewart and **RESOLVED** that the Minutes of the Bluff Community Board meeting held on Monday 1 September 2025 be received.

6. Minutes of the Speed Review Hearings held on Tuesday 2 September 2025

A6083624

Moved Cr Arnold, seconded Cr Dermody and **RESOLVED** that the Minutes of the Speed Review Hearings held on Tuesday 2 September 2025 be received.

7. Minutes of the Infrastructure and Projects Committee held on Tuesday 2 September 2025

A6083589

Moved Cr Dermody, seconded Cr Soper and **RESOLVED** that the Minutes of the Infrastructure and Projects Committee meeting held on Tuesday 2 September 2025 be received and recommendations to Council be confirmed.

Recommendations to Council

12. 2025 Speed Review and Rooding and Traffic Bylaw Hearings and Deliberations

A6065159

6. Adopts the updated Rooding and Traffic Bylaw.
7. Notifies New Zealand Transport Authority (NZTA) of the updated road speed limits for the National Speed Limit Register.
8. Direct the Chief Executive to bring a paper back to Council to review Speed Limits on Tiwai Road, Gorge Road (between Tisbury and Waimatua) and Otatara Road and Speed limit principles.

8. Minutes of the Community Wellbeing and Regulatory Committee Meeting held on Tuesday 9 September 2025

A6095262

Moved Cr Ludlow, seconded Cr Bond and **RESOLVED** that the Minutes of the Community Wellbeing and Regulatory Committee meeting held on Tuesday 9 September 2025 be received and recommendations to Council be confirmed.

Recommendations to Council

9. Te Kupeka Tiaki Taoka - Southern Regional Collections Trust Statement of Expectations 2025/2026/2027

A6080175

2. Confirms the Te Kupeka Tiaki Taoka - Southern Regional Collections Trust Statement of Expectations 2025/2026/2027.
3. Notes the intention to cover the 2025-2026 and 2026-2027 years in the Statement of Intent.

9. Minutes of the Finance and Policy Committee Meeting held on Tuesday 16 September 2025

A6109252

Moved Cr Soper, seconded Cr Dermody and **RESOLVED** that the Minutes of the Finance and Policy Committee meeting held on Tuesday 16 September 2025 be received and recommendations to Council be confirmed.

Recommendation to Council

8. Financial Update at 31 July 2025

A6058294

5. To approve the following changes to the capital expenditure budget for 2025/2026 (net change is nil):

	\$000
Bluff Boat Ramp	+ 249
City Streets - Esk Street West	- 331
Branxholme supply main renewal	+ 501
Alternative water supply - New supply source	+ 141
New Tanker fill station	+ 126
Housing - replacement and new build programme	- 133
CAB Relocation	+ 1,565
Scoping of Art Precinct	+ 97
Overall capital programme to be managed to current	- 2,215
Annual Plan total of \$101 million	

10. Minutes of the Extraordinary Risk and Assurance Committee Meeting held on Tuesday 16 September 2025

A6109594

Moved Cr Soper, seconded Cr Dermody and **RESOLVED** that the Minutes of the Extraordinary Risk and Assurance Committee meeting held on Tuesday 16 September 2025 be received.

11. Notice of Motion

A6118085

There were two motions which were that Council accept the donation of the sculpture and that Council approve the proposed sculpture installation in Esk Street. Mayor Clark waived his right to speak first and asked Councillors to speak.

It was noted that a paper was received at the September Infrastructure and Projects Committee meeting which captured the situation. The City Centre Masterplan noted that to restore a health connection to the environment which formed the basis for the cultural narrative, however there were five other principles noted. From all papers received it was clear the cultural narrative was not the only design narrative to be used. The wording also quoted it was subjective to express mana whenua presence and it was noted this was not an exclusive right to this space. It was noted that dogs were around in Invercargill in 1856, and crowd scenes photos from that time had dogs included. Any proposal for other work should be considered by Council.

Staff were thanked for the background information attached in the agenda which was very helpful. Council had originally worked with Isthmus and the aim of the project was to establish a cohesive urban design and the central city needed to be a place for people with ample off-street parking and to break the habits of Invercargill shoppers of parking right outside the shops. The Masterplan also stated an allowance for a cultural opportunity. The donations guidelines were noted and applications needed to be considered on a case-by-case basis and that whatever decision made today would form a precedence. It was viewed that the dogs did fit in with this plan and supported the location of the statue.

It had been useful for Council to look at the timelines for what was included in the urban design process. It was a shame that the potential discussion was at risk of being derailed by a cultural discussion and ultimately Council decided where donations were placed. Council were grateful for donations but everything had a place and it was not an issue of exclusivity but rather what fits where. The dogs were Labradors and that breed was not in Invercargill in 1856 and did not fit in with the cultural narrative in Esk Street.

Comment was made regarding the surprise that this notice of motion was brought to the meeting as under Standing Order 28.2D, matters that were already the subject of reports and recommendations from a Committee to the meeting concerned did not need a notice of motion, however the original application for funding for this statue noted the Arts Trust were happy to discuss the location of placement and the Funding Committee had noted it was not likely to be in Esk Street. The community had been consulted on the City Centre Masterplan and clear decisions had been made with cultural narrative set out. There were some areas of city streets which the community saw as important and this statue had not yet complied with the donations policy and was a process matter.

Acknowledged the importance of Ngai Tahu and the importance of this history but Europeans were also important and one culture did not have more importance than another over a street. After speaking with the business owners in Esk Street, many suggested the sculpture could go in front of their shop.

This was a matter of process and as the Chair of the Wellbeing Fund, had noted it would not be likely to be in Esk Street, however installing the sculpture in Esk Street was breaching a commitment made by Council that Esk Street was sold exclusive rights to tell their story, which was incorrect.

Invercargill now had a lot going for it and was disappointed with the level of information Council had originally received as there was not enough information to make a decision and hoped elected members were provided more information in future to make informed decisions. The question was asked how the dogs were significant to the history of Invercargill, however noted it was art, but struggled with the donation policy. It was noted there was concern from members of the public regarding being a trip hazard.

Advocate for art in the city, issue was how to tell the story of Invercargill and parts of the city had been set aside to tell this story and streets had been named after where ancestors had come from.

It was important to correct that exclusivity to Esk Street was not mentioned. There was a powerful story and the history of Invercargill started with John Kelly. Would like to see visitors come to Invercargill and scan a QR code to learn the history of Invercargill starting from Esk Street and travel through to the new museum.

It was noted Esk Street was not exclusive, it was about story telling. Disappointed this notice of motion was on the table and this was the way the Mayor had chosen to see out his triennium.

It was noted that it was a Council decision to adopt the narrative and it was not for the donors to state where the statue was located. In 1830 dogs were imported from New Finland to start the process to become Labradors. While dogs and New Zealand were synonymous, that was not the intent of the story. The intent was the Welcome of Strangers. The narrative that the story told in the lower part of Esk Street, was about food and water, forest and birds, and the first child born in Invercargill. It was noted that the Arts Trail Trust did not have the right to dictate where the statue was placed as they were not elected. The important thing was that there were places where statues belonged and there was a place for this statue to go, but not beside the weka, flounder, kina, paua or birds eggs.

Esk Street was designed as a shared space for cars and people and a lot of money was spent to achieve this. An area like Esk Street required rejuvenation from time to time. The statue would sit on a bench and would not cause obstruction.

It was noted the breed of dogs were used as guide dogs, assistance dogs and companion pets. They were kind and gentle, and believed the statue should be in pride of place so everyone could enjoy and the gift should be accepted.

Disappointed discussing this again after discussing in the Infrastructure and Projects Committee meeting. Also disappointed that Esk Street had been discussed, as it was not

an ideal location. The statue was a beautiful gift and belonged in a greenspace where children could enjoy it. Disappointed this had become a cultural issue.

Noted that Standing Orders 28.2 and a refusal of a notice of motion had been made, however there was no recommendation made at the Committee. The recommendation made was that the statue would be installed on a seat about one metre high so would not be a trip hazard. Confused that the information at the Committee level was so little but the information to Council was immense. The donation policy was hard to understand as clearly a donation application had not been sought.

Correction made that there was no breach in policy, items were constructed by Council in relation to the items in Esk Street and were an asset and not a donation.

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

1. Receives the "Notice of Motion".

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

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

1. Accepts (upon installation), the 'Two Dogs Bronze sculpture' to be donated by the Invercargill Public Art Trail Charitable Trust.
2. Approves the proposed sculpture installation in Esk Street (as per the paper to the Infrastructure and Projects Committee, dated 2 September 2025).

Note: Mayor Clark, Crs Pottinger, Kett, Boyle, Stewart, Arnold, Campbell voted for this motion. Crs Soper, Crackett, Broad, Bond, Ludlow, Dermody voted against this motion.

12. Notice of Motion – Officers Report Esk Street Summary

A6113211

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

1. Receives the report "Notice of Motion – Officers Report Esk Street Summary".

13. Letter of Appreciation from Connected Murihiku

A6103960

Mrs Coote thanked the staff for their support in assisting with this plan and looked forward to the continued partnership.

In response to a question regarding future funding and where this was at, it was noted that were in the process of looking into this and noted there was a lot of enthusiasm and it was a project which could now support others.

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

1. Receives the "Letter of Appreciation from Connected Murihiku".

14. Feedback to the Local Government Commission Southland Reorganisation Proposal Investigation Plan

A6103960

Ms Rhiannon Suter spoke to the report.

It was noted that feedback had been asked on the process only and not any potential outcomes, the report was based on discussions held in a workshop.

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

1. Receives the report "Feedback to the Local Government Commission Southland Reorganisation Proposal Investigation Plan".
2. Notes the draft Investigation Process plan provided by the Local Government Commission.
3. Agrees the proposed Feedback to the Local Government Commission with any required changes noted, delegating to the Chief Executive to make non-significant changes as required to support alignment with the other southern Council's feedback.
4. Agrees that the Chief Executive will finalise the terms of reference for working in alignment with the other southern Councils and Te Ao Mārama.

15. Submission to Local Government Commission - Draft Code of Conduct

A6111482

Mr Michael Morris spoke to the report.

It was noted that when elected, members had to conduct themselves as public property and needed to act accordingly.

In response to a question regarding making the submission at the end of September and if would start the new triennium with a new Code of Conduct, it was noted that it was anticipated to be ready either late December or early in the New Year. Most councils would use their current Code of Conduct until the government mandated one came into effect.

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

1. Receives the report "Submission to Local Government Commission - Draft Code of Conduct".
2. Approves the Submission, subject to any changes made at the meeting, to be lodged with the Commission and authorise Mayor Clark to sign the submission.

16. End of Council Term Arrangements - Delegations

A6112537

Mr Michael Morris spoke to the report.

In response to a question regarding the date of 16 October, it was noted that the Mayor would still have authority with issues such as civil defence emergencies.

In response to a question regarding the full list of those Committees which required Council representatives, it was noted that this was a function to keep the Committees going. Where there were appointments to other bodies, at the time of the Election the position was discharged.

In response to a question regarding the IPAG Committee and a scheduled meeting on 16 October, it was noted that the councillors were entitled to be there but were not representatives of Council.

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

1. Receives the report "End of Council Term Arrangements – Delegations".
2. To authorise the Chief Executive, subject to the limitations set out in clause 32(1) of Schedule 7 of the Local Government Act 2002, to make decisions on behalf of the Council and community boards during the period between the declaration of election results and elected members being sworn into office, in respect of urgent matters and, where the Mayor-elect is known, in consultation with the Mayor-elect.
3. That under clause 30(7) of Schedule 7 of the Local Government Act 2002 the following Joint Committees, Great South Joint Shareholders Committee and the Waste Advisory Group (WasteNet), are not discharged on the coming into office of the members of the Council elected or appointed at, or following, the October 2025 triennial general elections, and they continue to exercise the delegations made to them.
4. Recommends the Chief Executive appoint Cr Ludlow and Cr Soper as Commissioners to the District Licensing Committee in accordance with Section 193 of the Sale and Supply of Alcohol Act 2012 from 10 October 2025 until such a time as the Council appoints the DLC.
5. Approves the Commissioners to receive the same payment as the DLC Chairperson of \$624 per day or \$78 per hour for part days.

17. Chief Executive Management Report

A6114742

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

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

Note: The meeting adjourned at 3.43 pm

Note: The meeting resumed at 3.57 pm

18. Valedictory Speeches

Michael Day presented departing members with a small Council badge with the date of their term of service engraved on it.

Rev Evelyn Cook remarked it was tradition to acknowledge those who had gone before and she acknowledged those who had helped shape her, and those who had started the Council journey with her. When she joined Council had no great expectations and knew she did not have a vote at the Council table and was unsure of the weight of her contribution. She noted there were encouraging and enabling staff who assisted her. She acknowledged her privilege to attend citizenship ceremonies and hearings. She hoped she had fairly represented people, whanau and the residents of South Invercargill, the underprivileged, she had tried hard to represent everyone. For those coming after, she wished they understood the power and hurt that careless words created, the casual racism, sexism, misogyny and disrespect, and noted that it mattered as were elected by the public. She hoped she had added value and her service had been worthy of her whanau, hapu, iwi and God. She thanked the people who made it easy for her to walk into the room, particularly Cr Soper and Cr Ludlow, the leadership team, Managers, Governance and Comms teams and the women of Council. She acknowledged her son and mokopuna.

Cr Lesley Soper noted she first stood for public office in 1993 and had been a councillor for the last nine years. She was passionate about democracy and the rule of law for people to have a say. Women needed to be there to make things happen and some needed to put themselves forward for others to follow. Lasting change was where the political power was. The greatest thing was people and it was a privilege to serve the people. The misguided proposal to move the children's library and the Christmas lights were things which motivated her to join Council. She believed she had contributed to the progress in Invercargill. She reflected she had worked with many good people. There was a time when you knew it was your time to stand down with dignity and this was her time. There were many challenges ahead and she had done her best with her contribution. She was confident that Council with a good net position had built a sound base for the future. Everything done around the Council table affected everyone. A voting turnout of 53% was horrifyingly low and she urged everyone to get out and vote. For incoming councillors, she reminded them they were only one vote, processes would take longer than you think and you did not have to be a lawyer or accountant to serve on Council, read the Local Government Act and other documents, know Standing Orders and Code of Conduct, leave ego at the door, read all the papers and never be the councillor whose eyes glaze over at the finances. She thanked the ELT and staff for their hard work and well-reasoned reports and for keeping the engine of local government running.

Cr Peter Kett noted it had been an honour to represent Council for 21 years. He had met many friendly people and thanked the volunteers who had put Invercargill on the map. He thanked the volunteers at Age Concern Southland and the Bluff Oyster Festival. He noted it was different being around the Council table now and he had been afraid to speak in the beginning. He outlined his involvement in the building of Splash Palace and Stadium Southland. He said some of the great things about Invercargill were SIT Zero Fees, Airport, ILT Stadium, Velodrome, Splash Palace, Library, Teretonga, Cycle Tour, Rugby Southland. He thanked staff in parks and reserves as Queens Park was a wonderful place. He also wanted to specially thank Lisa Patterson and her daughter for their assistance in getting him to the hospital for an emergency procedure which he said saved his life.

Mayor Clark had circulated a list of about 40 things which had been achieved over the last five years. He thanked those around the table and senior staff. He noted the future challenges were amalgamation, three waters, rates capping, alternative water, future income streams, aquaculture expansion and destination Bluff. He acknowledged several people in the community which included Joc and Scott O'Donnell, Geoff Thomson, Gaire Thompson, Paddy and Chris from ILT, Margo and Jackie from Community Trust South, Chris from Tiwai, Ian and Chami from Great South, Darryl at SIT, Tom and Jo from Stadium Southland, Terry from Murihiku Regen. Special thanks were also noted for Liz and Michelle. He acknowledged the loss several councillors had endured during this term and their commitment for carrying on. He noted the work Crs Dermody and Campbell had undertaken. He acknowledged Penny Simmonds for assisting in connecting him to MPs. The guidance from Michael Skerrett, and finally his partner Karen. For those looking to be in the mayoral role, there was care needed in offloading to one's partner. He was most proud of his ability to engage early on with the RMA ministers to be able to change the narrative regarding wastewater to land. He wished everyone well for the upcoming elections and a happy retirement for those finishing.

19. Public Excluded Session

Moved Cr Soper, seconded Cr Ludlow 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 meeting held on 26 August 2025
- b. Minutes of the Public Excluded Session of the Infrastructure and Projects Committee meeting held on 2 September 2025
- c. Minutes of the Public Excluded Session of the Community Wellbeing and Regulatory Committee meeting held on 9 September 2025
- d. Minutes of the Public Excluded Session of the Finance and Policy Committee meeting held on 16 September 2025

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
a. Minutes of the Public Excluded Session of Council meeting held on 26 August 2025	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
b. Minutes of the Public Excluded Session of the Infrastructure and Projects Committee meeting held on 2 September 2025	Section 7(2)(c)(ii) protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
c. Minutes of the Public Excluded Session of the Community Wellbeing and Regulatory Committee meeting held on 9 September 2025	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

- d. Minutes of the Public Excluded Session of the Finance and Policy Committee meeting held on 16 September 2025

Section 7(2)(a)

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

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

There being no further business, the meeting finished at 5.23 pm.

MINUTES OF COUNCIL – MICHAEL DAY UNDER DELEGATION, HELD IN THE MAYORAL LOUNGE, FIRST FLOOR, TE HĪNAKI – CIVIC BUILDING, 101 ESK STREET, INVERCARGILL ON WEDNESDAY 29 OCTOBER 2025 AT 1.30 PM

Present: Mr M Day – Chief Executive

In Attendance: Mayor T Campbell
Ms M Sievwright – Executive Support

1. Declaration of Interest

Nil.

2. Report Application for Grant Funding for a “1,000 books before school programme” at Invercargill City Libraries and Archives

A6167265

Under delegation from the Council meeting on 23 September authorising the Chief Executive, subject to the limitations set out in clause 32(1) of Schedule 7 of the Local Government Act 2002, to make decisions on behalf of the Council and community boards during the period between the declaration of election results and elected members being sworn into office, in respect of urgent matters and, where the Mayor-elect is known, in consultation with the Mayor-elect, that the Chief Executive:

1. Receives the report “Application for Grant Funding for a “1,000 books before school programme” at Invercargill City Libraries and Archives.”
2. Resolve that the Library Manager is delegated authority to apply to the Invercargill Licensing Trust and ILT Foundation for grant funding of \$10,000.00 for the 1,000 books before school programme” at Invercargill City Libraries and Archives”.

There being no further business, the meeting finished at 1.35 pm.

**MINUTES OF THE INAUGURAL COUNCIL MEETING, HELD IN THE COUNCIL CHAMBERS,
FIRST FLOOR, CIVIC THEATRE, 88 TAY STREET, INVERCARGILL ON TUESDAY 4 NOVEMBER
2025 AT 2.00 PM**

Present:

Mayor T Campbell
Cr A J Arnold
Cr R I D Bond
Cr P M Boyle
Cr S J Broad
Cr A H Crackett
Cr A L de Vries
Cr G M Dermody
Cr D J Ludlow
Cr M Lush
Cr I R Pottinger
Cr B R Stewart
Cr L Tou-McNaughton

In Attendance:

Rev E Cook – Māngai – Waihōpai
Mrs P Coote – Kaikaunihera Māori – Awarua
Mr M Day – Chief Executive
Ms E Moogan – Group Manager – Infrastructure
Mrs P Christie – Group Manager – Finance and Assurance
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 J Garnett – Group Manager – Capital Portfolio
Mr M Morris – Manager – Governance and Legal
Mr B Staunton – Chief Financial Officer
Ms L Knight – Manager – Communications and Marketing
Mr A Eng – Team Leader Communications
Ms A Dixon – Senior Communications Adviser
Mrs L Williams – Team Leader – Executive Support

1. Apologies

Nil.

2. Declaration of Interest

Nil

3. Statement of Reflection

Mayor Campbell noted that at the start of each meeting there would be a reflection. It could be from a Councillor or a member of the public.

The Mayor noted that he would start this meeting with a thank you to people for the extraordinary work done following the recent weather event, he noted there were too many to mention. He specifically wanted to thank the student volunteer army and invited Jacob Wilkinson-Hall to the table to speak.

Mr Wilkinson-Hall noted that had 80 volunteers sign up and had 40 that helped and received 26 jobs and completed 17 due to some being electrical etc and that they could not do that. The community appreciated their help, in particular the elderly, and the team were supported by EMS.

The Mayor again thanked Mr Wilkinson-Hall and all the volunteers along with all the workers for their work and support during this state of emergency.

4. Declarations of Mayor and Councillors

A6165161

Mr Michael Morris spoke to the report and noted that councillors were required to reaffirm their declaration and the paper gave effect to that.

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

1. Receives the report titled "Declarations of Mayor and Councillors".
2. Confirm the Declarations made by the Mayor and Councillors at the Swearing in Ceremony on 28 October 2025.

5. Mayor's Report to Inaugural Council

A6182553

The Mayor noted that under the Local Government Act 2002 the Mayor has the ability to establish committees and appoint their Deputy. The Mayor had exercised that power.

It was requested to change Cr Bond from WasteNet and add Cr de Vries instead.

Southland Indoor Leisure Charitable Trust would be Cr Boyle and in the Iwi Liaison group would be Cr Dermody, Cr Ludlow and Cr de Vries.

It was raised that there should be an independent Chair in place for the Water Committee.

Cr Bond raised that the Community Wellbeing Fund and Creative Communities Scheme Invercargill Fund Committee meetings generally were held on a Thursday and she was not available on Thursdays and requested to be removed. It was confirmed that the Chair would look for a replacement to be found.

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

1. Receives the report "Mayor's Report to Inaugural Council";
2. Notes that under s41A(3)(a), the Mayor has appointed Cr Grant Dermody as Deputy Mayor, and established the committees and subcommittees set out in the report as detailed below with the following Chairs;
 - (a) Water Committee - Cr Grant Dermody
 - (b) Infrastructure and Growth Committee - Cr Alex Crackett
 - (c) Community and regulatory Committee - Cr Darren Ludlow
 - (d) Finance and Policy Committee - Cr Trish Boyle
 - (e) Risk and Assurance - Mr Ross Jackson (subject to a further confirmation report)
3. Appoints Councillors to Committees, Subcommittees and Joint Committees as detailed in the report.
4. Appoint Councillors to Bluff Community Board as detailed in the report.
5. Appoint councillors to organisations where the appointment is detailed in the organisation's Trust Deed, and to organisations which have requested a Council representative and this request has been granted as detailed in the report.

Note: Cr Pottinger voted against the motion.

6. Statutory Responsibilities of Members

A6171790

Mr Michael Morris spoke to the report and noted this was a requirement for this information to be provided at the Inaugural Meeting.

Moved Cr Dermody, seconded Cr Tou McNaughton and **RESOLVED** that Council:

1. Receives the report titled 'Statutory Responsibilities of Members'.

7. Adoption of Standing Orders 2025

A6184653

Mr Michael Morris spoke to the report and noted that at the start of the Triennium, Council adopted Standing Orders and noted that new Standing Orders would be available for adoption in the new year and at that stage would replace the current Standing Orders with the new ones proposed by the Government.

The change was that it was sufficient to advise the Chair of a committee of an apology and copying in the Governance Team. This related to attending by Teams as well.

A query was raised around the protocol of asking a question and that should raise a hand rather than people "jumping in", it was advised that should signal the Chair that wished to speak and should not speak over another member, it was further queried if that would be a reason for a point of order. In short it would be a reason for a point of order, as would relate to the conduct of the meeting.

A question was asked around standing to speak and provided structure and if would entertain that, it was felt that would be individual.

A question was asked about commenting on minutes and that some flexibility should be allowed around that, especially when seeking clarity, it was requested that Chairs show some flexibility.

It was noted that contacting the Chair prior to the meeting if there were any concerns around minutes would be appreciated.

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

1. Receives the report titled 'Adoption of Standing Orders 2025'.
2. Adopts Standing Orders for the 2025 –2028 triennium as set out in Attachment 1.

8. Adoption of Code of Conduct 2025

A6184400

Mr Michael Morris spoke to the report and noted that it was good practice to adopt at the start of the triennium, he added that the new Code of Conduct from the LGC was due early in the new year and in the meantime recommended adopting the Code of Conduct. The change was that removed the in-house legal advice and proposed obtaining external legal advice.

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

1. Receives the report 'Adoption of Code of Conduct 2025'.
2. Revoke the Code of Conduct adopted on 1 November 2022.
3. Adopts the Code of Conduct 2025 as set out in Attachment 1.

9. Adoption of Governance Statement 2025 -2028

A6182441

Mr Michael Morris spoke to the report and noted that the Governance Statement set out for the Community the Governance Structure and noted that amendments would be made following this meeting and once the Bluff Community Board had met.

Moved Cr Boyle, seconded Cr Tou McNaughton and **RESOLVED** that Council:

1. Receives the report "Adoption of Governance Statement 2025 -2028".

2. Adopts Governance Statement 2025 -2028 as set out in Attachment 1.
3. Notes that not all of the appointments, such as Mana Whenua Representatives and independent members of Committees, have yet been discussed and a further version of the Governance Statement will be presented for adoption once this has been completed.

10. Mana Whenua Representatives – Roles and Responsibilities 2025 – 2028

A6171787

Mr Michael Morris spoke to the report and noted that the report provided for the adoption of Mana Whenua representatives to committees and that had not received names from the Rūnaka at this stage.

It was queried how it would be determined who would sit on committees. It was noted that during the last triennium the representatives decided amongst themselves. It was proposed that the representatives would sit on every Committee and that would each sit on three committees.

It was queried how Council would engage with Mata Waka and what that would look like. It was noted that discussions had been held when they joined Council.

Rev Cook noted that the mana whenua representatives did undertake to take on that role and may not have been as successful as possible and added that it was unfortunate that Cr Bond had not been selected to be Iwi Liaison and that would look to have an informal discussion around how that would work. She added that Mata Waka was a diverse group.

Rev Cook added that it was important that Iwi be included on the Water Committee.

It was added that Mata Waka did want to engage and that not just underneath the Mana Whenua status. It was added that this may come up as part of the representation review.

Moved Cr Ludlow, seconded Cr Crackett that Council:

1. Receives the report 'Mana Whenua Representatives – Roles and Responsibilities 2025 – 2028'.
2. Resolves to continue appointments of representatives for Waihōpai Rūnaka and Te Rūnaka o Awarua to Council and its Committees.
3. Resolves to invite Waihōpai Rūnaka and Te Rūnaka o Awarua to provide their nominations to Council for formal appointment.
4. Resolves to continue the appointment of a Representative of Te Rūnaka o Awarua as an Advisory Member of the Bluff Community Board.

The motion now put was **RESOLVED.**

Note: Cr Stewart voted against that last three recommendations on the basis that the Mana Whenua representatives were not voted on by the public.

11. Risk and Assurance Committee Membership

A6182108

Mr Michael Morris spoke to the report and noted that the committee had two independent members, one being the Chair and another independent member. During the last triennium it was decided not to appoint an independent and advised that there would be a recruitment process to appoint an independent member.

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

1. Receives the report titled 'Risk and Assurance Committee Membership'.
2. Resolves to appoint an Independent Chair and an Independent Member to the Risk and Assurance Committee.
3. Appoints Mr Ross Jackson as the Independent Chair of the Risk and Assurance Committee until the Inaugural Meeting of the 2028-2031 Council.
4. Approves the process to recruit an Independent Member of the Risk and Assurance Committee.

12. Adoption of Delegations Register – Council and Finance

A6181487

Mr Michael Morris, Mr Bryan Staunton and Mrs Patricia Charitie spoke to the report and noted that the register covered the delegations to Council and Committees.

The financial delegations had also been refreshed in time to include in this register and the changes were to simplify and streamline and also reflected changes in the dollar value of approvals to enable the ability to speed up transactions.

Mr Staunton noted that undertaken a review in the finance team and looked to streamline while maintaining an acceptable level of risk.

It was queried the membership as listed in the register and noted that had five and understood was six members, this would be confirmed.

It was noted that the Committees had an increased level of delegation and that where a matter was clear community interest and that should go to the full Council that the Chair or Committee should be able to decide to take to Council.

It was queried that the paper led to a lack of oversight that Councillors had around spending what was in budget and that would only be seen if there was a variance and if that was how that would work. Mrs Christie noted that spend would be reported each quarter and that if there was an issue in a project that that would go to the Finance Committee and then through to Council.

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

1. Receives the report "Adoption of Delegations Register – Council and Finance".
2. Notes the Delegations, powers and scope, to the Committees and Subcommittees.
3. Notes that the updates to the financial delegations of the Delegations Register are intended to improve the efficient and effective operation of Council and are within the existing risk tolerance of Council.
4. Approves removing the distinction between Operating Expenditure and Capital Expenditure for the purposes of recording financial delegations.
5. Approves increasing the delegated expenditure limits as follows:
 - a. Operating and Capital Expenditure including Purchase Orders:
 - i. Chief Executive – unlimited within the annual budget
 - ii. Group Managers - \$500,000
 - iii. Tier 3 Managers - \$50,000
 - iv. Other Chief Executive Direct Reports - \$50,000
 - b. Execution of Contracts (within existing approved budgets):
 - i. Chief Executive – unlimited within the annual budget
 - ii. Group Managers – not to exceed either \$2,000,000 or 36 months in duration per contract
 - iii. Tier 3 Managers – not to exceed either \$200,000 or 12 months in duration per contract
 - c. Hiring of Professional Advisors / Consultants
 - i. Group Managers - \$100,000
 - d. Single item asset sales – if no longer required
 - i. Chief Executive - \$500,000 Net Book Value (NBV)
 - ii. Group Managers - \$100,000 NBV
 - iii. Tier 3 Managers - \$10,000 NBV
 - iv. Tier 4 Managers - \$5,000 NBV
6. Approves removing the items which are operational in nature, as presented, to be recorded instead in the Delegations Register – Chief Executive.
7. Approves the addition of the Chief Financial Officer role to the exceptions to standard delegated authorities as presented.
8. Approves the remaining amendments and updates to the financial delegations as presented.
9. Adopts Delegations Register – Council and Finance – Version 1 2025 (Attachment 1).

Note: Cr Pottinger voted against.

13. Meeting Dates for the Remainder of 2025

A6183197

Mr Michael Morris spoke to the report.

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

1. Receives the report 'Meeting Dates for Remainder of 2025'.
2. Approves the following times and dates for meetings for the remainder of 2025:
 - 2.00 pm, Tuesday 11 November 2025 – Council
 - 2.00 pm, Tuesday 18 November 2025 – Finance and Policy Committee
 - 7.00 pm, Monday 24 November 2025 – Inaugural Bluff Community Board
 - 2.00 pm, Tuesday 25 November 2025 – Council
 - 9.00 am, Tuesday 2 December 2025 – Water Committee
 - 2.00 pm, Tuesday 2 December 2025 – Infrastructure and Growth Committee
 - 2.00 pm, Tuesday 9 December 2025 – Community and Regulatory Committee
 - 2.00 pm, Tuesday 16 December 2025 – Risk and Assurance Committee
 - At the conclusion of Risk and Assurance – Council

14. Proposed Road Names – Driveway of 29 Milford Street

A6182339

Mrs Patricia Christie spoke to the report. It was noted this was located on the Marae.

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

1. Receives the report titled "Proposed Road Names – Driveway of 29 Milford Street".
2. Approves the driveway being named Mahaanui Place.

15. Extension of Appointment of Commissioner

A6185163

Mr Michael Morris spoke to the report and noted that the DLC was operating under a commissioner being Cr Ludlow and Mrs Soper and that there was a Hearing at the end of the month and so appropriate to extend Mrs Soper's role.

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

1. Receives the report "Extension of Appointment of Commissioner".
2. Recommends the Chief Executive extend the appointment of Lesley Soper as Commissioner to the District Licensing Committee in accordance with Section 193 of the Sale and Supply of Alcohol Act 2012 to be from 10 October 2025 until 31 December 2025.
3. Approves the Commissioner to receive the same payment as the DLC Chairperson of \$624 per day or \$78 per hour for part days.

There being no further business, the meeting finished at 2.47 pm.

LOCAL GOVERNMENT COMMISSION FINAL PLAN FOR SOUTHLAND REORGANISATION INVESTIGATION

To: Council

Meeting Date: Tuesday 11 November 2025

From: Rhiannon Suter, Manager – Strategy, Policy and Engagement

Approved: Trudie Hurst, Group Manager – Community Engagement and Corporate Services.

Approved Date: Thursday 6 November 2025

Purpose and Summary

This report provides Council with the final plan provided by the Local Government Commission (LGC) for the Southland Reorganisation Investigation following feedback from Council agreed at the 23 September 2025 meeting.

Recommendations

That Council:

1. Receives the report "Local Government Commission Final Plan for Southland Reorganisation Investigation".
2. Receives the LGC Final Investigation Process document and Decision on Investigation.
3. Notes the following changes made as a result of feedback:
 - a. Emphasising engagement will be carried out.
 - b. Reflecting Council statutory obligations such as Long-term Plans and Representation Reviews.
 - c. Providing additional detail and outcomes for each phase of the process.
 - d. Clarifying and adding additional stakeholders to the indicative key stakeholder list.
4. Notes the next step is a joint-Council and Te Ao Mārama hui planned by LGC for 16 December 2025.

Background

The Local Government Commission (LGC) has commenced work on an investigation into the reorganisation of Local Government in Southland in response to a reorganisation initiative put forward by Southland District Council. Invercargill City Council confirmed support for an investigation to the Local Government Commission on 29 April 2025. The investigation will focus on all available options.

The LGC published a draft Investigation Process plan for consultation in August 2025. Council workshopped feedback on 9 September and confirmed feedback to this plan at the meeting on 18 September 2025.

Key points of Council feedback and the response of the LGC are summarised below. The full decision and revised process are provided as attachments to this report.

Issues

ICC AREA OF FEEDBACK	LGC DECISION
Communication with Council should be required rather than optional with a preference for kanohi ki te kanohi face to face engagement.	Confirmation this is the intention and a noting of preference for face-to-face engagement Citizens assemblies is an item which could be considered.
Time for Iwi and Councils to reflect on and respond to findings at the end of each phase, noting Council processes would require six weeks to allow for formal feedback.	Clarification that results will be published and feedback allowed for but no adjustment to the timetable.
Extension of phase one to allow for cost-benefit information to be provided to the public to inform quality engagement.	Cost-benefit information will not be completed during Phase One but will be part of Phase Two.
Regulatory timeframes and Council calendars should be considered with the timeline adjusted to ensure no clash with LTP and representation review timelines.	Inclusion of these factors within the plan and commitment to avoid a clash of consultation if at all possible. No adjustment to the timeline.
Specific focus on shared services and CCOs including financial implications for the holding company.	Para 18 has been broadened to note Council specific financial issues and CCO/ Shared services.
Focus on the impact on Te Roopu Taiao.	Reiteration that Te Roopu Taiao is a stakeholder and will be considered as a channel for engagement as will the mayoral forum.
Potential impact on environmental regulatory functions.	This item is already noted and no change is required.
Affected Parties - Neighbouring Councils should not be on the stakeholder list.	Confirmation they will remain on the stakeholder list.
Request for resourcing to support Council in balancing competing priorities.	The request for resourcing was declined.

Next Steps

The next step is a hui the LGC is planning for all councils and Te Ao Mārama on 16 December 2025.

Attachments

1. LGC Reorganisation of Local Government in Southland – Investigation Process (A6177311)
2. LGC Decision of Reorganisation Investigation Process (A6177313)



Local Government Commission –
Investigation Process

October 2025

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Purpose of document

1. This document sets out the process the Local Government Commission (the Commission) intends to follow in its investigation into reorganisation of local government in Southland (the investigation). It has been prepared in accordance with Schedule 3 of the Local Government Act 2002 (the LGA).
2. This document reflects feedback on the draft process received from:
 - Environment Southland, Gore District Council, Invercargill City Council, Southland District Council; and
 - Te Ao Mārama Incorporated, on behalf of Ngāi Tahu ki Murihiku and Papatipu Rūnanga.

What is in this document?

3. This document sets out how the Commission intends to undertake the investigation, including:¹
 - The matters to be investigated
 - The affected area and the local authorities affected by the investigation
 - The procedure and timetable for the investigation
 - Each affected iwi or hapū, and how and when they will be given an opportunity to engage with the investigation
 - The key stakeholders, and how and when they will be given an opportunity to engage with the investigation
 - How and when members of the public will be consulted on the investigation and any proposed recommendations or reorganisation plans that may result
 - Any other matter the Commission considers relevant.
4. The Commission has considered reorganisation investigation principles in developing this draft process.² These principles are set out in full in Appendix A.
5. The Commission can amend this process document at any time during the investigation.³ Any amendments will be publicly notified.

¹ LGA, schedule 3, [clause 7\(2\)](#)

² LGA, schedule 3, [clause 7\(3\)](#)

³ LGA, schedule 3, [clause 7\(5\)](#)

Why investigate reorganisation in Southland now?

6. In February 2025 the Commission received a reorganisation initiative (the initiative) from Southland District Council, proposing the reorganisation of local government in Southland.
7. The Commission engaged with Environment Southland, Gore District Council, Invercargill City Council and Southland District Council,⁴ and Te Ao Mārama Incorporated, on behalf of Ngāi Tahu ki Murihiku.
8. The Commission considered all feedback received,⁵ and on 7 July 2025 agreed to undertake an investigation. A copy of the Commission's decision is available on the Commission's [website](#).

Acknowledging change in the local government sector

9. The Commission acknowledges that the investigation is occurring against the backdrop of extensive local government legislative reform. A high-level list of current or pending legislative reform as at October 2025 is included as Appendix B. The Commission also acknowledges the upcoming local elections taking place in October 2025.
10. The Commission will monitor the progress of legislative reform and, if necessary, report on how legislative change affects the investigation.
11. The Commission also acknowledges on-going statutory council activities that will continue throughout the investigation. These include (but are not limited to):
 - Preparation of Council Annual Plans 2026 (if required)
 - Preparation of Council Long Term Plans 2027-2037
 - Invercargill City Council's representation review ahead of the 2028 election
 - Preparation for water services delivery models ahead of 1 July 2027
 - Potential changes to council work programmes in anticipation of Resource Management Act reforms.
12. The Commission's statutory obligation is to complete its investigation within the notified timeline. However, where possible the Commission will avoid in-depth engagement on the investigation overlapping with statutory consultation periods on the above matters.

⁴ As required by LGA, schedule 3, [clause 5\(2\)](#)

⁵ Feedback was considered against the criteria set out in the LGA, schedule 3, [clause 6](#)

Investigation procedure and timetable

13. The proposed investigation procedure and timetable are set out in the table below.
14. Throughout the investigation process and any resulting reorganisation, the Commission will provide updates and copies of key documents on its website. Any required public notifications will also be via the Commission's website.

Estimated date	Investigation step
Oct-Nov 2025	Commission publicly notifies final investigation process
Nov 2025 – Mar 2026	Investigation phase 1 – Scoping exercise Objectives: • Issues definition • Identification of opportunities, constraints or exclusions of investigation • Consideration of criteria for assessing information • Understand community aspirations and priorities for local government in Southland Will include: • In-person meetings and ongoing, iterative engagement with councils and Te Ao Mārama Incorporated, on behalf of Ngāi Tahu ki Murihiku and Papatipu Rūnanga • Initial engagement with key stakeholders and wider community. Engagement opportunities may include in-person, virtual, and other opportunities to engage • At the end of phase 1, a Commission report setting out its findings on the objectives • If required, early close of investigation
Mar-Aug 2026	Investigation phase 2 – deep dive investigation Objectives: • Detailed understanding of issues as defined in scoping exercise • Detailed understanding of communities of interest • Detailed understanding of impact of potential options for Ngāi Tahu ki Murihiku and Papatipu Rūnanga • In-depth analysis of options against legislative factors (Appendix E)

	Will include: • Ongoing, iterative engagement with councils and Te Ao Mārama Incorporated, on behalf of Ngāi Tahu ki Murihiku and Papatipu Rūnanga • In-depth engagement with key stakeholders and wider community. Engagement may include in-person, virtual and other opportunities to engage • Cost-benefit analysis of potential reorganisation options, alongside the other legislative factors relating to reorganisation (Appendix E) • At the end of phase 2, a Commission report setting out its findings on the objectives. This may include the release of a draft reorganisation plan (triggering the commencement of phase 3 and associated consultation period) • If required, early close of investigation
Sep 2026 – Feb 2027	Investigation phase 3 – draft reorganisation plan (if required) Objectives: • Draft reorganisation plan released • Formal consultation process Will include: • Commission explanation of contents of draft reorganisation plan⁶ • Formal submissions period • Meetings and/or hearings, with in-person and virtual options • If required, early close of investigation
Mar – Aug 2027	• Close of investigation • Final reorganisation plan (if required) • Poll of electors held, if required (to be held approximately 3 months after notice is given to the electoral officer) • Next steps are set out below

⁶ LGA, Schedule 3, [clause 14](#)

Matters to be investigated

15. The investigation is focused on identifying the structure that will best promote good local government in Southland, by enabling and facilitating improvements to local governance.⁷

What might reorganisation look like?

16. The Commission acknowledges that the initiative seeks two unitary authorities for Southland. It also acknowledges feedback received from Southland Councils and Te Ao Mārama Incorporated, which included a focus on identifying options for efficient and effective local government in Southland. Some feedback specified a preference for a single unitary authority for Southland.
17. The Commission is starting the investigation without a particular structure of local government in mind. Instead, it will consider a broad range of matters relating to local governance in Southland. This will include a deep dive into the responsibilities, duties, powers and functions of each council, alongside wide-ranging community engagement.
18. Matters to be considered include (but are not limited to):
 - Financial management and council-specific financial issues
 - Rating policies
 - Governance and risk management
 - Infrastructure planning and service delivery
 - Asset and activity management
 - Planning and regulatory frameworks
 - Resource and environmental management
 - Emergency management
 - Relationships with Ngāi Tahu ki Murihiku and Papatipu Rūnanga
 - Opportunities for Māori to contribute to council decision-making processes
 - Identification of communities of interest across the region, and appropriate representation arrangements
 - Cross-boundary shared services and council-controlled organisations

⁷ This is the over-arching purpose of local government reorganisation, as set out in [section 24AA](#) of the LGA.

19. Outcomes open to the Commission include the potential union or disestablishment of current local authorities and the potential establishment of new local authorities. A full list of potential outcomes is included in Appendix C.⁸ The Commission can also consider whether to include a system of communities and community boards in any outcome.⁹

Who is affected by the investigation?

Affected areas

20. An affected area means an area affected, or potentially affected, by one or more of the matters to be investigated.¹⁰ For this investigation, the affected areas include all land, coastal waters and any associated infrastructure within the Southland region.
21. If it becomes apparent during the investigation that areas beyond Southland should be considered affected areas, this process document will be amended accordingly and publicly notified.

Affected local authorities

22. An affected local authority is one whose district or region contains an affected area.¹¹ The affected local authorities for this investigation are:
- Environment Southland
 - Gore District Council
 - Invercargill City Council
 - Southland District Council
23. Neighbouring councils, including Clutha District Council, Central Otago District Council, Queenstown-Lakes District Council and Otago Regional Council are considered key stakeholders. If it becomes apparent during the investigation that any additional councils should be considered affected local authorities, this process document will be amended accordingly and publicly notified.

⁸ As set out in [section 24](#) of the LGA

⁹ LGA, schedule 3, [clause 19](#)

¹⁰ LGA, schedule 3, [clause 2](#)

¹¹ LGA, [section 5](#)

Engagement with affected local authorities

24. The Commission will work constructively, and in an open and transparent manner, with affected local authorities throughout the investigation. The primary role of councils through the investigation will be providing information to the Commission. It is expected that affected local authorities engage willingly with the investigation and provide information to the Commission where required.¹²
25. The Commission's engagement with affected local authorities may need to take different forms over the course of the investigation. The Commission acknowledges affected local authorities' preference for engagement to be in person (kanohi ki te kanohi). In-person engagements will be prioritised early in the scoping exercise and throughout the investigation where possible. Additional engagements may be held virtually, or through the provision of written feedback where required and/or appropriate. Engagement is expected to be on-going, with iterative opportunities for input.
26. Engagement activities may include both individual opportunities for input, or on a collective basis with all councils participating along with Te Ao Mārama Incorporated, on behalf of Papatipu Rūnanga. Where appropriate, this may include using existing forums such as the Southland Mayoral or Chief Executive Forums for engagement, along with other established groups such as Te Rōpū Taiao.
27. Where possible, the Commission intends to avoid engagement overlapping with local authority consultation activities. While it may not be possible to avoid all individual council community engagements, the Commission will endeavour to avoid in-depth community engagement relating to the investigation overlapping with:
 - Consultation on Council Annual Plans (where required) – April/May 2026
 - Consultation on Council Long Term Plans – April/May 2027
 - Consultation on Invercargill City Council's initial representation review proposal (around mid-2027 – timetable to be provided by Invercargill City Council)
28. The Commission may request to utilise affected local authorities' websites and existing communications channels to help provide information about and support public awareness and understanding of the investigation.

¹² LGA, schedule 3, [clause 8](#)

Affected iwi and hapū

29. An affected iwi or hapū is an iwi or hapū with interests within the affected area.¹³ The entire Southland region is within the rohe of Ngāi Tahu. The Te Rūnanga o Ngāi Tahu Act 1996 and the Ngāi Tahu Claims Settlement Act 1998 recognise the status of Papatipu Rūnanga as kaitiaki and mana whenua of the natural resources within their takiwā boundaries.
30. Papatipu Rūnanga within the rohe of Murihiku are:
- Te Rūnanga o Awarua
 - Hokonui Rūnanga
 - Te Rūnanga o Oraka Aparima
 - Waihōpai Rūnanga
31. During the investigation, if any additional areas or local authorities are considered to be affected, the Commission will confirm with Ngāi Tahu whether any additional Papatipu Rūnanga should be considered affected hapū.

Engagement with affected iwi and hapū

32. Te Ao Mārama Incorporated is authorised to represent the four Murihiku Papatipu Rūnanga in Resource Management Act and Local Government Act matters. The Commission will work with Te Ao Mārama Incorporated throughout the investigation to facilitate engagement with Ngāi Tahu ki Murihiku and Papatipu Rūnanga in each phase of the investigation.
33. There are two strands to the Commission's engagement with Ngāi Tahu ki Murihiku and Papatipu Rūnanga, which may overlap throughout the investigation. These are:
- To understand the aspirations and expectations of Ngāi Tahu ki Murihiku and Papatipu Rūnanga in relation to how local government is structured and operated in Southland;
 - To understand the effect that potential models of local government may have on the relationship of Ngāi Tahu ki Murihiku and Papatipu Rūnanga with their ancestral land, water, sites, wāhi tāpu, valued flora and fauna, and other taonga, or with local authorities.¹⁴

¹³ LGA, schedule 3, [clause 2](#)

¹⁴ LGA, schedule 3, [clause 7\(4\)\(b\)](#)

34. The Commission acknowledges Te Ao Mārama Incorporated's preference for an iterative and adaptive approach to the investigation. The Commission will prioritise kanohi ki te kanohi engagement with Ngāi Tahu ki Murihiku and Papatipu Rūnanga throughout the investigation, complementing existing Te Ao Mārama Incorporated meeting schedules where possible. Additional forms of engagement, such as virtual meetings or written feedback may be utilised where appropriate. Engagement is expected to be on-going, with iterative opportunities for input.
35. Engagement activities may include specific opportunities for input by Te Ao Mārama Incorporated, on behalf of Ngāi Tahu ki Murihiku and Papatipu Rūnanga, or collective engagement alongside councils. Where appropriate, this may include using existing forums such as Te Rōpū Taiao for engagement.

Engagement - key stakeholders and community

36. The investigation addresses local governance in the entire Southland region – a matter that touches on all aspects of daily life for residents in Southland. It is appropriate that the Commission's engagement be wide-ranging and in-depth.
37. Key stakeholders have been identified from different sectors of the Southland community, including (but not limited to):
 - Government/Local government entities
 - Māori entities
 - Business sector
 - Rural/environmental sector
 - Community sector
 - Education sector
38. An indicative table of key stakeholders is included at Appendix D. The Commission may identify and engage with additional key stakeholders at any time during the investigation.
39. The Commission acknowledges that a 'one-size-fits-all' community engagement approach will not be appropriate for an investigation of this scale. The Commission acknowledges the preference for engagement with key stakeholders and the community to be in-person (kanohi ki to kanohi) where possible. Where in-person engagement is not possible, a variety of different engagement approaches will be used throughout the investigation.
40. Engagement approaches used throughout the investigation may include (but are not limited to):
 - In person engagement, such as community meetings, meetings with key stakeholders (individually or in groups), focus groups/workshops/drop-in sessions, presence at community events, and in-person formal hearings;

- Virtual engagements, such as online information sessions/webinars/drop-in sessions, the provision of recorded information, and virtual formal hearings
 - Written or other forms of feedback, such as media releases, online/phone surveys, letter drops, and formal written submissions.
41. Where possible, the Commission intends to avoid engagement overlapping with constraints on the Southland community calendar. The proposed investigation phases have accounted for times when sectors of the Southland community may be focused on other matter such as:
- Tītī season – end-March to end-May
 - Duck season opening weekend – May
 - Moving Day - June
 - Lambing/calving season – August-September
 - Silage/mowing – October-November

Completion of investigation and next steps

42. Throughout the investigation the Commission may issue reports or make recommendations to any of the councils on any matter relating to the investigation.¹⁵
43. The Commission will publicly notify the completion of its investigation. The Commission may complete its investigation:
- At the end of the investigation process; or
 - At an earlier point, if it becomes evident that continuation of the investigation process is no longer feasible.
44. Reasons for completion of the investigation prior to the end of the investigation process include (but are not limited to):
- The Commission receiving sufficient information and evidence to support adoption of a reorganisation plan at an earlier stage;
 - The Commission's investigation establishing that the current local government arrangements best promote good local government in Southland;
 - The Commission having evidence of widespread community opposition to alternative local government arrangements, such that polling on a reorganisation plan would be likely to fail;
 - Significant changes to the parameters of the investigation that indicate that continuation is not feasible.

¹⁵ LGA, schedule 3, [clause 9](#)

45. The Commission may adopt a reorganisation plan at any time during, or at the completion of the investigation. In doing so, the Commission must consider the objectives and factors set out in Appendix E.^{[16](#)}
46. A poll of electors will be held if the investigation results in a reorganisation plan providing for:^{[17](#)}
- The union of districts or regions
 - The constitution of a new district or region, or new local authority
 - The abolition of a district or region, or dissolution of a local authority
 - The assumption by a territorial authority of the powers of a regional council as a unitary authority
47. If a poll is held and more than 50% of votes cast support the reorganisation plan:
- an Order in Council will be made to give effect to the reorganisation plan;
 - A transition body will be established;
48. The Commission, with assistance from the transition body, will develop a reorganisation implementation scheme, setting out in detail how the reorganisation will be implemented. Next steps include:
- An Order in Council to give effect to the reorganisation implementation scheme;
 - The transition body undertaking the steps set out in the reorganisation implementation scheme.

¹⁶ LGA, schedule 3, clauses [10](#) and [12\(2\)](#)

¹⁷ LGA, schedule 3, [clause 23](#)

Appendix A: Reorganisation Investigation Principles

In determining its investigation process and in undertaking its investigation, the Commission must have regard to the following principles (clause 7(3), Schedule 3, LGA):

- (a) Early information should be available to the public and stakeholders about the issues to be investigated, the process to be followed, and the opportunities for public input; and
- (b) The process should be in proportion to the scale, scope, and potential impact of the identified issues and of any reorganisation plan that may result from the investigation; and
- (c) The process should recognise the relevant evidence and information that the Commission already holds; and
- (d) The process should recognise and reflect the nature and extent of the interests of affected iwi or hapū in the outcome of the investigation; and
- (e) The process should provide persons, entities, and organisations who wish to have their views on the subject matter of the investigation considered by the Commission with a reasonable opportunity to present those views to the Commission; and
- (f) The extent and nature of public and stakeholder engagement should –
 - (i) Reflect the degree of public interest (including of each affected iwi or hapū) in the issues and in any reorganisation plan that may result from the investigation; and
 - (ii) Reflect the importance of –
 - (A) Stakeholder input; and
 - (B) Community engagement; and
 - (C) Public acceptance of the process and the potential outcome; and
 - (iii) Appropriately balance the costs and benefits of different processes

Appendix B: Local government legislative reform

This draft process has been developed under the LGA, current as of August 2025.

Local government legislative reforms that are either underway or signalled for the near future as of October 2025 include (but are not limited to):

- Local Government (Systems Improvement) Bill – Select Committee stage
- Development Levy System – Bill indicated for introduction late 2025
- Infrastructure Funding and Financing – Bill indicated for introduction late 2025
- Resource Management – Bill indicated for introduction late 2025
- Emergency Management Bill – Bill indicated for introduction during the current term of Parliament
- Reform relating to council rates setting – Cabinet paper indicated late 2025

Appendix C: Potential reorganisation outcomes

Local government reorganisation may provide for 1 or more of the following matters (section 24, LGA):

- (a) The union of districts or regions
- (b) The constitution of a new district or region, including the constitution of a new local authority for that district or region
- (c) The abolition of a district or region, including the dissolution or abolition of the local authority for that district or region
- (d) The alteration of the boundaries of any district or region
- (e) The transfer from one local authority to another of –
 - i. A responsibility, duty, or power conferred by an enactment; or
 - ii. A discretionary function
- (f) The assumption by a territorial authority of the responsibilities, duties, and powers of a regional council as a unitary authority
- (g) The performance and exercise by a local authority of both-
 - i. The responsibilities, duties and powers of a regional council in respect of a region; and
 - ii. The responsibilities, duties, and powers of a territorial authority in respect of a district that constitutes a part only of that region
- (h) The establishment of 1 or more joint committees and the delegation of responsibilities, duties, and powers to those committees
- (i) The establishment of a local board area, including the establishment of a local board for that area;
- (j) In relation to a local board, other than a local board established under the Local Government (Auckland Council) Act 2009, -
 - i. The means by which the chairperson is elected; and
 - ii. Whether the local board may include appointed members
- (k) The abolition of a local board area
- (l) The alteration of the boundaries of a local board area
- (m) The union of 2 or more local board areas.

Appendix D: Indicative list of key stakeholders

The Commission may identify and engage with additional key stakeholders throughout the investigation.

Government / Local Government Entities	
Ardlussa Community Board	NZ Transport Agency Waka Kotahi
Bluff Community Board	Northern Community Board
Central Otago District Council	Officers of each council
Clutha District Council	Ōraka Aparima Community Board
Department of Conservation	Ōreti Community Board
Department of Internal Affairs	Otago Regional Council
Elected members of each council	Queenstown-Lakes District Council
Emergency Management Southland	Southland Chief Executives Forum
Environment Southland	Southland District Council
Fiordland Community Board	Southland Mayoral Forum
Fire and Emergency NZ Southland	Southland Members of Parliament
Gore District Council	Stewart Island/Rakiura Community Board
Gore Health	Te Puni Kōkiri
Great South (Southland Regional Development Agency)	Te Whatu Ora Health NZ
Hato Hone St John South Island Region	Tuatapere Te Waewae Community Board
Invercargill City Council	Waihōpai Toetoe Community Board
Invercargill City Holding Company	Wallace Takitimu Community Board
Lifeline Utilities Group	WasteNet Southland
Mataura Community Board	Water entities/CCOs (once established)
Ministry of Social Development	Well South – Southern Primary Health Network
New Zealand Police (Southern Police District)	

Māori Entities	
Hokonui Rūnanga	Te Rūnanga o Awarua
Ngā Hau e Wha Marae (māta waka)	Te Rūnanga o Ngāi Tahu
Ngāi Tahu ki Murihiku	Te Rūnanga o Oraka Aparima
Te Ao Mārama Incorporated	Te Tomarangī Marae (māta waka)
Te Rōpū Taiao	Waihōpai Rūnanga

Business Sector	
Affco NZ (Southland)	Mataura Valley Milk
Alliance Group	Meridian Energy
AML Limited	Mercury Energy (Kaiwera Wind Farm)
Balance	New Zealand Aluminium Smelter
Beef+Lamb	Niagara Sawmilling Company
Blue Sky Meats	Open Country
Calder Stewart	Powernet
Civil Contractors New Zealand – Southland branch	Prime Range Meats
COIN South	Queenstown Airport Corporation Limited
Contact Energy	Ravensdown
Daiken Southland	Real NZ
Dairy NZ	Road Transport Association – Southland
Distinction Hotel Group	Silver Fern Farms
ENGAGE Southland	Skeggs
Fiordland Business Chamber	Southland-based tourism industry
Fonterra	Southland Business Chamber

Fortuna	Southland Disability Enterprises Limited
HW Richardson Group	Southport
IFS Growth	South Wood Export
Invercargill Airport Limited	Talley's NZ (Southland)
Invercargill Licensing Trust	Triflor NZ
Mataura Licensing Trust	Tuatapere Promotions

Rural / Environment Sector	
Aparima Community Environment (ACE) catchment group	Predator Free Rakiura
Aquaculture Pathway Network (Great South)	Reforest Southland
Bluff Hill/Motupohue Environment Trust	Rural Contractors NZ
Catchment Liaison Committees	Rural Support Trust
Federated Farmers Southland	Rural Women New Zealand – Lower South Island
Fiordland Marine Guardians	Southland Rural Support Trust
Forest and Bird Southland	South Coast Environment Society
Groundswell	Southland Conservation Board
Guardians of Lakes Manapouri, Monowai and Te Anau	Southland Fish and Game
Livestrand	Stewart Island/Rakiura Community & Environment Trust
NZ Young Farmers – Otago/Southland	Thriving Southland (37 catchment groups)
Otatara Landcare Group	Waiau River Working Group
Pest Busters (Riverton)	Weed Busters (Manapouri)

Community Sector	
AA (Automobile Association) Southland	Pacific Island Advisory Charitable Trust
Active Southland	South Alive
Age Concern Southland	Southland Community Housing Group
Arts Murihiku	Southland Community Law
Arts Working Group	Southland Foundation
Citizens Advice Bureau Invercargill	Southland Interagency Forum
Colac Bay Progress League	Southland Lions Clubs
Combined Disability Network	Southland Multicultural Council
Community Trust South	Southland Museum Trusts
Connected Murihiku	Southland places of worship
Disabilities Resource Centre Southland	Southland Rotary Clubs
Fiordland Community House	Southland sporting groups
Grey Power Southland	Southland Women's Refuges
IC2 Trust	The Number 10 Southland Youth One Stop Shop
Invercargill Friendship Group (U3A)	The Ratepayers Association
Koha Kai	Total Mobility Group
Migrant Settlement Network	Waikaia Progress League
Murihiku Kai	Youth Network

Education Sector	
Murihiku Regeneration	Southland schools
Southland Institute of Technology	Te Rourou, One Aotearoa Foundation - Murihiku
Southland Principals Association	

Appendix E: Objectives and factors to consider for reorganisation plan

In assessing options for reorganisation, the Commission must consider how best to achieve:¹⁸

- (a) Better fulfilment of the purpose of local government as specified in section 10; and
- (b) Productivity improvements within the affected local authorities; and
- (c) Efficiencies and cost savings; and
- (d) Assurance that any local authority established or changed has the resources necessary to enable it to effectively perform or exercise its responsibilities, duties and powers; and
- (e) Effective responses to the opportunities, needs and circumstances of the affected areas; and
- (f) Enhanced effectiveness, efficiency, and sustainability of local government services; and
- (g) Better support for the ability of local and regional economies to develop and prosper; and
- (h) Enhanced ability of local government to meet the changing needs of communities for governance and services into the future; and
- (i) Effective provision for any co-governance and co-management arrangements that are established by legislation (including Treaty of Waitangi claim settlement legislation) and that are between local authorities and iwi or Māori organisations.

Before adopting a reorganisation plan, the Commission must consider:¹⁹

- (a) The scale of the potential benefits of the proposed changes in terms of the objectives set out in clause 10 and the likelihood of those benefits being realised; and
- (b) The financial, disruption, and opportunity costs of implementing the proposed changes at the proposed time; and
- (c) The risks and consequences of not implementing the proposed changes at the proposed time; and
- (d) Existing communities of interest and the extent to which the proposed changes will maintain linkages between communities (including iwi and hapū) and sites and resources of significance to them; and
- (e) The degree and distribution of demonstrable public support for the proposed changes within communities in the affected area; and
- (f) The degree and distribution of any public opposition to the proposed changes within communities in the affected areas.

¹⁸ LGA, schedule 3, [clause 10](#)

¹⁹ LGA, schedule 3, [clause 12\(2\)](#)



Local Government Commission

Mana Kāwanatanga ā Rohe

Decision
of reorganisation investigation process to be followed by
the Local Government Commission in its investigation
into reorganisation of local government in Southland

Introduction

1. This decision confirms the reorganisation investigation process to be followed by the Local Government Commission in its investigation into reorganisation of local government in Southland.

Commission's decision

2. In accordance with clause 7, Schedule 3 of the Local Government Act 2002 (the Act), the Commission developed a draft written reorganisation investigation process (the process), setting out the matters in clauses 7(2) and 7(3), Schedule 3 of the Act.
3. In accordance with clause 7(4), Schedule 3 of the Act, the Commission has received and considered feedback on the process from :
 - Environment Southland
 - Gore District Council
 - Invercargill City Council
 - Southland District Council
 - Te Ao Mārama Incorporated, on behalf of Ngāi Tahu ki Murihiku and Papatipu Rūnanga Hokonui Rūnanga, Te Rūnanga o Awarua, Te Rūnanga o Oraka Aparima and Waihōpai Rūnanga.
4. The Commission has amended the process as a result of the feedback received as follows:
 - Emphasising engagement will be carried out
 - Reflecting Council statutory obligations such as Long-Term Plans and representation reviews

- Providing additional detail and outcomes regarding each phase of the process
 - Clarifying, and adding additional stakeholders to the indicative key stakeholder list
5. In accordance with clause 7(6) of the Act, the Commission has adopted the amended process for public notification and upload to the Commission's website.

Background

6. On 7 July 2025, the Commission agreed to investigate the Southland reorganisation initiative. A draft process was approved for consultation with councils and iwi on 21 August 2025.

Feedback

7. Feedback was received from Environment Southland, Gore District Council, Invercargill City Council, Southland District Council and Te Ao Mārama Incorporated.
8. The investigation process is a high-level document, designed to retain sufficient flexibility throughout our investigation. Any amendments made to the process during the investigation must be publicly notified. Some of the feedback received fell outside the scope of the process or related to a level of detail beyond the high-level scope of the document.
9. There were some consistent themes in the feedback received, although at times there were also differences in the outcomes sought. We discuss below the feedback received by theme.

Engagement

10. All parties emphasise the importance of on-going engagement throughout the investigation, with a clear preference for kanohi ki te kanohi (in-person) engagement. Concerns were expressed that the draft investigation process did not clearly require engagement to occur throughout the process.
11. We have always intended on-going engagement to occur throughout the investigation. However, we accept that the draft process did not adequately convey our intention.
12. We have amended the process document to reflect the intention of on-going engagement in:
- The table outlining the procedure and timetable (para 14)
 - Engagement with affected local authorities (para 26)

- Engagement with affected iwi and hapū (para 34); and
 - Engagement with key stakeholders and the community (para 39).
13. Some feedback suggested using citizens' assemblies as part of the investigation. The draft process section relating to key stakeholder and community engagement (paras 36-41) reflects our intention of using a variety of community engagement approaches throughout the investigation. This wording is flexible enough to include participatory democracy engagement approaches. We have not made any changes in response to this feedback.
 14. Some feedback highlighted the importance of the Southland Mayoral Forum, and Te Rōpū Taiao, a long-standing partnership between councils and Ngāi Tahu ki Murihiku and Papatipu Rūnanga.
 15. Both groups were included as stakeholder in Appendix D of the draft process. However, we have included paragraphs to the sections on engagement with local authorities (para 26) and iwi and hapū (para 34) to acknowledge that these bodies may be used for engagement, where appropriate.

Statutory processes

16. Some feedback requested that Councils' statutory obligations such as Long-Term Plans and representation reviews be acknowledged in the process document.
17. We acknowledged the pace of change in local government in the draft process and consider that it is also appropriate to likewise acknowledge these statutory processes. These have been reflected in additional paras 11-12.
18. Where possible, we will avoid in-depth engagement relating to the investigation overlapping with councils undertaking significant statutory consultation relating to these processes.

Timetable

19. The investigation timetable in the draft process document aimed to complete the investigation as quickly as possible, while allowing for thorough community engagement to support participation in any resulting poll.
20. Feedback relating to the proposed timetable was varied:
 - Some feedback requested longer timeframes with additional feedback loops;
 - Other feedback requested a reduced timeframe, concluding by December 2026.

21. The rationale for the request for a reduced timeframe was to align with Long-Term Plan processes and to reduce pressure on council officials. This suggests that a longer investigation process may risk affecting council officer morale and productivity at each council.
22. To complete the process by December 2026 would require us to be able to approve a draft reorganisation plan by mid-2026, and we are not confident this could be achieved. Furthermore, a shorter timeframe may also compromise community engagement and public understanding, risking community participation in any poll that might eventuate.
23. We therefore decline the request for a shorter timeframe, to ensure thorough community engagement can occur throughout the process.
24. The requests to extend timeframes are aimed at allowing parties to respond to the findings of each phase before the next begins.
25. In the draft process, phases 1 and 2 included on-going engagement with councils and Te Ao Mārama Incorporated. Phase 3 involved a formal consultation process, including submissions and hearings.
26. We consider that the draft investigation process may have lacked clarity regarding the expected output of each investigation phase. We have amended the process to:
 - Confirm that the Commission will report on phase 1 outcomes; and
 - Clarify the phase 2 will result in either a report on phase 2 outcomes, or a draft reorganisation plan, which would trigger phase 3.
27. A proposed 6-week feedback period at the end of each phase would add at least three months to the process and potentially risk formal consultation on a draft reorganisation plan overlapping with councils' Long-Term Plan consultations – something councils have specifically asked us to avoid.
28. To delay consultation on a draft reorganisation plan until after Long-Term Plans were adopted could push a final reorganisation plan to late-2027, with a poll in early 2028. This would add over 6 months to the process.
29. There is no perfect timetable for a reorganisation investigation that will meet the expectations of all parties. A compromise is required between speed, minimising disruption, and ensuring a transparent and thorough process. On balance, we think that the timetable proposed in the draft process strikes the correct compromise and should be confirmed.
30. However, we consider additional clarification to the process would be beneficial. In the table outlining the investigation procedure and timetable we have:
 - Emphasised that there will be on-going, iterative engagement with councils and Te Ao Mārama Incorporated; and

- Clarified that any poll would occur approximately three months after the final reorganisation plan is released.

Financial analysis

31. Some feedback requested that a robust cost-benefit analysis, including transition costs, debt implications, and timings of potential savings, be undertaken early in the process to support informed community dialogue.
32. Other feedback suggested that phase 1 should be extended to ensure financial information was available to help communities understand any potential savings and the implications of councils in potentially assuming others' work programmes and debt.
33. The rationale for this feedback was to ensure engagement was informed by robust financial information. A cost-benefit analysis would otherwise have been undertaken as part of the deep dive in phase 2. This request asks us to bring one part of the deep dive ahead to an earlier phase.
34. While financial efficiencies of any reorganisation model are important, efficiencies and cost-savings are only one of the nine objectives the Commission must consider in assessing options for reorganisation. To pull one part of the analysis forward risks elevating the importance of this factor above the other factors. It also risks being an inefficient use of the Commission's resources.
35. We have therefore declined this request. Instead, we have updated phase 2 to emphasise that a cost-benefit analysis will be completed as part of the deep dive, alongside other legislative objectives.

Key stakeholders

36. The draft process document included an indicative key stakeholder list in Appendix D, which was compiled from feedback received from councils. Additional stakeholders were suggested for inclusion in this list, and we have accepted and added these.
37. Some feedback suggested a potential regional bias in the key stakeholder list. To avoid this perception, organisations with multiple locations (such as Rotary Clubs or Women's Refuges) are now identified as 'Southland-based' rather than by specific location.
38. There was diverging feedback on whether neighbouring councils (Queenstown-Lakes District, Central Otago District and Clutha District) should be considered key stakeholders. We note that shared services currently exist with neighbouring councils, and concerns about communities of interest near the northern Southland boundary have been raised. We have therefore confirmed that neighbouring councils should remain on the key stakeholder list.

Resourcing

39. While resourcing is not strictly part of the investigation process, several councils raised concerns about their capacity to support the investigation. Some feedback specifically requested that the Commission base a staff member in Southland for the duration of the investigation and fund a 0.5FTE council resource at \$90,000 per annum.
40. These requests suggest a potential misunderstanding of the Commission's size and budget. While the Commission has sufficient resource to carry out the investigation, it does not have the capacity to move staff to Southland, nor the available budget to fund additional positions at councils, and we have declined these requests accordingly.

Additional individual feedback

41. There were various additional individual items within the feedback received. We have set these out, along with our response to each, below:
 - **Cross-boundary services and council-controlled organisations:** added to para 18
 - **Council-specific financial issues:** para 18 broadened to include financial management and council-specific financial issues;
 - **Environmental regulatory concerns:** para 18 already includes resource and environmental managements, which is sufficiently flexible to allow consideration of how independent environmental regulatory management can be maintained;
 - **Geographic spread, community board roles and rural/urban differences:** Para 18 has been expanded to clarify identification of communities of interest and appropriate representation arrangements;
 - **Sharing community feedback from recent representation reviews and water reform consultations:** The Commission already has the power to request this from councils;
 - **Advocacy to central government:** Appendix E reflects statutory objectives in Schedule 3 of the Local Government Act 2002 and should not be amended. However, regional strategic potential can be considered under the existing statutory objectives;
 - **Updates on legislative reform:** Para 10 notes that the Commission will monitor and report on relevant legislative reforms where necessary;
 - **Clarity on how phase 2 deep dive will be undertaken:** The Commission will lead the deep dive phase, assisted by external consultants. Councils' primary responsibility will be the provision of information. This is reflected in para 24;
 - **Detail in reorganisation plans and alternative proposals:** Schedule 3 of the Local Government Act sets out the required content for reorganisation plans – a footnote has been added to clarify this. Submitters to a formal

draft reorganisation plan may suggest alternatives, however only the final reorganisation plan is subject to a poll;

- **Transition body details:** Paras 46-47 cover the establishment of a transition body, which is also governed by Schedule 3. To include further detail at this stage would go beyond the scope of the process document;
- **Current local government structure:** This goes beyond the detail required for the process document; however, an explanation of current structures can be included in community engagement materials;
- **Data used to identify potential structures:** This is sufficiently covered by the phase 1 objectives;
- **Clarification of communities of interest:** This carries its usual meaning with regards to representation arrangements;
- **Statement relating to costs:** All councils and Te Ao Mārama Incorporated have been advised that the Commission is responsible for the costs of the investigation.

Conclusion

42. We confirm the investigation process in accordance with clause 7, Schedule 3 of the Local Government Act. The investigation process will be publicly notified and uploaded to the Commission's website.

Local Government Commission

Commissioner Brendan Duffy (Chair)

Commissioner Bonita Bigham

Commissioner Sue Bidrose

16 October 2025

DELEGATIONS TO THE KERBSIDE WASTE CONSULTATION HEARINGS AND THE LOCAL ALCOHOL POLICY HEARINGS PANELS

To:	Council
Meeting Date:	Tuesday 11 November 2025
From:	Rhiannon Suter, Manager – Strategy, Policy and Engagement
Approved:	Trudie Hurst - Group Manager - Community Engagement and Corporate Services
Approved Date:	Thursday 6 November 2025
Open Agenda:	Yes

Purpose and Summary

This report provides Council the opportunity to confirm members of two hearings processes agreed prior to the election.

Recommendations

That Council:

1. Receives the report “Delegations to the Kerbside Waste Consultation Hearings and the Local Alcohol Policy Hearings Panels”
2. Confirms the following members for the Kerbside Waste Hearings Panel to be held on 26 November 2025:
 - a. Cr Alex Crackett – Joint Waste Advisory Group representative.
 - b. Cr Andrea de Vries – Joint Waste Advisory Group representative.
3. Delegates to the Invercargill District Licensing Committee to hear the Local Alcohol Policy consultation.

Background

Council received papers adopting kerbside waste options and the Local Alcohol Policy for consultation ahead of the election, noting the new Council would make the final appointments to hearings panels for these matters.

Issues

Kerbside Waste

The Kerbside Waste options were consulted on jointly by the Invercargill City Council and Gore District Council between 1 August and 1 September 2025. It was agreed by Council on x that the GM – Infrastructure would liaise with Gore District Council to determine the final form of the hearings panel, given that hearings could either be held separately or jointly. It was agreed that joint hearings with two representatives from each Council would take place. The proposed date is 26 November 2025.

Local Alcohol Policy

The Local Alcohol Policy was adopted for consultation on 10 March 2025 with consultation agreed to take place following the election, likely in the new year.

At the time of discussion of the Local Alcohol Policy it was recommended that a hearing panel of at least three elected members and/or Mana Whenua representatives be delegated to hear this matter.

Council last week confirmed the new Invercargill District Licensing Committee and it would be appropriate that this group (three elected members and one Mana Whenua representative) hear this matter.

Next Steps

The Kerbside Waste Options Hearing Panel is scheduled to meet and consider the submissions on 26 November 2025.

The Local Alcohol Policy is proposed for consultation commencing on 18 January 2026. The date of the Hearings will be confirmed with the Chair of the Invercargill District Licensing Committee.

Attachments

Nil.

COUNCILLOR REMUNERATION 2025

To:	Council
Meeting Date:	Tuesday 11 November 2025
From:	Michael Morris - Manager Governance and Legal
Approved:	Michael Day - Chief Executive
Approved Date:	Thursday 6 November 2025
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

The Remuneration Authority (the Authority) sets a total governance pool shortly before each election.

From this pool Council determines the levels of remuneration for the Councillors to reflect the different duties each may have.

The preferred option (chosen by Councillors) will then be presented to the Remuneration Authority for approval and once approved the increases will be applied to the remuneration paid to all Councillors.

The governance pool does not include the Mayoral salary, Mana Whenua Representatives or the Bluff Community Board.

The pool, while set by the Authority, is paid for by ratepayers.

Recommendations

That Council:

1. Receives the report titled 'Councillors Remuneration 2025'.
2. Adopt and recommend to the Remuneration Authority the following remuneration:

Position	Number	Remuneration
Deputy Mayor	1	\$81,521
Chair	3	\$70,651
Deputy Chair	2	\$59,782
Councillor	6	\$54,347

Background

The Authority is the independent body set up by Parliament to handle the remuneration of key office holders such as Judges, Members of Parliament, local government representatives, some individual office holders and board members of independent statutory bodies.

The Remuneration Authority Local Government Members (2025/2026) Determination, released in June 2025 was divided into two parts. Part 1 was effective from 1 July 2025 and confirmed the remuneration for the previous Council.

Part 2 took effect from 18 October 2025, the day after the official result of the 2025 election was declared. It set the Mayoral salary and the minimum amount to be paid to Councillors and the Bluff Community Board members.

The Authority has maintained the Pool approach from the last three elections.

Council is required to decide how to allocate the pool, including both base Councillor remuneration and extra remuneration for positions of responsibility.

The Pool has increased by \$165,657 from the 2022 determination.

Important points to note regarding the full pool approach:

- In accordance with its ranking, Council has been allocated a pool of \$739,120.
- The Mayor's remuneration is not taken from the pool but continues to set by the Authority and is set at \$165,687.00.
- Base remuneration for Councillors must not be set below the minimum prescribed in the determination (\$49,275.00) but can be higher, if there are sufficient funds available in the pool.
- Positions of higher responsibility can also be recognised in the remuneration from the pool.
- The entire pool must be allocated.
- Council is required to propose to the Authority the Councillors base pay and the additional pay for positions of responsibility.
- While the Authority has set the remuneration for the Bluff Community Board, it is not part of the pool and is funded by way of a targeted rate for the Bluff Community.
- For completeness the Bluff Community Board Remuneration is set as:
 - Chair - \$10,294.00
 - Member - \$5,147.00

Issues and Options

Analysis

Council is required to set the remuneration for each of the roles that have been confirmed by Council following the Mayor exercising his right to appoint the Deputy Mayor and Chairs.

Significance

Councillor remuneration is not considered a significant decision under the Significance and Engagement Policy.

Options

The following has been identified, following a discussion with His Worship the Mayor. The favoured approach (and similar to that which was adopted at the start of the 2022 term) was to establish a ratio for the additional work the Deputy Mayor, Chairs and Deputy Chairs have.

On the basis of the following ratios:

- Councillor: 1
- Deputy Chair: 1.1
- Chair: 1.3
- Deputy Mayor 1.5

The resulting remuneration would be as follows:

Position	Number	Remuneration
Deputy Mayor	1	\$81,521
Chair	3	\$70,651
Deputy Chair	2	\$59,782
Councillor	6	\$54,347

Note: Cr Dermody is remunerated as Deputy Mayor and is not counted as a Chair (Water) and Deputy Chair of Finance and Policy.

Note: The Councillor remuneration proposed is an increase of \$5,702 on the minimum amount payable and follows practice and tradition of this Council to increase the amount Councillors with no additional responsibility are remunerated.

Ratios work on the expectation of additional work each role requires over and above that of a Councillor that has no additional duties in terms of being a Deputy Chair, chair of the Deputy Mayor.

Councillors are free to propose alternate levels of remuneration should this proposal not be agreed with.

Independent Members and Mana Whenua are remunerated differently. The Mana Whenua representatives decision will follow in a separate report to this meeting.

Community Views

The Authority is an independent body that determines the pool councils are able to allocate, and requires that the full pool be allocated to ensure that the work and roles of elected members are appropriately remunerated for the work that is done.

Implications and Risks

Strategic Consistency

This is not a strategic decision.

Financial Implications

The increase in the pool was advised in June 2025 and staff have worked to ensure this is recognised in annual plan preparation.

Legal Implications

The Authority requires the pool to be fully allocated. There are no other legal implications.

Climate Change

There is no climate change impact.

Risk

There is no risk for this decision.

Next Steps

Officers will lodge Council's resolution with the Authority in due course. This will happen before 14 November 2025, which means Council's decisions will be able to be approved by the Authority and included in the December update to the Determination.

Once the December Determination is issued, Councillors will be able to receive their increased remuneration backdated to 18 October 2025 being the day they took office, whereas the Deputy Mayor, Chairs and Deputy Chair's increase (over and above the minimum remuneration) will be back dated to 21 October 2025 the day after the date Mayor Campbell exercised his power to appoint the roles, the Deputy Chairs will be backdated to 5 November 2025 being the day after the date they were confirmed in their roles by resolution.

MANA WHENUA REPRESENTATIVES - REMUNERATION 2025-2028

To: Council

Meeting Date: Tuesday 11 November 2025

From: Michael Morris – Manager - Governance and Legal

Approved: Trudie Hurst - Group Manager - Community Engagement and Corporate Services

Approved Date: Thursday 6 November 2025

Open Agenda: Yes

Public Excluded Agenda: No

Purpose and Summary

This report is to set the level of remuneration for the Mana Whenua Representatives for the 2025-2028 Council term.

Recommendations

That Council:

1. Receive the Report "Mana Whenua Representatives - Remuneration 2025-2028".
2. Approve the Remuneration to be:
 - a. \$49,275 being the Councillor minimum remuneration payable in accordance with the Remuneration Authority's June 2025 Determination.
3. Approve the Remuneration to increase with the same percentage level of increase as Councillors receive in each year's Determination from the Authority.
4. Notes the Remuneration will take effect from the date of appointment of the Representatives by this Council.

Background

In this report the Waihōpai Rūnaka and Te Rūnaka o Awarua are together referred to as 'the Rūnaka'.

The Rūnaka continue to have a set of expectations for the Representatives.

When considering the level of honorarium factors such as, workload, meeting schedule, additional Council meetings, additional meetings linked to Council due to the roles, and the fact that Mana Whenua do not face public re-election every three years, the dignity and Mana accorded to the roles, the link the roles play between Council staff and Mana Whenua, the importance at law of the relationship and the make-up of this terms Committees of Council need to be considered.

Issues and Options

Analysis

There is a wide and varied approach to roles that are similar to our Mana Whenua Representatives. There is no one approach from councils that has been adopted, rather each council and Mana Whenua are coming to an arrangement that works best for both parties.

In 2021, when the roles were first created Council resolved to set the level of honorarium at \$34,667 being the (then) minimum amount that was able to be paid to a Councillor as set by the Remuneration Authority (the Authority). This is also known as the base remuneration of a Councillor, and for the 2021-2022 year Councillors were remunerated at a higher level than this base level.

The Rūnaka believe that the spirit of partnership shown in establishing the roles, will see the roles grow in importance including being a liaison for cultural protocols, wider iwi/Māori consultation, and iwi liaison work with other councils as part of Council's core business.

In 2022 Council adopted the then base remuneration of \$38,642 for the 2022-2025 term for the Mana Whenua Representatives.

The base remuneration in the 2025 determination has been set at \$49,275. It is proposed that this be continued in accordance with the established pattern by Council.

However, feedback has been received from the Rūnaka that it is unfair to not allow for the increases that the Authority determine each year to recognise inflation and other changes in the economy. It is therefore proposed that the Remuneration be increased in accordance with any increases determined by the Authority to take effect from 1 July 2025.

Significance

While Mana Whenua roles were a significant step for Council, the honorarium does not trigger the Policy.

Options

The options are to continue with the base Remuneration for a Councillor, or consider a different approach. A further report can be prepared setting out additional options if required. Once approach that is available is that remuneration be at the level of a Councillor with not additional responsibilities (proposed to be \$54,347 subject to approval).

Community Views

There is no community consultation required on this report.

Implications and Risks

Strategic Consistency

While Mana Whenua roles were a significant step for Council, the remuneration does not trigger the Significance and Engagement Policy.

Financial Implications

Increases for Members and Mana Whenua Representatives remuneration have been included in the Annual Plan.

Legal Implications

There are no legal implications.

Climate Change

There are no climate change implications.

Risk

There is no financial or legal risk that comes from this paper.

Council needs to consider, in terms of risk, the potential of a risk to the reputation of Council's standing with Mana Whenua when making this decision in light of the Mana and dignity accorded the roles by both Council and Mana Whenua.

It is important to note, however, that there is the potential for a risk to Council reputation. It is noted that the Community has views both for and against Mana Whenua roles as a concept and the Remuneration that goes with those.

Next Steps

The Remuneration will be in place ready for the representatives when they are appointed.

CHANGE OF MEETING DATES

To:	Council
Meeting Date:	Tuesday 11 November 2025
From:	Michael Morris, Manager – Governance and Legal
Approved:	Trudie Hurst - Group Manager - Community Engagement and Corporate Services
Approved Date:	Thursday 6 November 2025
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

This report is to provide details of changes required to meeting dates that were adopted at the Inaugural Council meeting on 4 November 2025. The changes are required due to the availability of members of the Committees.

Recommendations

That Council:

1. Receives the report 'Change of Meeting Dates'.
2. Approves to change the following meeting dates and start times:
 - Water Committee - at the Conclusion of the Infrastructure and Growth Committee, Tuesday 2 December 2025
 - Community Wellbeing Fund Subcommittee - 1.00 pm, Thursday 4 December 2025
 - Risk and Assurance Committee - 9.00 am, Monday 15 December 2025
 - Council - 2.00 pm, Tuesday 16 December 2025

Background

Council approved meeting dates for the remainder of 2025 at the Inaugural meeting held on 4 November 2025.

The Water Committee is scheduled to start at 9.00 am on Tuesday, 2 December 2025. However, it is required to be rescheduled to start at the conclusion of the Infrastructure and Growth Committee, as the Standing Orders and Mock Council Meeting is scheduled from 9.00 am to 12.00 pm as part of the Council Induction programme. This is only a change in the meeting start time, and no change to the scheduled meeting date.

The Community Wellbeing Fund Subcommittee meeting scheduled for 27 November 2025 will be rescheduled to Thursday, 4 December 2025, as some subcommittee members will be away on Council business.

Due to the unavailability of the Chair of the Risk and Assurance Committee, the meeting scheduled for Tuesday, 16 December 2025 at 2.00 pm will be rescheduled to Monday, 15 December 2025 at 9.00 am.

The Council meeting, scheduled to start at the conclusion of the Risk and Assurance Committee meeting on Tuesday, 16 December 2025, will commence at 2:00 pm on Tuesday, 16 December 2025. This is only a change in the meeting start time, and no change to the scheduled meeting date.

Next Steps

Once approved the changes will be made to the Meeting Schedule and calendar appointments will be updated.

Attachments

There are no attachments to the report.

**MINUTES OF THE EXTRAORDINARY RISK AND ASSURANCE COMMITTEE, HELD IN THE
COUNCIL CHAMBERS, FIRST FLOOR, CIVIC THEATRE, 88 TAY STREET, INVERCARGILL ON
FRIDAY 7 NOVEMBER 2025 AT 9.00 PM**

Present:

Mr R Jackson (Chair)
Mayor T Campbell
Cr A J Arnold
Cr R I D Bond
Cr S J Broad
Cr M Lush
Cr I R Pottinger
Cr L Tou-McNaughton

In Attendance:

Cr G M Dermody – via Teams
Cr D J Ludlow
Mr M Day – Chief Executive
Ms E Moogan – Group Manager – Infrastructure – via Teams
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 A Graham – Audit New Zealand – via Teams
Mr P Patton – Manager Risk and Continuous Improvement
Mr B Staunton - Chief Financial Officer
Ms S Roberts – Manager Financial services
Ms L Knight – Manager – Communications and Marketing
Mr A Eng – Team leader Communications
Mrs L Williams – Team Leader - Governance and Executive Support

1. Apologies

Cr B Stewart

Moved Mr Jackson, seconded Cr Broad and **RESOLVED** that the apologies be accepted.

2. Declaration of Interest

Nil.

3. Public Excluded Session

Moved Mr Jackson, seconded Cr Broad and **RESOLVED** that the public be excluded with the exception of Mr Athol Graham, Audit New Zealand, from the following parts of the proceedings of this meeting, namely:

a. Draft 2024/2025 Annual Report Adoption

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
a. Draft 2024/2025 Annual Report Adoption	Section 7(2)(b) (ii) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

There being no further business, the meeting finished at 9.45 am.

2024/2025 ANNUAL REPORT ADOPTION

To:	Council
Meeting Date:	Tuesday 11 November 2025
From:	Stephanie Roberts – Manager – Financial Services Bryan Staunton – Chief Financial Officer
Approved:	Patricia Christie - Group Manager - Finance and Assurance
Approved Date:	Monday 10 November 2025
Open Agenda:	Yes

Purpose and Summary

The purpose of this report is to present the 2024/2025 Annual Report for Invercargill City Council for approval and signing.

Key Issues

At the time of preparing this report the key points are:

- Audit New Zealand are completing their final review processes.
- Audit New Zealand will be in attendance at the meeting.
- The delay in signing was expected as a result of the 2025 Council elections and was communicated to the previous Council.
- The Invercargill City Holdings Limited Audit was completed on 30 September 2025.
- The audit opinion from Audit New Zealand contains a qualification for the smooth travel exposure performance measure, this will only be for the comparative financial year (2023/24).

Summary Financial Results – Significant Changes

There have been a number of corrections made to the Council numbers that were presented at the Risk and Assurance meeting on 16 September 2025 and group consolidated numbers have now been included in the report.

Levels of Service Achievement

There have been no changes to the levels of service results previously reported.

Recommendations

That Council:

1. Notes that the Risk and Assurance Committee:
 - a. Has reviewed the draft Annual Report and recommends it for adoption.

- b. Has reviewed Audit New Zealand's draft audit opinion.
 - c. Has reviewed the Letters of Representation and recommends the Letter of Representation to Audit New Zealand for signing.
2. Notes that the draft of Audit New Zealand's opinion has a qualification regarding the 2024 smooth travel exposure performance measure.
3. Adopts the 2024/2025 Annual Report for Invercargill City Council.
4. Authorises the Mayor to sign the Audit New Zealand Letter of Representation for the 2025 Annual Report.
5. Authorises the Mayor and Chief Executive to sign the Statement of Compliance on page 35 of the 2025 Annual Report.
6. Authorises the Group Manager Finance and Assurance to make minor changes to the 2024/2025 Annual Report prior to publication, where necessary.
7. Notes that the draft 2024/2025 Summary Annual Report document is in the process of being prepared and audited pending the completion of the audit of the 2024/2025 Annual Report. Once this has been completed the following will occur:
 - a. To authorise the Chair of the Risk and Assurance Committee, Chief Executive and Group Manager Finance and Assurance to release the Summary Annual Report document for signing on receipt of the Audit Report from Audit New Zealand.
 - b. To authorise the Mayor, Chief Executive and Group Manager Finance and Assurance to sign the Compliance Statement.
 - c. To authorise 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. To authorise the Group Manager Finance and Assurance to make changes necessary to the Summary Annual Report document for publication.

Background

Audit Process

The audit team are currently finalising their review process. We expect that Audit New Zealand will issue their audit opinion by 11 November 2025.

The significant matters arising from the audit are:

- The revaluation of roading, operational land and buildings, and investment property assets.
- Extensive testing of the smooth travel exposure measure that has been qualified for the past two financial years in an effort to remove the qualification.
- The drinking water safety measure required additional reporting from Lutra. This has now been resolved.
- Recognition of vested assets.
- Understatement of remaining useful lives of Three Waters assets revalued in 2024 resulting in an overstatement of depreciation on Three Waters assets.

Preparation of Annual Report

The Annual Report for Invercargill City Council has been prepared for adoption at the Council meeting on 11 November 2025.

At the time of writing Invercargill Central Limited, Invercargill City Charitable Trust and Great South have had their audits completed. Te Kupeka Tiaki Taoka Southern Regional Collection Trust is yet to be audited pending confirmation from the Audit New Zealand Technical Team of the audit requirements for this entity.

Preparation of Summary Annual Report

The draft Summary Annual Report is in the process of being prepared.

The summary is a simplified view of the two major areas of the Annual Report namely the Our Activities section and the Financial Management section. It also includes an extract from the prudential reporting section of the Annual Report.

The draft is currently being finalised and audit will review it once the audit opinion is provided on the main document. A delegation to the Committee Chair, Chief Executive and Group Manager Finance and Assurance is sought to approve the summary for signing and publication within statutory time limits.

Invercargill City Holdings Ltd Group Annual Report

The Invercargill City Holding Limited (ICHL) Group Annual Report was signed on 30 September 2025.

Audit Representation Letters

Separate Audit Representation letters are required for the full Annual Report and the Summary Annual Report. The Representation letter for the full Annual Report is attached as Attachment 3.

The Audit Representation letter is provided by Council in connection with the audit of the financial statements and activities and services statements of Invercargill City Council for the year ended 30 June 2025 for the purpose of expressing an opinion on the information presented. The audit is carried out by Audit New Zealand on behalf of the Auditor General.

To provide Council with additional assurance over the representations which it is being asked to make, management has initialled the representations Council are making to Audit New Zealand. This is included in Attachment 2.

Audit Opinion

An unmodified audit opinion will be issued in relation to all audited information, excluding the Statement of Service Performance (Attachment 4). A qualified opinion is expected for the Statement of Service Performance only, for 2024.

The Statement of Service Performance qualification is a limitation of scope in relation to the 2024 performance measure for smooth travel exposure. The qualification is due to the age of

traffic count data and estimates. Audit New Zealand will give a full opinion in relation to all other aspects of the financial statements.

Council have adopted a number of the proposed recommendations by Audit New Zealand in the 2024 Management Letter in the preparation of the 2025 Annual Report.

Issues

Summary of Changes Since 16 September Risk and Assurance Committee

The draft 2025 Annual Report presented to the Risk and Assurance Committee on 16 September 2025 did not include group consolidated financial information. It was indicated that the Council draft numbers were subject to change. The reconciliation between the two versions are outlined below.

Net Operating Deficit After Tax (16 September)	(2,725)
<i>Changes since:</i>	
GST on revenue correction	(673)
Sundry adjustments	(52)
Three Waters depreciation correction	3,182
Net Operating Deficit After Tax (7 November)	(269)
Other comprehensive income – 16 September	125,289
Land under roads – deemed value	45,046
Other comprehensive income – 7 November	170,335
Total Comprehensive Revenue & Expense – 7 November	170,066

Summary Financial Results

The Annual Report document (Attachment 1) financial results are summarised below:

- Council had an operating loss (before the revaluation of property, plant and equipment and investment property) of \$0.3 million, which is \$9.2 million better than 2024 (loss of \$9.5 million) and \$1.7 million better than planned.
- Council's total comprehensive revenue and expenses (after revaluations) was a surplus \$170.1 million which was \$106.5 million better than 2024 (surplus of \$63.6 million) and \$109.3 million better than planned. This was the result of the revaluation of roading assets. The large increase in the roading valuation was due to a change to the valuation methodology used and an increase in unit rates, and useful lives resulting from an independent valuation. Previously the valuation of roading assets has been prepared inhouse and peer reviewed. Now unit rates are more aligned with other comparable councils.
- The Group had a profit after tax of \$12.4 million which is \$20.2 million higher than 2024. The 2025 result was due to the surplus from discontinued operations of \$21.5 million from the sale of Pylon Limited by the ICHL group.

- The Group has total comprehensive revenue and expenses of \$187.0 million which was \$121.3 million higher than 2024 (surplus of \$65.7 million). The primary reason for the increase is the revaluation of Council's roading assets.
- The Council is reporting total assets of \$1.56 billion, an increase of \$178.6 million on the \$1.38 billion in 2024.
- Council has borrowings of \$154.8 million being the equivalent of \$5,668 per property in the city. This is an increase on the \$152.1 million of borrowings outstanding in 2024 (\$5,591 per property).

The Council operating loss is \$1.7 million better than planned due principally to higher-than-expected inflation, insurance and interest costs along with changes to staffing levels which were offset by lower depreciation. Subsidies, grants and direct charges were lower than planned however this has been offset by an increased dividend received from Invercargill City Holdings Limited.

Prudential Measures

Please refer to Attachment 1 and this is summarised below:

Council has met six out of eight of these benchmarks in 2025. This is one higher than in 2024. The ratios that were not met were:

- Balanced budget benchmark 99.7%
- Operations control benchmark 94.6%

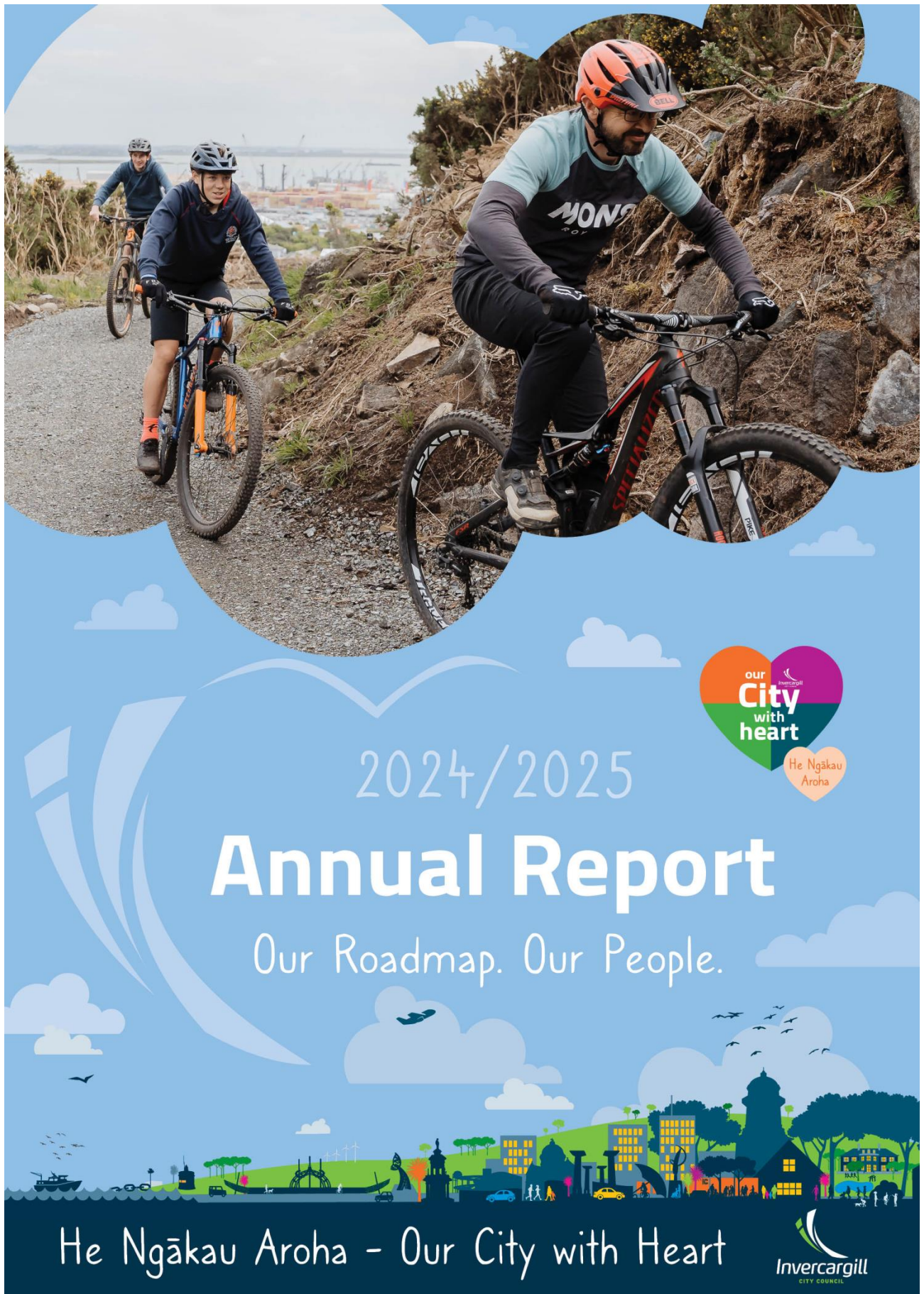
Next Steps

Prior to the Council meeting, staff are expecting to:

1. Receive the final Audit New Zealand audit opinion.
2. Continue drafting the Summary Annual Report.

Attachments

1. ICC 2024/25 Annual Report (A6199825)
2. Letter of Representation from Management to Council on the Annual Report (A6192355).
3. Letter of Representation from Council to Audit New Zealand (A6199336)
4. Draft Audit Opinion (A6199508)



Front Cover: Te Wahi Tākaro o Motupōhue – Bluff Adventure Park

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Invercargill introduced Nau mai ki Waihōpai



Extending from Makarewa in the north to Bluff in the south, Kennington in the east and Ōreti Beach in the West, the Invercargill district encompasses an area of 49,142 hectares. Landscape features of importance to the community include Bluff Hill (Motupohue) and an extensive network of waterways which bisect the district. The urban areas of Invercargill and Bluff contain extensive areas of open space as well as distinct heritage buildings.

Statistics New Zealand estimated the population of Invercargill in 2024 at 57,600.

Recent forecasts show a maximum expected population in 2033 of 63,300.

The district's coastal location provides a mild climate with long summer daylight hours and defined seasonal variations. The average annual temperature is 9.9°C with 1,614 sunshine hours. Rainfall averages 1,112mm/year and is spread evenly through the year.

All figures are GST exclusive unless otherwise stated

Introduction

Tīmatanga kōrero



Welcome to the Invercargill City Council's Annual Report 2025

The introduction to this report describes the city we live in and its vision for the future. It includes a message from Invercargill Mayor Nobby Clark and Council Chief Executive Michael Day, reflecting on the Council's achievements over the past year.

Introduction

What is the Annual Report?

The Annual Report outlines how Council has performed in delivering its services to the community and in managing its finances to enable that delivery. The Annual Report includes a summary of performance showing how we have done in delivering the Council's levels of service laid out in the Long-term Plan. It also includes our statements of financial performance for the year, showing how Council and our Council controlled organisations, have managed income and expenditure for the period.

Mayor's comment

Ngā kōrero a te Koromatua



2024/2025 has been a busy and productive financial year for Invercargill City Council, as well as being my last full year as Mayor.

Significant milestones for delivery of landmark project, Te Unua – Museum of Southland, have been achieved. I am hugely proud of this project and look forward to enjoying the facility with the community when it opens.

Our beautiful parks continue to be recognised with Queens Park again receiving Garden of National Significance accreditation and Bluff Adventure Park – Te Wahi Tākaro o Motupōhue officially opening. A number of key infrastructure renewals have been completed including Surrey Park Grandstand, toilets at Queens Park, Russell Square and Stirling Point and the upgrade of the path at Te Moutere Tuatara facility.

Splash Palace improvements continue with replacement of the pool flooring tiles and improvements to the entrance. The weighbridge at the transfer station has been replaced, mobility parks added at Salford School and repair work completed on the Wachner Place clock workings.

The groundwork has been laid to enable Council to continue to deliver water services in house, which will be a major focus for the year ahead.

All of this has been achieved while our Council has focused on keeping rates increases down and while also maintaining our AA+ Fitch Rating. It is pleasing to be leaving Council knowing this term we have done our bit to leave the city in good order for the next generation.

A handwritten signature in blue ink, appearing to read 'Nobby Clark'.

Nobby Clark
Mayor of Invercargill

Chief Executive's comment

Ngā kōrero a te tāhuhu rangapū



It has been a challenging financial year with impacts of high Local Government inflation, additional work and a large amount of regulatory change impacting Council operations.

With all those challenges it is pleasing to see Council's performance has been maintained over the year with 71% levels of service being met, similar to the 72% achieved last year. Creating a performance focused organisation that is efficient and effective for our Community is the key focus for Council's executive leadership team. Significant progress has been made in this area over the last financial year. The foundations are being laid for further rollout of more consistent reporting and processes improvements focusing on achieving an even more efficient organisation for our Community.

It's pleasing to see the continued effective financial management of Council reflected in our low cost of debt and in the maintenance of our AA+ credit rating. 2024/2025 was our largest ever year for capital delivery and as planned our capital spend and level of debt has been increasing to fund this programme. It is worth noting our strategy still has us in a phase of deficits to help smooth rates increases, but this is drawing to an end.

We completed community consultation on the new Water Services Delivery Plan and this new approach, delivered by Council with the support of enhanced governance structures will be implemented over the next two years. Our water, stormwater and sewerage services continue to perform well with all targets being achieved.

I'd like to take this opportunity to thank the team once again for all their mahi over what has been a challenging but productive year of delivery of quality services for the community.

Michael Day
Chief Executive

Elected Members

Kōwhiri huānga

The Invercargill City Council is chosen by the Invercargill public in elections held every three years.*



Nobby Clark
Mayor



Tom Campbell
Deputy Mayor



Allan Arnold
Councillor



Ria Bond
Councillor



Trish Boyle
Councillor



Steven Broad
Councillor



Alex Crackett
Councillor



Grant Dermody
Councillor



Peter Kett
Councillor



Darren Ludlow
Councillor



Ian Pottinger
Councillor



Lesley Soper
Councillor

What is Council and what does it do?

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



Barry Stewart
Councillor



Evelyn Cook
Waihōpai Rūnaka
Representative



Pania Coote
Te Rūnanga o Awarua
Representative

*There was a by-election 4 August 2023 as a result of Nigel Skelt resigning on 4 May 2023 and Steven Broad was voted in as the new councillor.

Māori Capacity to Contribute to Decision Making

The role of Māori, and Kāi Tahu (Ngāi Tahu), as Takata Whenua, as represented by Waihōpai Rūnaka and Te Rūnanga o Awarua, as a partner of Council is recognised.

Council lays out its commitment to capacity building for Māori in decision making and engagement with Māori in its Significance and Engagement Policy.

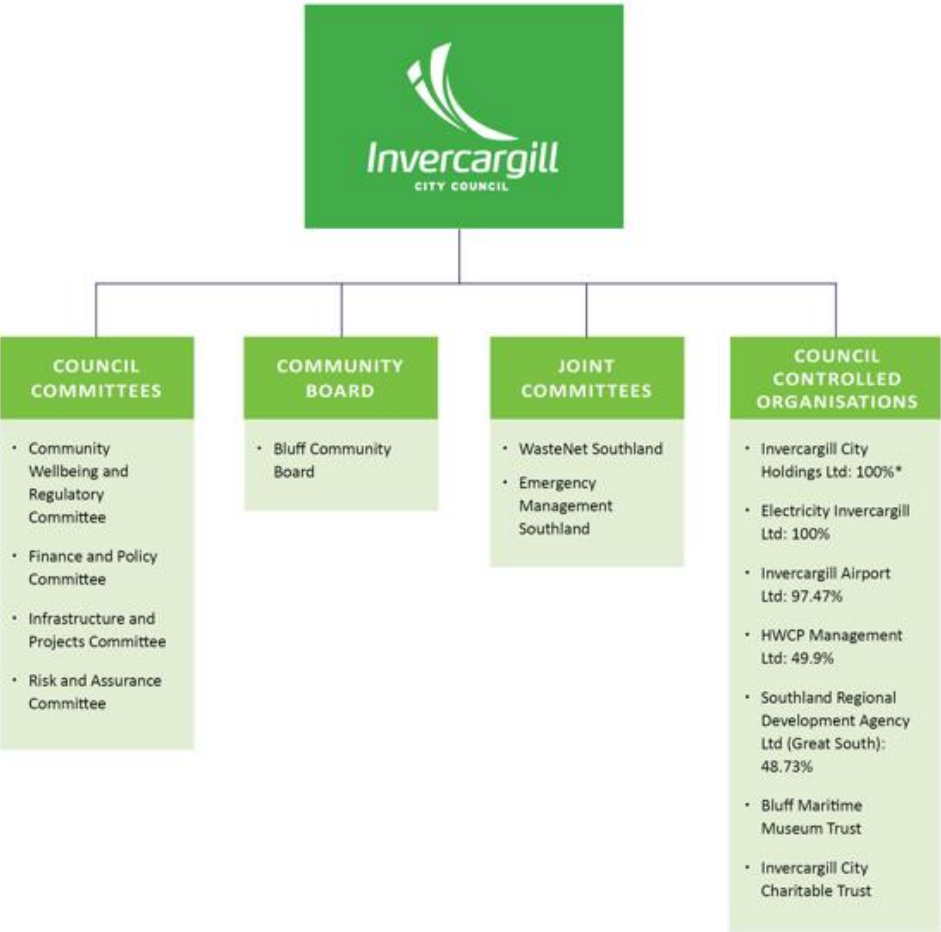
Mana Whenua representatives for both Waihōpai Rūnaka and Te Rūnanga o Awarua have places on its standing committees. This has enabled Mana Whenua to have a voice as part of decisions across the wide range of business which Council has undertaken over the year.

Council has worked in partnership with both Rūnaka on a range of projects including Te Unua – Museum of Southland and the opening of Te Wahi Tākaro o Motupōhue – Bluff Adventure Park.

Council has continued to work closely with Te Ao Mārama Inc to ensure that our responsibilities under the Local Government Act and the Resource Management Act are met and the needs and interests of Takata Whenua as kaitiaki of the takata, whenua, wai and taiao are understood and represented.

Council Structure (at 30 June 2025)

Te hanganga kaunihera



Invercargill Venue and Events Managment Limited is an exempt Council Controlled Organisation (CCO). This was removed from the New Zealand Company Register 21 May 2024.

Invercargill Property Limited amalgamated with Invercargill City Holdings on 3 July 2024.

Te Kupeka Tiaki Taoka - Southland Regional Collections Trust ceased to be a CCO in June 2024, following changes to it's Trust deed.

Invercargill City Council withdrew from the Southland Regional Heritage Committee as at 31 October 2024. The committee still exists.

*Refer to Group Structure on page 112.

Highlights

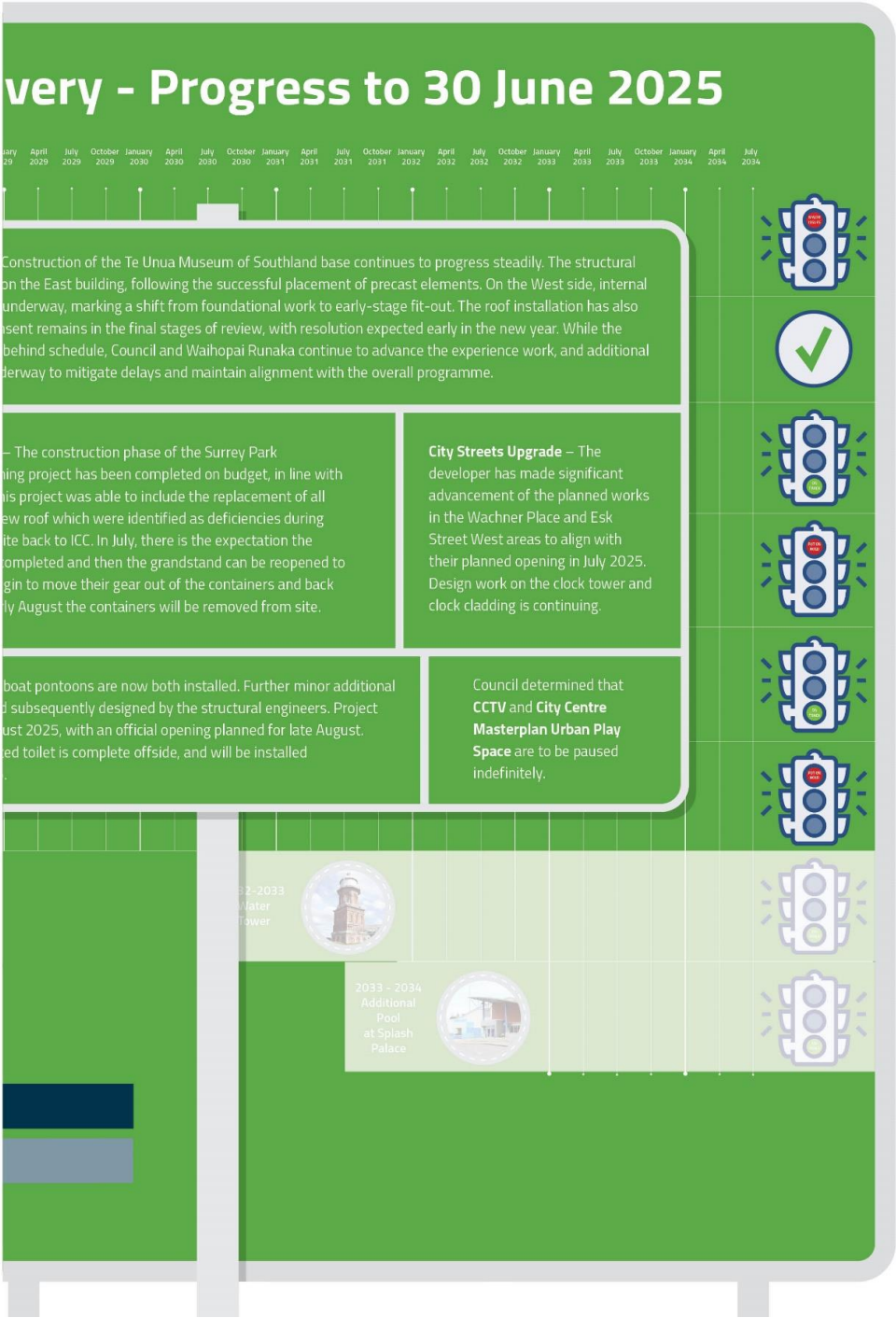
Ngā kaupapa nui

The Council provides the services needed to keep the city running, including supplying water, removing wastewater and collecting rubbish. In addition to leading many significant rebuild projects, it carries out large infrastructure, building and community projects as part of its long-term programme to improve the city. Outlined below are some of the highlights of the past year.

Highlights – Financial Overview



Highlights – Financial Overview



Financial Overview

Overall Result – Council

Council had an operational deficit after tax of \$0.3 million, including vested assets contribution of \$2.3 million, which was \$1.7 million better than the planned deficit of \$2.0 million and was \$9.2 million better than the 2024 deficit. Revaluation gains on roading assets and operational land and buildings and carbon credits, less the devaluation of derivatives, contributed a further \$170.3 million to Council's overall result.

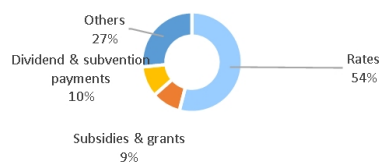
The results for the year ended 30 June 2025 have been impacted by continued higher than expected inflation and increases to insurance premiums reflecting the worldwide trends in insurance risk and rising asset replacement values. Direct charge revenue has been lower than expected due to users being more mindful of the economic conditions and lower than planned funding was received from subsidies and grants revenue. These reductions were offset by an additional dividend received from the Invercargill City Holdings Limited.

Council's total assets have increased to \$1.56 billion while liabilities are \$182.1 million.

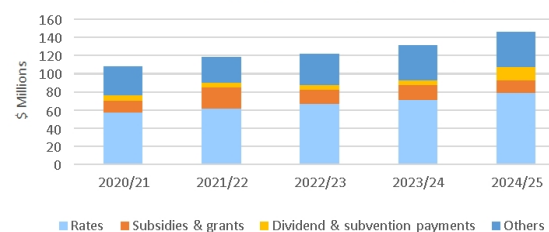
Overall Result – Group

The Group had an operational deficit before tax of \$10.2 million which is \$4.2 million better than 2024 result. Group total assets have increased by \$90 million to \$1.70 billion while liabilities are \$215 million.

Source of Revenue - 2024/25



Source of Revenue - 2024/25



Total Revenue (excluding gains) of \$148.1 million was \$4 million lower than budget and \$17 million higher than 2023/2024.

The revenue increase for 2024/2025 compared to 2023/2024 reflects the impact of the growth in the number of rating units within the city as well as the rates charges for the year. An additional two dividend income payments were also received from Invercargill City Holdings Limited. This was partly offset by lower subsidy and grant revenue received based on timing of government funding received for capital projects as well as lower interest received on the Invercargill City Holdings Limited and Invercargill Central Limited advance investments due to repayments received on the balances.

The variance to budget was due to an additional dividend received from Invercargill City Holdings Limited. This was offset by changes from the NZTA approved operational and capital subsidy programmes for the 2024-2027 period which was received after Long-term plan adoption; lower interest revenue received from the short-term advances to Invercargill City Holdings Limited and Invercargill Central advance due to repayments received during the year; and reductions on various fees & charges revenue across multiple activities.

Over the past five years

- Rates revenue has slowly increased, with increases in both the number of rating units and higher rates charges.
- Subsidies and grant revenue has been reducing over the years since 2021/2022 with less government funding available to contribute towards capital projects.
- Other revenue has been gradually increasing over the years and reflects inflation adjustments to fees and charges rates.
- Dividend revenue has been consistent over the years except for in 2024/2025 when 2 additional dividends were received from Invercargill City Holdings Limited

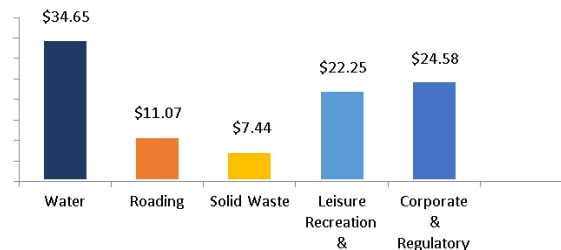
Highlights – Financial Overview

Where do my rates go?

On average for every \$100 of rates spent, this is where the funds go

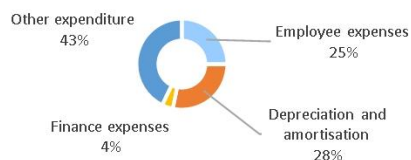
- \$34.65 goes to the three waters (water supply, stormwater and wastewater);
- \$11.07 goes to roading activities
- \$7.44 goes to solid waste.
- \$22.24 goes to Leisure Recreation & Wellbeing Services which includes our parks, libraries, aquatic and venue activities; and
- \$24.58 goes Corporate & Regulatory Services which includes property, regulatory and investments activities.

Where on average every \$100 of rates will be spent

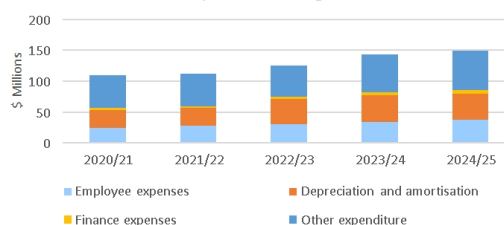


Total expenditure

Expenditure Categories - 2024/25



Expenditure Categories - 2024/25



Expenditure (excluding depreciation) of \$107 million, was \$1.0 million lower than budget and \$6.2 million higher than 2023/2024. This is principally the result of changes to staffing levels and additional other expenditure from high inflationary pressures and increased insurance premiums that reflects world-wide trend in insurance risk and rising asset replacement values.

Employee expenses of \$37.4 million represents 24% of total expenditure which has increased compared to last year due to changes to staffing levels in particular to help the delivery of capital projects. Other expenditure includes \$45.3 million of direct operating expenses arising on other Council activities.

Finance costs of \$5.9 million on total borrowing of \$155 million reflect the increase amount borrowed to fund Council's capital programme.

Over the past five years

- Employee expenses have remained consistent for the five years being between 23-26% of total expenditure.
- Depreciation has increased markedly from \$29 million in 2020/2021 to \$42 million in 2024/2025 as a result of higher inflationary impacts on the revaluation of council assets.
- Other expenditure has been increasing over the past five years with higher external contractor costs for the delivery of services. 2023/2024 & 2024/2025 has also had high inflationary pressures and increased insurance premiums that align with international trends.

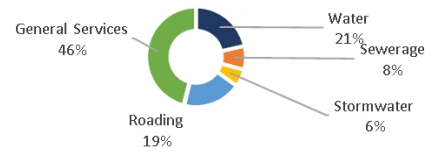
Highlights – Financial Overview

Capital expenditure

The Council has spent \$60.9 million on significant asset investment in the 2025 year including:

- Te Unua (Main Building) (Corporate and Regulatory Services)
- Branhholme pipeline (Water)
- Esk Street West (Roothing)
- CCTV (Roothing)
- Surrey Park Grandstand renewals (Leisure, Recreation and Wellbeing Services)

Capital Expenditure - 2024/25



Over the past three years Council has delivered \$161.5 million of capital expenditure which is a significant increase on the \$139.1 million that was delivered from 2018-2022 (5 years previously).

Financial prudence benchmarks

Te Whakaaro Whakatūpato ā-pūtea

Council has financial ratios which form a key part of its financial risk management strategy.

Council is required under the Local Government (Financial Reporting and Prudence) Regulations 2014 to report on the affordability and benchmark ratios, in addition, we are required to comply with ratios contained in our funding agreement with the Local Government Funding Agency.

Council has met six out of the eight benchmarks in 2025. The ratios are as follows:

Rates (Income) affordability – met	Debt servicing benchmark – met
Rates increase affordability – met	Debt control benchmark – met
Debt affordability benchmark – met	Operations control benchmark – not met
Balanced budget benchmark – not met	
Essential services benchmark – met	

These ratios and benchmarks enable the reader to determine that Council is prudently managing its revenues, expense, assets, liabilities and general financial dealings.

Disclosure statement - Council

Annual report disclosure statement for the year ending 30 June 2025.

What is the purpose of this statement?

The purpose of this statement is to disclose Council’s financial performance in relation to required benchmarks in order to assess whether Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Should you require more information, including definitions of some of the terms used in this statement, please refer to the regulations.

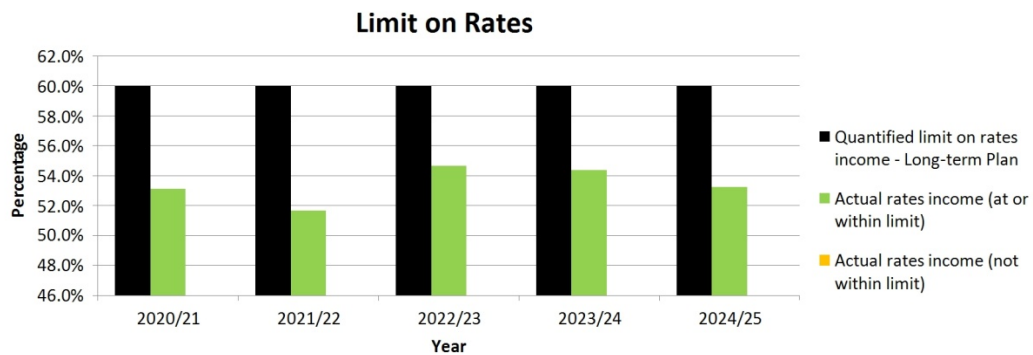
Highlights – Financial prudence benchmarks

Rates (Income) Affordability Benchmark

Council meets the rates affordability benchmark if –

- its actual rates income equals or is less than each quantified limit on rates income; and
- its actual rates increase equal or are less than each quantified limit on rates increases.

The following graph compares Council's actual rates income with a quantified limit on rates contained in the financial strategy included in Council's Long-term Plan. The quantified limit is rates revenue will not exceed 60% of total revenue.



Council aims to maintain the rates collected at a maximum of 60% of the total Council revenue. Council has achieved this over the last five years.

	2020/21	2021/22	2022/23	2023/24	Year of Annual Report 2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Total rates revenue - Annual Report	57,573	61,313	66,548	71,292	78,860
Other income - Annual Report	50,835	57,349	55,203	59,798	69,241
Total income - Annual Report	108,408	118,662	121,751	131,090	148,101

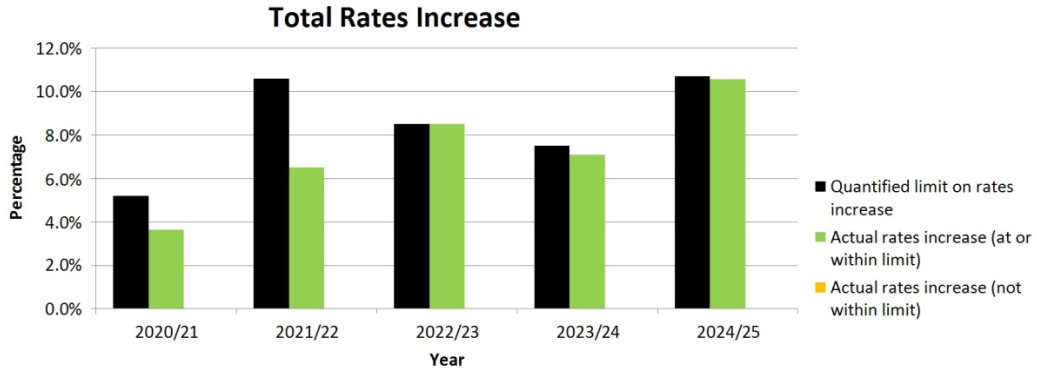
Highlights – Financial prudence benchmarks

Rates (Increases) Affordability

The Council meets the rates affordability benchmark if -

- its actual rates income equals or is less than each quantified limit on rates income; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

The following graph compares Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in Council's Long-term Plan. The quantified limit is that "Rates increases will not exceed the Local Government Cost Index (LGCI) plus 3%.



Council has met the limits over the last five financial years. For 2022/2023 the increase in the rates revenue was 8.5% equalling the limit. While there was a lower rate increase for existing ratepayers, rates revenue increased by 8.5% due to growth in the rating base.

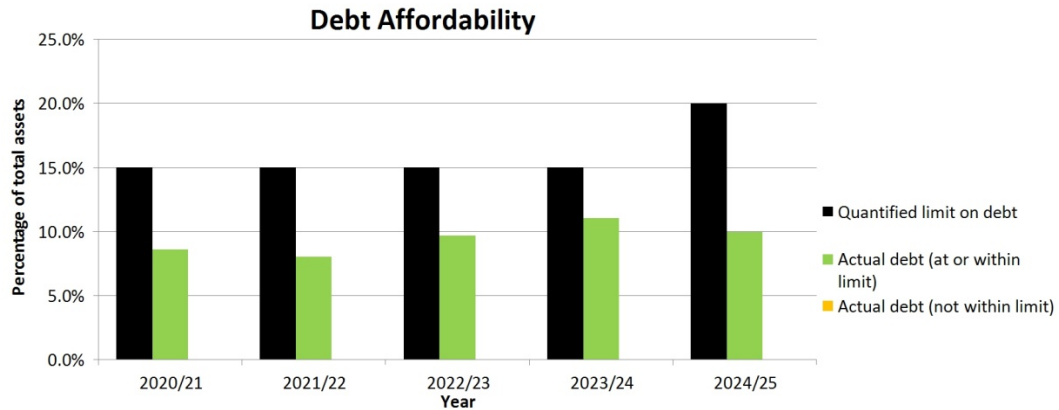
	2020/21	2021/22	2022/23	2023/24	Year of Annual Report 2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Total rates revenue - Annual Report	57,573	61,313	66,548	71,292	78,860
LGCI (Local Government Cost Index)	2.2%	7.6%	5.5%	4.5%	2.7%
Additional limit	3.0%	3.0%	3.0%	3.0%	8.0%

Highlights – Financial prudence benchmarks

Debt Affordability Benchmark

Council meets the debt affordability benchmark if its actual borrowings is within each quantified limit on borrowing.

The following graph compares Council's actual debt with a quantified limit on borrowing stated in the financial strategy included in the Council's Long-term Plan. The quantified limit is that "Debt will not exceed 15% of total assets up to 2023/2024 and 20% of total assets in 2024/2025".



Council has a low percentage of debt in relation to total assets, and is mindful of keeping debt to a manageable level. Council reviewed the benchmark limit as part of the Long-term Plan 2024-34 and increased the limit from 15% to 20% from 2024/2025 and considers that setting a borrowing limit of 20% of assets will assist in prudently managing Council's borrowing activities to ensure the ongoing funding of Council.

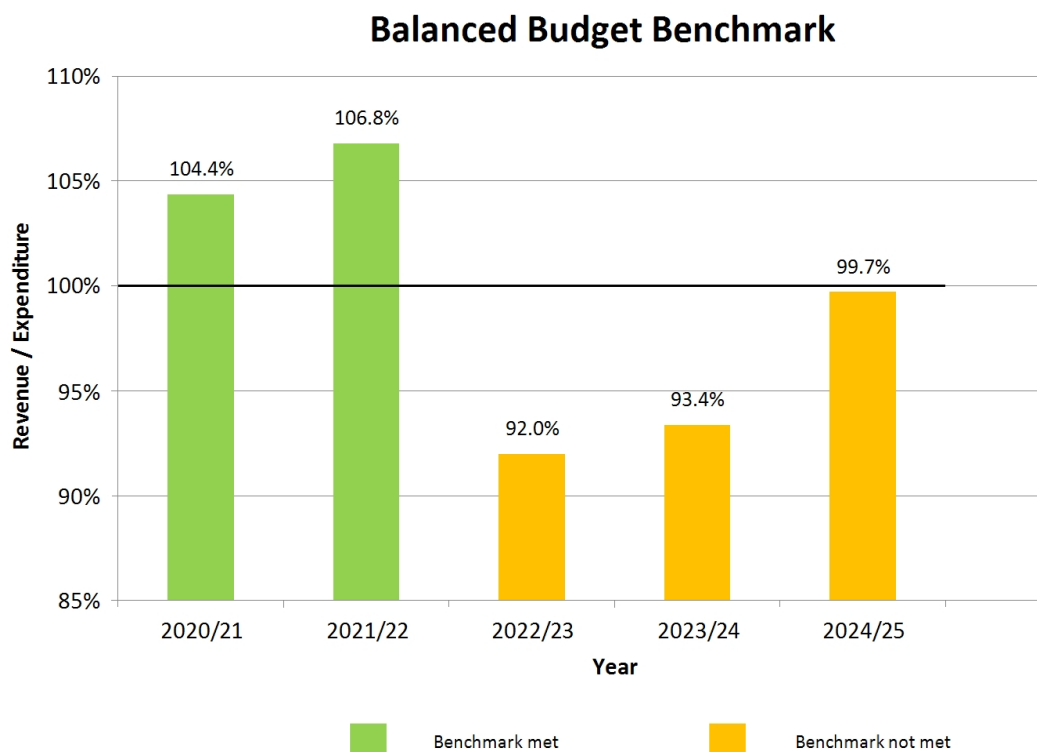
	2020/21	2021/22	2022/23	2023/24	Year of Annual Report 2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Total assets - Annual Report	1,036,308	1,267,980	1,287,378	1,376,630	1,555,219
External borrowing	89,222	102,062	124,499	152,146	154,771

Highlights – Financial prudence benchmarks

Balanced Budget Benchmark

The following graph displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment).

Council meets this benchmark if its revenue equals or is greater than its operating expenses.



* Council did not operate development contributions and financial contributions in 2024/2025. Excludes vested assets, gains on derivative financial instruments and revaluation gains.

^ Excludes - Losses on derivative financial instruments and revaluations of property, plant and equipment such as investment properties which are revalued at fair value through profit and loss.

Note: Only revaluations of property, plant and equipment are excluded. Forestry revaluations and gains/losses on investments are included.

Council is aware of the issue of affordability and financial sustainability. Council revenue has been greater than its operating expenses for two of the past five years. Council continues to investigate efficiencies to reduce expenditure and increase other revenue, and by doing so reduce the revenue needed from rates.

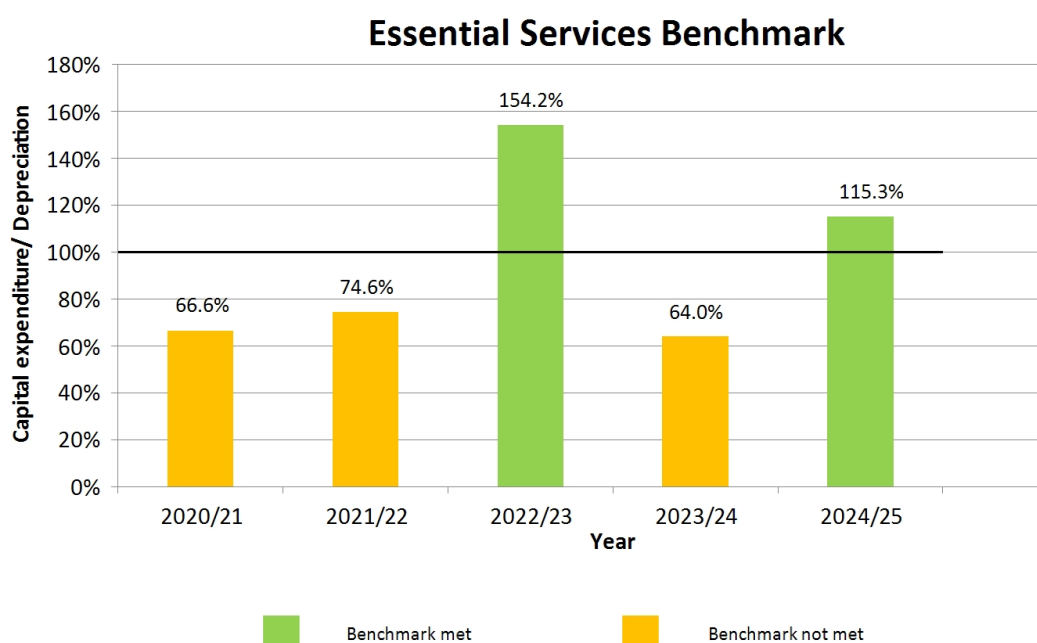
The breaches in 2022/2023 to 2024/2025 are the result of the significant increase in depreciation as a result of the revaluation of property, plant and equipment at 30 June 2022. Council has had to face the challenge of balancing fully funding the depreciation increase on the infrastructure network assets against rates affordability and has agreed to progressively smooth rates increase over time.

Highlights – Financial prudence benchmarks

	2020/21	2021/22	2022/23	2023/24	Year of Annual Report 2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Total revenue (excluding *)	113,896	120,237	123,157	134,507	149,111
Total expenditure (excluding ^)	109,140	112,601	133,905	144,040	149,529

Essential Services Benchmark

The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services. Council meets this benchmark if its capital expenditure on network services equals or is greater than the depreciation on network services.



* Capital expenditure on network assets has been deemed to be additions to Infrastructural Assets as per Note 11.3: Property, plant and equipment.

^ Depreciation on network assets has been deemed to be depreciation of Infrastructural Assets as per Note 11: Property, plant and equipment.

Over time Council's capital expenditure should equal its depreciation, which will mean that Council is replacing its assets as they deteriorate. However, due to some projects being large, it is hard to assess this on a year-by-year basis. During the 2020/2021, 2021/2022 and 2023/2024 years, Council spent less on capital expenditure than depreciation. This was largely due to some capital projects scheduled to be completed within the year being started but not completed until the following year.

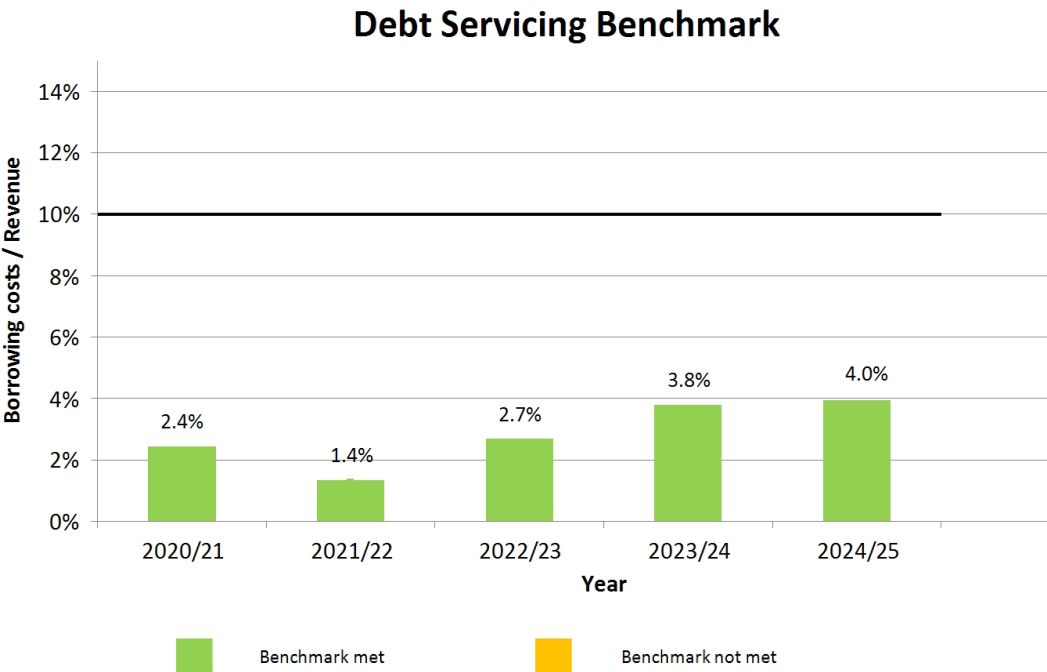
	2020/21	2021/22	2022/23	2023/24	Year of Annual Report 2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Capital expenditure additions *	14,547	16,402	48,499	20,986	36,876
Depreciation ^	21,851	21,980	31,453	32,781	31,974

Highlights – Financial prudence benchmarks

Debt Servicing Benchmark

The following graph displays Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Because Statistics New Zealand projects that Council's population will grow as fast as the national population is projected to grow, it meets the debt servicing benchmark if it's borrowing costs equal or are less than 10% of its revenue.



Council's cost of debt is well under the legislative threshold of 10% of revenue. Total borrowing has increased over the last five years as Council incurs higher capital expenditure related debt. This has been largely offset by Council's cost of borrowing remaining low as a result of low market interest rates.

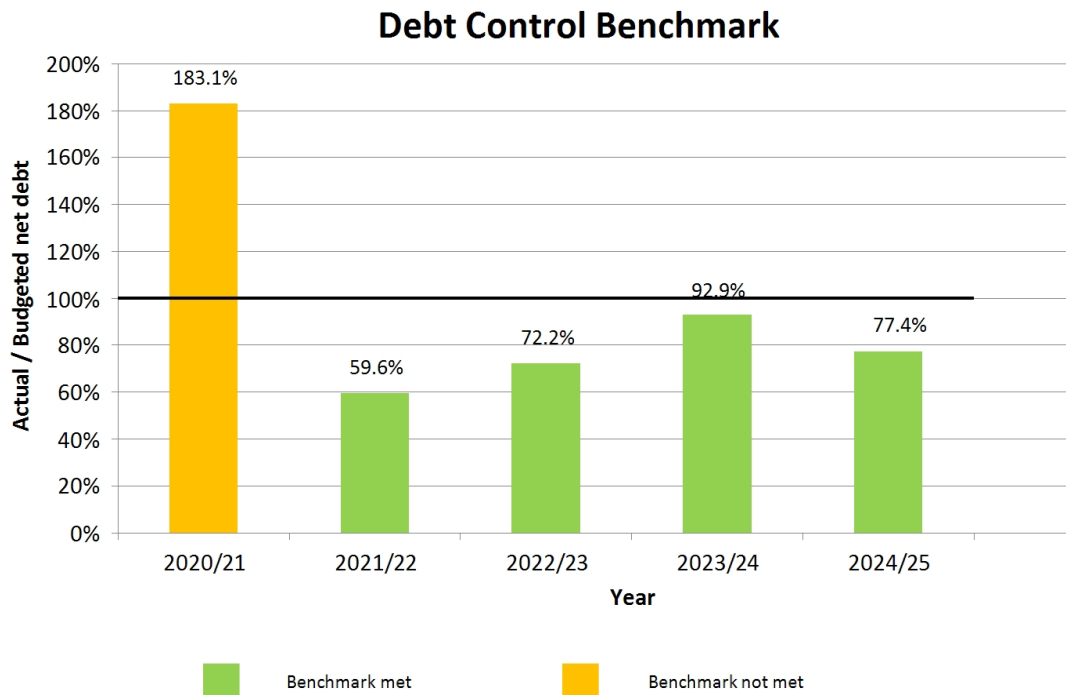
	2020/21	2021/22	2022/23	2023/24	Year of Annual Report 2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Borrowing costs *	2,767	1,627	3,266	5,077	5,896
Revenue (Balanced budget)	113,896	120,237	122,017	134,507	149,111

Debt Control Benchmark

The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement net debt means financial liabilities less financial assets (excluding trade and other receivables).

Council meets the debt control benchmark if its actual net debt equals or is less than its planned debt.

Highlights – Financial prudence benchmarks



Council's actual net debt position has consistently been below its planned net debt position due to the deferral of debt funded capital and infrastructure projects. In 2020/2021 the benchmark was not met due to:

- a) higher than planned trade and other payables balance which includes subsidy funding revenue received in advance but not spent for shovel ready and 3 waters stimulus projects; and
- b) purchase of shares within Invercargill City Holdings Limited to fund the City Centre investment.

	2020/21	2021/22	2022/23	2023/24	Year of Annual Report 2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Actual					
Financial assets - Annual Report *	54,418	59,314	60,318	72,740	57,012
Financial liabilities - Annual Report ^	111,151	117,371	143,182	167,732	175,821
Actual net debt	56,733	58,057	82,864	94,992	118,809
Planned					
Financial assets *	98,629	45,283	55,927	64,221	47,379
Financial liabilities ^	129,621	142,670	170,641	166,462	200,834
Budgeted net debt	30,992	97,387	114,714	102,241	153,455

* Financial Assets (excluding trade and other receivables) - as per Annual Report or Annual Plan (LTP) - Statement of Financial Position.

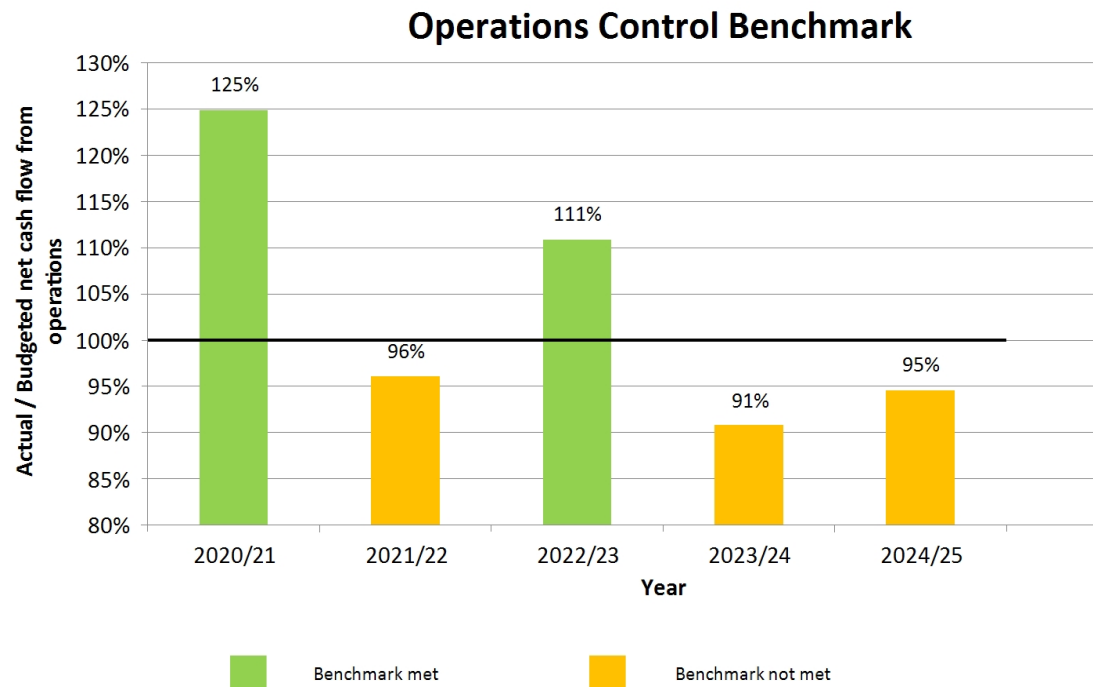
^ Financial Liabilities - as per Annual Report or Annual Plan (LTP) - Statement of Financial Position.

Highlights – Financial prudence benchmarks

Operations Control Benchmark

This graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Council has met the Operations Control benchmark, with actual net cash flows from operations higher than planned cashflows except for 2021/2022, 2023/2024 and 2024/2025. In 2021/2022, lower revenue was generated due to Covid restrictions and higher than planned expenditure including increased waste charges. For 2023/2024 general expenses were higher than budget due to higher Council payments for external services, insurance and utilities that have been impacted by inflation pressures within the economy.

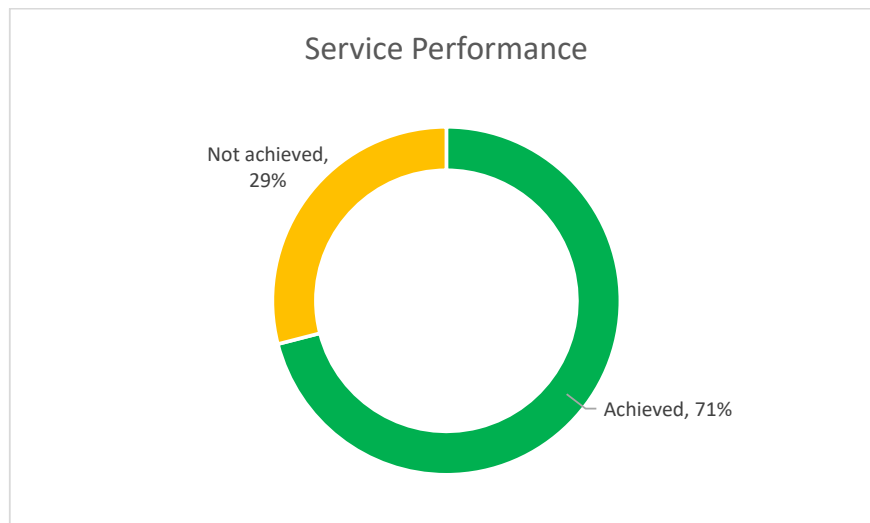
	2020/21	2021/22	2022/23	2023/24	Year of Annual Report 2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Actual net cash flows from operations	32,971	29,026	32,290	30,363	41,043
Budgeted net cash flows from operations	26,414	30,192	29,128	33,437	43,386

Summary of Service

Whakarāpopototanga o ā mātou mahi

Summary of Activities and Level of Service

The 2024–2034 Long-term Plan identified 40 levels of service and 116 measures against which performance would be measured for its activities. The levels of service identify areas of performance Council wanted to provide to its community and the measures are performance indicators as to whether the levels of service have been achieved.



In the graph above, 'Achieved' means that the 2024/2025 performance measure was met or exceeded – 71% (or 82 performance measures) met or exceeded their targets. 'Not achieved' means that the 2024/2025 performance measure was not provided to the target level – 29% (or 34 performance measures) were not provided to the target level. This compares to 72% achieved and 28% not achieved in 2023/2024.

This Annual Report details the performance measures and their achievement for the activities. Council's framework for success is the Long-term Plan, which is centred on the vision of, "Our city with heart - He Ngākau Aroha". The performance measures positively contribute towards Council's four Community Outcomes:

- Social wellbeing – One community – Our youth, older people, different neighbourhoods and communities' basic needs are met, and they feel valued and proud to live here.
- Cultural wellbeing – A vibrant, safe city centre which meets our people's diverse cultural needs.
- Economic Wellbeing – A future focused economy, delivered through innovation and partnership and supported by appropriate infrastructure.
- Environmental wellbeing – A healthy, resilient environment where the city is well positioned to navigate climate change.

Auditor's Opinion

Ngā korero a te kaitātari kaute

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

**To the readers of Invercargill City Council's annual report for the year ended 30 June
2025**

Statement of Compliance

Statement of Compliance

Statement of Compliance

Statement of Compliance

Statement of Compliance

Statement of Compliance

Statement of Compliance

Tauākī o ngā tūtohu

Council and its officers are responsible for the preparation of this Annual Report for 2024/2025.

This report has been prepared in accordance with the provisions of the Local Government Act 2002, and the Reporting Standards of the External Reporting Board (XRB).

This report was approved and adopted by a meeting of the Invercargill City Council on 11 November 2025.

It correctly reflects Council's financial position and operation results for the year ended 30 June 2025.

Council adopted this Annual Report on 11 November 2025 and complies with all statutory requirements in relation to the Annual Report.

T Campbell
MAYOR

M Day
CHIEF EXECUTIVE

Our Activities

Ngā ngohe

This section outlines all of the activities of Council and includes information so that the Community can see how we planned, managed, delivered and funded.

This section is divided into seven groups of activities:

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

The first five groups of activities encompass the infrastructural services role of Council. These are generally accepted as essential for a predominantly urban population. The cost of providing these five groups of activities accounts for over 50% of Council's rates charge.

Water

The Water activity is responsible for supplying potable water to residential, industrial and commercial properties to protect public health and support city growth.

Stormwater

The Stormwater activity manages the stormwater network of pipes, open drains and pumping stations for the collections and disposal of stormwater to protect property from flood damage. The activity also managed the tide protection banks around the Stead Street and Cobbe Road (rifle range) as part of the City's flood protection schemes.

Sewerage

The Sewerage activity provides a sewerage system to provide a sewage disposal service to each property in Invercargill, Bluff, Ōtātara and Omaui residential areas.

Roding

The Roding activity provides a safe, effective and efficient transport system and contributed to the social and economic wellbeing of the Invercargill District. This is achieved by providing a road network that enables safe travel within and through the district including the provision of cycleways and footpaths.

Solid Waste Management

The Solid Waste Management Activity manages the solid waste services including collection of kerbside recyclables, collection of kerbside landfill rubbish, the Solid Waste Transfer Station (resource recovery), landfill operations, public place and event waste management and minimisation, education, behaviour change and advocacy. The Council collaborates with Southland and Gore District Councils as a shared service called WasteNet Southland.

Leisure, Recreation and Wellbeing Services

Leisure, Recreation and Wellbeing Services include seven sub-activities. These are:

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

The Leisure, Recreation and Wellbeing Services group of activities cover a range of facilities, services and activities which Council provides to enhance community wellbeing. These are funded by a mixture of fees and charges, targeted and general rates.

Corporate and Regulatory Services

Corporate and Regulatory Services include five sub-activities. These are:

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

The Corporate and Regulatory Services group of activities cover a range of services and functions Council is required to undertake either because of legislation, or to ensure the responsible, timely and effective delivery of the Council business and activities. These are funded by a mixture of fees and charges, targeted and general rates.

Council activities

Statement of Service Performance 2024/2025

This and the following pages of the Annual Report constitute part of the Statement of Service Performance (pages 28, 36-40, 44-47, 50-51, 54-56, 59-62, 64-65, 68, 70-89, 94-104). Note 2.3 to the Financial Statements 146-147).

The Statement of Service Performance has been prepared in accordance with generally accepted accounting practice (GAAP).

Service performance judgements and assumptions

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

1. Service performance judgements and assumptions

Council's Levels of Service were developed through the 2024-2034 Long-term Plan process to provide meaningful measurable statements which show how Council is delivering on its community outcomes.

Council has seven groups of activities. They are groups of one or more related activities provided by Council. Some of these groups of activities are mandated by the Local Government Act 2002. Council has made the following judgments in the selection of Levels of Service and service performance measures found in each group of activities section:

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

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

- Community outcomes were developed by our Elected Representatives and Mana Whenua Representatives,

who determined the appropriate levels of services utilising guidance from officers and an indication of community priorities gathered through residents' survey and community workshops. Feedback from the community was then sought to finalise these.

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

Aggregation of performance measures against levels of service was undertaken on the basis of providing at least one meaningful measure per level of service.

2. Measuring performance

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

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

Under the Local Government Act 2002 we are mandated to provide standard performance measures so that the public may compare the level of service provided in relation to the following group of activities: water supply, sewerage and the treatment and disposal of sewage, stormwater drainage and the provision of roads and footpaths. DIA guidance has been followed in measuring performance against all mandatory performance measures. We demonstrate regulatory compliance for statutory measures (such as percentage of both building consents and resource consents applications processed within 20 statutory days).

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

As part of setting funding levels, the groups considered the impact on services and their related performance measures. Despite funding pressures across the group, management has determined it is possible to continue to provide services at current levels and the related performance measures do not need to be adjusted for funding reasons.

3. Residents Survey

There are thirteen satisfaction performance measures relating to Council facilities and services across nine activities. To

Our Activities – Statement of Service Performance

measure this, Council contracts an external professional research agency to deliver a Residents Survey. A consistent methodology is used for delivering resident satisfaction measures and the community is surveyed through the year. The results are reported quarterly and made available to the public on Council's engagement platform, Let's Talk

<https://letstalk.icc.govt.nz/>

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

The survey is designed by external research experts, based on best practice in survey design. The survey structure allows Council to measure changes in satisfaction over time. For example, questions are written so they are clearly understood by participants and neutral in tone; and response options provided are balanced and do not lead participants to respond in a certain way; they also cover all possible responses a participant may wish to provide. Neutrality is important which is why the survey is independently run.

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

Results are statistically accurate (+/- 5%) by the time of annual reporting. Where there is uncertainty in survey results due, for example to sampling error, this is often quantified and stated alongside the results. To minimise the risk of under representative sampling, best practice market research techniques are used across the spectrum of research including statistical weighting of the sampled population to ensure census level representation and surveys being designed to ensure minimal drop-out rates.

To minimise the risk of under representative sampling, best practice market research techniques are used across the spectrum of research including statistical weighting of the sampled population to ensure census level representation and surveys being designed to ensure minimal drop-out rates. Weightings are based on the 2023 Census.

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

4. External implications for statements about performance

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

example, materials required for critical infrastructure), volatility in international financial markets and other unforeseen considerations.

2024/25 Performance

Council successfully delivered on 82 of the 116 (71%) performance measures for the 2024/25 year, slightly below 2023/24 levels (71 out of 99 - 72%). These measures supported the delivery on the Council's community outcomes for social, cultural, economic and environmental wellbeing.

2024/25 was the first year of the 2024-2034 Long-term Plan (LTP). For 58 of the performance measures, no previous data has been reported.

2024/25 saw Council conducting its business in a challenging environment, trying to balance sustainable funding, regulatory reform and community expectation. Rising inflation and cost of living, higher interest rates, alongside regulatory and compliance changes and Central Government reforms have all impacted performance.

The Water, Stormwater and Sewerage Activities have continued to perform well, delivering on all performance measures. Council managed the three waters network effectively and responded to requests for service in a timely manner to ensure community wellbeing and environmental health.

Five of the six Roadway performance measures have been achieved. The number of fatalities and serious injury crashes exceeded the baseline figures. While driver behaviour is outside of Council's control, the annual figure is a concern. Council has undertaken campaigns/education efforts in this area, in partnership with Southland and Gore District Councils for a region-wide approach to the road safety for all modes (pedestrians, cyclists and motorists). However, central funding for road safety promotion has been reduced and Council had to adjust the reach of these programmes to match funding.

Performance of the Solid Waste Management Activity has been measured at a regional level, as determined in the 2024-2034 Long-term Plan. Four of the five performance measures have not met their targets. Remediation activities negatively impacted the regional discarded materials rate per person per annum. Recovery of recyclable materials (which measures the weight of actual recycled materials, not just those from the yellow bins) was slightly below target, however contamination rate has declined and the quality of recyclables has improved. This is likely an outcome of the kerbside standardisation measures introduced in February 2024. In addition, a recycle bin inspection programme was implemented by WasteNet in February 2025 to help ensure the contents of kerbside recycling meet the right standard. Levels of kerbside waste to landfill have been higher than expected and Council is currently considering options to reduce this.

For most Council services and facilities, user numbers have continued to increase from the lows over the Covid period. Significant increases from 2023/24 figures were seen in the park user counts which increased by almost 100,000 visitors to 1.36 million, and library users (including physical visitors and website engagements) (61,000 more users compared to 2023/24, reaching 523,400).

Our Activities – Statement of Service Performance

Throughout the year, Council saw strong demand for from local not-for-profit groups for both the Civic Theatre and Scottish Hall, with no demand from international/national not-for-profits. The overall venues performance also highlights the commercial popularity of these, with the Civic Theatre popular among national/international hirers and the Scottish Hall popular among local hirers. Rugby Park hireage consisted mostly of local commercial and national/international not-for-profit organisations, both of which exceeded their yearly target.

While the combined number of Council venues users has reached 1.52 users per head of population or 87,135 total users (ahead of the 1.1 users per head of population, or 63,000 user targets), the result is below 2023/24 levels (1.64 users per head of population/94,082 total users). The extent to which Council venues are used is largely influenced by individuals' own circumstances and entertainment preferences, with the rising cost of living playing a key role.

After two strong years, Splash Palace user numbers have declined slightly, particularly in the second half of the 2024/25 financial year due to maintenance shut downs, unplanned closures or adjusted hours due to staff availability. Despite this decline, learn to swim participation held firm at an average of 818 participants each quarter (total of 3,273 for the entire year), likely a result of enhanced marketing efforts and improved class quality.

Being responsive to the community is a priority for Council. During 2024/25, Council received 21,955 requests for service via various channels. 21,432 of these (or 98%) were under investigation or responded to within ten working days of being raised (18 points above the 80% target). While this demonstrates overall steady response timeframes to requests for service, activities such as Elderly Persons Housing marginally fell short of meeting its 100% target of responding to non-urgent requests for service in five working days. In the case of Elderly Housing, this was as a result of staff absence affecting the recording of the response timeframe rather than the service itself. The target for urgent requests for service for Parks and Recreation services completed within specified timeframes has also been missed (78%, with a target of 90%). This is a new measure for the activity and throughout the year, discrepancies have been identified in the way these requests are recorded, updated and consequently reported. The Parks and Recreation team have implemented a number of processes and training to ensure a consistent approach is applied to the way requests for service are recorded, including system updates and Council expects to see an improvement to response times.

Most Regulatory Services performance measures are statutory, with a target of 100% delivery. While the targets have been missed for building consents granted, non-notified resource consents not requiring a hearing granted and Code Compliance Certificates Issued, the activity remained substantially compliant, with results ranging from 94% to 99%. 56 food premises registrations were processed and 404 alcohol licenses not requiring a hearing were granted within the statutory timeframes. Council saw a significant increase in the number of Land Information Memorandum (LIM) Reports issued. 834 LIM reports have been issued in 2024/25, with 120 of these issued late (mainly during March and April 2025). From May 2025,

Council has been able to return to issuing under 10 working days.

Satisfaction is a complex multifactor indicator which reflects a large number of underpinning trends, including direct experience, word of mouth, experience vs. level of expectation which changes over time, background levels of general satisfaction, weather/ seasonal factors and many other things. The highest satisfaction levels were recorded for the library (75%), parks and recreation spaces (73%), and the Civic Theatre (71%). Although each fell short of its respective target, the results underscore the popularity and prominence of these facilities within the community.

Satisfaction with He Waka Tuia increased from 23% in 2023/24 to 54% in 2024/25. There was an increase in respondents who indicated He Waka Tuia was a good facility and/or had good exhibitions (including good children's exhibitions).

Satisfaction with the quality of the bus service and opportunities Council provides for community involvement in decision-making increased from 2023/24 levels, exceeding their targets. Comments on the bus service showed a significant increase in the number of people saying the service is 'good' (37%, up from 9% in 2023/24) and that the bus drivers are good (15% up from 2%). Commentary on the locations of bus stops, bus routes, convenience and bus timetable continue to be raised. Comments on the democratic process revealed a clear shift with more residents saying their dissatisfaction is linked to Council not listening and fewer saying that they were not aware consultation was happening.

Satisfaction with Splash Palace (65%), and cost of the bus service (57%) also increased in 2024/25 by nine points each however they did not reach their targets. Feedback on Splash Palace suggested satisfaction was driven by a range of different factors, some of which relate to known maintenance issues/ service expansion needs – layout/ changing rooms – which are planned in the programme to be addressed. Satisfaction with the cost of the bus service is likely to be further impacted by increased fees in 2025/26.

Overall, Council continued to ensure the provision of core services to the community while navigating a difficult economic landscape.

Our Activities – Statement of Service Performance

Summary of Income and Net Costs by Group of Activities

Group of Activity	Cost	Income	Net Cost	Net Cost	Net Cost
	Actual	Actual	Actual	Plan	Actual
	2025	2025	2025	2025	2024
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Water	6,666	3,828	2,838	2,206	3,762
Sewerage	4,537	2,389	2,148	3,821	2,401
Stormwater	2,699	64	2,635	2,776	2,693
Roading	8,829	4,350	4,479	3,872	1,348
Solid Waste Management	17,490	11,334	6,156	5,595	5,616
Leisure, Recreation and Wellbeing Services	27,181	10,573	16,608	15,561	15,525
Corporate and Regulatory services	42,442	28,831	13,611	15,347	18,955
Total cost of service delivery	109,844	61,369	48,475	49,178	50,300

Note: Actual Costs are total applications of operating funding includes internal recoveries. Actual Income is total operating funding including internal charges less rates revenue.

Summary of capital expenditure charged to Activities

Group of Activity	Capital Expenditure		
	Actual	Plan	Actual
	2025	2025	2024
	(\$000)	(\$000)	(\$000)
Water	11,582	13,665	9,937
Sewerage	4,127	4,244	3,244
Stormwater	3,036	5,091	2,538
Roading	10,240	16,413	10,400
Solid Waste Management	139	82	-
Leisure, Recreation and Wellbeing Services	5,737	7,407	9,200
Corporate and Regulatory services	24,731	35,575	13,535
Total cost of service delivery	59,592	82,477	48,854

Major capital expenditure variance explanations are provided for each activity in their individual "Explanation of significant variances" sections.

Our Activities – Statement of Service Performance

Summary of depreciation and amortisation expenses charged to Activities

Group of Activity	Depreciation and amortisation		
	Actual	Plan	Actual
	2025	2025	2024
	(\$000)	(\$000)	(\$000)
Water	6,656	7,614	6,860
Sewerage	7,081	8,801	7,883
Stormwater	4,824	5,123	4,609
Roading	13,661	13,589	13,586
Solid Waste Management	115	115	116
Leisure, Recreation and Wellbeing Services	4,075	3,842	3,859
Corporate and Regulatory services	5,697	7,954	5,756
Total cost of service delivery	42,109	47,038	42,669

Invercargill City Council: Funding Impact Statement

For the year ended 30 June 2025 Whole of Council

	Annual Plan 2023/24 \$ 000	Actual 2023/24 \$ 000	Annual Plan 2024/25 \$ 000	Actual 2024/25 \$ 000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	43,605	43,655	47,677	47,587
Targeted rates	27,532	27,637	31,184	31,273
Subsidies and grants for operating purposes	5,675	7,200	5,492	5,664
Fees and charges	27,379	21,721	31,409	28,291
Interest and dividends from investments	8,345	9,774	13,100	17,673
Local authorities fuel tax, fines, infringements, fees and other receipts	2,526	12,156	9,015	7,182
Total operating funding (A)	115,062	122,143	137,877	137,670
Applications of operating funding				
Payment to staff and suppliers	88,387	96,073	101,926	101,390
Finance costs	4,368	5,077	6,268	5,896
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	92,755	101,150	108,194	107,286
Surplus (deficit) of operating funding (A - B)	22,307	20,993	29,683	30,384
Sources of capital funding				
Subsidies and grants for capital expenditure	10,946	8,949	14,238	8,147
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	23,644	27,647	23,335	2,626
Gross proceeds from sale of assets	-	514	2,233	541
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	34,590	37,110	39,806	11,314
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	26,079	21,209	44,389	31,021
- to replace existing assets	26,079	27,646	38,088	28,570
Increase (decrease) in reserves	4,106	4,320	-	6,362
Increase (decrease) in investments	633	4,928	(12,988)	(24,255)
Total applications of capital funding (D)	56,897	58,103	69,489	41,698
Surplus (deficit) of capital funding (C - D)	(22,307)	(20,993)	(29,683)	(30,384)
Funding balance ((A - B) + (C - D))	-	-	-	-

A variance analysis of the Funding Impact Statements has not been undertaken at a whole Council level. Analysis has been undertaken at a Group of Activity level.

Water

Wai

The Water activity is responsible for supplying potable water to residential, industrial and commercial properties to protect public health and support city growth.

In urban areas potable water is supplied by means of reticulated (piped) community water supply.

What we have done

As with prior years, Council continues to meet its water quality standards. All Water performance measures are set by the DIA. At the end of 2024/25, all measures have met their annual targets.

The net costs of the activity for the year was \$2.8 million, down \$0.9 million on last year and higher than plan by \$0.6 million. Meter consumption was down by 4% compared to 2023/24 due to less tanker sales as a result of wet weather.

During the year \$11.6 million was spent on capital projects, up \$1.6 million on last year and lower than plan by \$2.1 million. \$4.9 million was spent on the Branhholme water pipe project which will provide a new pipeline from Branhholme to the Doon Street Reservoir – this is still in construction and is expected in to be completed in 2026 due to an 18-week delay caused by wet weather earlier in 2024/2025 financial year.

What we agreed with the Community

Community Outcome	Level of Service	Measure
Social Wellbeing	Drinking water quality meets standards to support human health	The extent to which the local authority’s drinking water supply complies with the following parts of the drinking water quality assurance rules: (h) 4.10.1 T3 Bacterial Rules; (i) 4.10.2 T3 Protozoal Rules; and (j) 4.11.5 D3.29 Microbiological Monitoring Rule (Invercargill and Bluff Zones)
Social/Economic Wellbeing	Council is responsive to the community in order to provide a safe, reliable supply of water, ensuring reticulated properties receive a continuous supply and providing sufficient water flow and pressure for fire fighting	The median response time for urgent callouts, (from the time the Council receives notification to the time that service personnel reach the site). The median time to resolve urgent callouts (from the time the Council receives notification to the time that service personnel confirm resolution of the fault or interruption). Attendance for non-urgent call-outs: from the time that council receives notification to the time that service personnel reach the site Resolution of non-urgent call-outs: from the time that the council receives notification to the time that service personnel confirm resolution of the fault or interruption. The total number of complaints received by Council per 1,000 connections about any of the following: Drinking water clarity, Drinking water taste, Drinking water odour, Drinking water pressure or flow, Continuity of supply and Council’s response to any of these issues.

Our Activities - Water

Environmental Wellbeing

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

The percentage of real water loss from the Council's networked reticulation system. (Calculated according to the methodology outlined in Water NZ Water Loss Guidelines publication).

The average consumption of drinking water per day per resident within the Invercargill City Council territorial district.

How did we measure up?

Measure	Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
The extent to which the local authority's drinking water supply complies with the following parts of the drinking water quality assurance rules ^{1 3} :					
(h) 4.10.1 T3 Bacterial Rules;	100%	100%	Achieved	All met - 100%	2023/24 Achieved 100% 2022/23: Achieved 100% 2021/22: Achieved 100% 2020/21: Achieved 100%
(i) 4.10.2 T3 Protozoal Rules;			Achieved	All met - 100%	2023/24 Achieved 100% 2022/23: Achieved 100% 2021/22: Achieved 100% 2020/21: Achieved 100%
(j) 4.11.5 D3.29 Microbiological Monitoring Rule - Invercargill Zone			Achieved	All met - 100%	2023/24 Achieved 100%
(j) 4.11.5 D3.29 Microbiological Monitoring Rule - Bluff Zone			Achieved	All met - 100%	2023/24 Achieved 100%
The percentage of real water loss from the Council's networked reticulation system. (Calculated according to the methodology outlined in Water NZ Water Loss Guidelines publication)	18.50%	Less than 30%	Achieved	17.9%	2023/24 Achieved 17.9% 2022/23: Achieved 18.5% 2021/22: Achieved 9.7% 2020/21: Achieved 9.6%
The average consumption of drinking water per day per resident within the Invercargill City Council territorial district ²	231 litres/day	Less than 300 litres/day	Achieved	239 litres per day	2023/24: Achieved 234 litres/day 2022/23: Achieved 231 litres/day 2021/22: Achieved 271 litres/day 2020/21: Achieved 389 litres/day (target less than 700 litres/day)
The median response time for urgent callouts, (from the time the Council receives notification to the time that service personnel reach the site).	28 minutes	4 Hours	Achieved	21 minutes	2023/24 Achieved 25 minutes 2022/23: Achieved 28 minutes ⁴ 2021/22: Achieved 25 minutes 2020/21: Achieved 22 minutes
The median time to resolve urgent callouts (from the time the Council receives notification to the time that service personnel confirm resolution of the fault or interruption).	2 hours 9 minutes	24 Hours	Achieved	1 hour 36 minutes	2023/24 Achieved 1 hour 45 minutes 2022/23: 1 hour 47 minutes ⁴

Our Activities - Water

Measure	Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
					2021/22: Achieved 1 hour and 26 minutes 2020/21: Achieved 1 hour and 28 minutes
Attendance for non-urgent call-outs (from the time that council receives notification to the time that service personnel reach the site)	4 days, 0 hours and 28 minutes	5 working days	Achieved	2 days, 2 hours and 18 minutes	2023/24 Achieved 3 days, 0 hours and 2 minutes 2022/23: Achieved – 4 days, 00 hours and 28 minutes ⁴ 2021/22: Not achieved - 5 days, 22 hours and 51 minutes 2020/21: Achieved - 4 days, 22 hours and 31 minutes
Resolution of non-urgent call-outs: from the time that the council receives notification to the time that service personnel confirm resolution of the fault or interruption	5 days 18 hours and 8 minutes	10 working days	Achieved	3 days, 2 hours 13 minutes	2023/24 Achieved 3 days, 22 hours and 19 minutes 2022/23: Achieved – 5 days, 1 hour 44 minutes ⁴ 2021/22: Achieved - 6 days, 4 hours and 14 minutes 2020/21: Achieved - 5 days, 1 hour and 8 minutes
The total number of complaints received by Council per 1,000 connections about any of the following: - Drinking water clarity - Drinking water taste - Drinking water odour - Drinking water pressure of flow - Continuity of supply - Council's response to any of these issues ⁵	1.82	<10 in total	Achieved	1.78 per 1,000 connections	2023/24: 1.02 Achieved 2022/23: 1.82 Achieved 2021/22: 2.11 Achieved 2020/21: 0.53 Achieved

Our Activities - Water

The details

1. The extent to which the local authority's drinking water supply complies with the relevant parts of the drinking water quality assurance rules

The Department of Internal Affairs updated this mandatory performance measure after the council had published our Long-term Plan, which sets our statement of service. The updated measure still covers the bacterial and protozoal compliance of water supplies but now is directly referenced to the relevant rules in the Drinking Water Quality Assurance Rules 2022. Our reporting is, therefore, against those rules.

No notifications of unsafe drinking water were made during the 2024/25 financial year to the Water Services Authority.

2. The average consumption of drinking water per day per resident within the Invercargill City Council territorial district

Average water consumption of drinking water litres/person/day within ICC

boundary = $\left(\frac{((\text{Total m}^3 \text{ water less metered use/tanker sales/leakage}) / \text{Connected population}))}{\text{days in the reporting period}} \right) \times 1000$

3. Calculation of drinking water compliance with the relevant parts of the drinking water quality assurance rules

Drinking water safety compliance has been prescribed from the T3 and D3 requirements of the DWQAR 2022 (revised November 2024). Where applicable, the result reported by Council has been calculated based on methodology and guidance indicated in the Department of Internal Affairs' supporting guidance for the drinking water performance measures. The final results have been subject to an independent audit by Lutra to satisfy that compliance has been achieved. This measure informs consumers and ratepayers on whether the water supplied to them is safe to drink.

Due to the size of the water supply and population it serves, Invercargill City Council reports on Level 3 Rules. The data necessary for this measure is sourced from the Branholme Water Treatment Plant.

Compliance with each of the three Rules is calculated based on the number of days where the rules were met and reported separately.

4. Attendance to and resolution of urgent and non-urgent callouts

Urgent call outs are defined as instances where there is danger to public health and safety and/or the potential of damage or loss to property and/or the service itself is disrupted. At times, a task may be determined as an emergency by the Engineer in order to align with response time requirements.

For Urgent call-out measures, Council reports on the median time (ie. middle point for the reporting period) from when call-out/request was received to when the site was attended and/or temporary repair is in place. This includes emergency, critical and urgent priority call-outs.

Non-urgent call-outs include work which is tasked to the contractor to be completed within the timeframe, and are generally classified as routine work (ie. They are not emergency, critical or urgent works).

For non-urgent call-out measures, Council reports on the median time (ie. Middle point for the reporting period), from when request was received to when the site was attended and/or permanent repair is in place.

Results for the 2022/2023 financial year for these four measures were recalculated after the 2024-2034 Long-term was adopted and published. This has been noted in the 2023/24 Annual Report.

5. The total number of complaints received by Council per 1,000 connections

Customers or contractors can make requests for service to the Invercargill City Council via the ICC-operated 24/7 call centre, email, in person, My Invercargill platform, the Antenno application, or through written requests. All received enquiries are logged as requests for service into the Pathway system in the area the call relates to (drinking water, sewerage, stormwater, roading etc.) Drinking water requests for service are reviewed by the Council's Infrastructure team to ascertain if they are a water clarity, taste, odour, pressure or continuity complaint. The measure is calculated as follows - Number of complaints per reporting period/Number of connections to the drinking water supply network) *1000

Our Activities - Water

Significant Capital Works Projects

Note	Project	2024/25 Long-term Plan (\$000)	2024/25 Actual (\$000)
1	Branxholme supply main renewal	7,123	4,973
2	Alternative water supply - New supply source	515	900
4	Pumping Stations - General renewals	88	214
5	Pumping Stations - Branxholme Duplication	103	93
6	Pipe Network - Reticulation general renewals	3,858	4,906
7	Pipe Network - Supply general renewals	1,236	160
8	Backflow protection programme	103	59
9	Leakage detection programme	103	-
10	New Tanker fill station at Doon St	515	74
11	Storage area for pipe spares	21	38

1. Branxholme supply main renewal - The Branxholme pipeline work was due to be completed by 2024/2025. Due to weather conditions, the project remains ongoing and is now expected to be completed in the first half of 2025/2026.
2. Alternative water supply – New Supply Source - Additional exploration and testing for an alternative water source has been required by the project during the year.
3. Pumping Stations – General Renewals - Additional amount of plant and equipment renewal work has been required during the year above what was planned for the year.
4. Pumping Stations – Branxholme Duplication - Design work for the Branxholme duplication pump station has been completed with construction to commence in 2025/2026.
5. Pipe Network – Reticulation general renewals - Some additional pipe renewals were able to be completed during the year compared to the Long-term Plan 2024/2025.
6. Pipe Network - Supply general renewals - Parts of this renewal was superseded by the Branxholme supply main renewal project.
8. Leakage detection programme - Leakage detection was not able to be undertaken due to contractor availability.
9. New Tanker fill station at Doon St - Design work for the new tanker fill station has been completed with construction expected in 2025/2026.
10. Storage area for pipe spares - Planned works completed.

Our Activities - Water

Invercargill City Council: Funding impact statement for year ended 30 June 2025 for Water

	Long-term Plan 2021 - 2031	Long-term Plan 2024 - 2034	Actual
	2023/24	2024/25	2024/25
	\$ 000	\$ 000	\$ 000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	9,426	9,869	9,871
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,725	4,302	3,729
Internal charges and overheads recovered	-	-	-
Interest and dividends from investments	-	39	57
Local authorities fuel tax, fines, infringements, fees and other receipts	-	-	42
Total operating funding (A)	11,151	14,210	13,699
Applications of operational funding			
Payment to staff and suppliers	4,881	5,695	5,864
Finance costs	421	852	802
Internal charges and overheads applied	3	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	5,305	6,547	6,666
Surplus (deficit) of operating funding (A - B)	5,846	7,663	7,033
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(3,212)	(380)	(380)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(3,212)	(380)	(380)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	7,741	5,952
- to replace existing assets	2,634	5,924	5,630
Increase (decrease) in reserves	-	(6,382)	58
Increase (decrease) in investments	-	-	(4,987)
Total applications of capital funding (D)	2,634	7,283	6,653
Surplus (deficit) of capital funding (C - D)	(5,846)	(7,663)	(7,033)
Funding balance ((A - B) + (C - D))	-	-	-

Our Activities - Stormwater

Stormwater

Wai tupuhi

The Stormwater activity managed the stormwater network of pipes, open drains and pumping stations for the collections and disposal of stormwater to protect properties from flood damage. The Stormwater activity provided a stormwater service to properties in the Invercargill and Bluff urban areas and approximately 47 kilometres of open drains, mostly situated in the Ōtātara area.

What we have done

At the end of 2024/25, all Stormwater performance measures have met their yearly targets.

During the year \$3.0 million was spent on capital pipe renewal works, up \$0.5 million on last year and lower than plan by \$2.1 million. This was less than planned for to allow

for additional pipe renewals to take place within the Water Activity.

The net costs of the activity for the year was \$2.7 million, inline with on last year and plan.

What we agreed with the Community

Community Outcome	Level of Service	Measure
Environmental/Social/Economic Wellbeing	Council monitors and effectively manages the stormwater network to support community wellbeing and environmental health	DIA Performance measure 1 (system adequacy) (a) The number of flooding events that occur in the Invercargill City district. DIA Performance measure 1 (system adequacy) (b) For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the Council's stormwater system).
Environmental Wellbeing		DIA Performance measure 2 (discharge compliance): Compliance with the Council's resource consents for discharge from its stormwater system, measured by the number of: Abatement notices, Infringement notices, Enforcement orders, and Convictions received by Council in relation to those resource consents.
Environmental/Social/Economic Wellbeing	Council is responsive to the community in order to manage the stormwater network to support environmental health and efficient use of resources	DIA Performance measure 3 (response times) The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site. DIA Performance Measure 4 (customer satisfaction) The number of complaints received about the performance of the stormwater system (expressed per 1,000 properties connected to the Council's stormwater system).

How did we measure up?

Measure	Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
DIA Performance measure 1 (system adequacy) (a) The number of flooding events that occur in the Invercargill City district	0	0	Achieved	0	2023/24 Achieved - 0 2022/23: Achieved - 0 2021/22: Not Achieved – 2 2020/21: Not Achieved – 2
DIA Performance measure 1 (system adequacy) (b) For each flooding event, the number of habitable floors affected	0	0	Achieved	0	2023/24 Achieved - 0 2022/23: Achieved - 0 2021/22: Achieved – 0

Our Activities - Stormwater

Measure	Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
(expressed per 1,000 properties connected to the Council's stormwater system)					2020/21: Not Achieved - 2 properties flooded as a result of heavy rain
DIA Performance measure 2 (discharge compliance) ¹ Compliance with the Council's resource consents for discharge from its stormwater system, measured by the number of: - Abatement notices - Infringement notices - Enforcement orders - Successful prosecution	0	0 0 0 0	Achieved	0 0 0 0	2023/24 Achieved - 0 2022/23: Achieved - 0 2021/22: Achieved - 0 2020/21: Achieved - 100% compliance
DIA Performance measure 3 (response times) The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site	0 Minutes	<1 hour	Achieved	0	2023/24 Achieved - 0 2022/23: Achieved - 0 2021/22: Achieved - 21 minutes 2020/21: Achieved - 96% Median response 27 minutes (Target: 1 hour, 90% success)
DIA Performance Measure 4 (customer satisfaction) The number of complaints received about the performance of the stormwater system (expressed per 1,000 properties connected to the Council's stormwater system)	1.8	<4	Achieved	2.41 complaints per 1,000 connections	2023/24 Not Achieved - 4.25 2022/23: Achieved - 1.8 2021/22: Not Achieved - 4.2 2020/201: Achieved - 2.47

Council then counts the number of abatement notices, infringement notices, enforcement orders and convictions received for the specified period and reports them.

The detail

1. DIA Performance measure 2 (discharge compliance)

If Council is not complying with its stormwater discharge resource consent, the Regional Council (Environment Southland) will notify ICC of the noncompliance and issue abatement notices, infringement notices and initiate enforcement actions (including prosecutions), as applicable.

Our Activities - Stormwater

Significant Capital Works Projects

Note	Project	2024/25 Long-term Plan (\$000)	2024/25 Actual (\$000)
1	Treatment Facilities - General renewals	276	-
2	Pipe Network - General renewals	4,815	3,023

1. Treatment Facilities - General renewals - Stormwater designs progressing as per discharge consent, treatment devices have yet to be evaluated.
2. Pipe Network - General renewals - Fewer general pipe renewals were completed in 2024/2025 than was planned in the Long-term plan to allow additional pipe renewals to take place within the Water activity.

Our Activities - Stormwater

Invercargill City Council: Funding impact statement for year ended 30 June 2025 for Stormwater

	Long-term Plan 2021 - 2031 2023/24 \$ 000	Long-term Plan 2024 - 2034 2024/25 \$ 000	Actual 2024/25 \$ 000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,411	1,663	1,655
Targeted rates	4,233	4,989	4,999
Subsidies and grants for operating purposes	-	-	-
Fees and charges	3	3	47
Internal charges and overheads recovered	-	-	-
Interest and dividends from investments	-	30	17
Local authorities fuel tax, fines, infringements, fees and other receipts	6	6	-
Total operating funding (A)	5,653	6,691	6,718
Applications of operational funding			
Payment to staff and suppliers	1,374	2,815	2,699
Finance costs	34	-	-
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,408	2,815	2,699
Surplus (deficit) of operating funding (A - B)	4,245	3,876	4,019
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(835)	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(835)	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	237	-	-
- to replace existing assets	3,173	5,091	3,036
Increase (decrease) in reserves	-	(1,215)	880
Increase (decrease) in investments	-	-	103
Total applications of capital funding (D)	3,410	3,876	4,019
Surplus (deficit) of capital funding (C - D)	(4,245)	(3,876)	(4,019)
Funding balance ((A - B) + (C - D))	-	-	-

Our Activities - Sewerage

Sewerage

Waikeri

The Sewerage activity provides pipes, pumping stations and treatment plants for the collection, treatment and disposal of sewage is managed in order to enhance the health and wellbeing of Invercargill, Bluff, Ōtātara and Omaui residents.

What we have done

All Sewerage performance measures are set by the DIA, and all targets have been met for 2024/25.

During the year \$4.1 million was spent on capital projects, up \$0.9 million on last year and lower than plan by \$0.1 million. \$2.7 million on pipe renewal works was carried out this year compared to \$1.2 million last year. The Bluff consent renewal project, incurring delays and extra costs this year due to a change of focus to a short-term consent renewal and the need to prepare new consent application.

The net costs of the activity for the year was \$2.1 million, down \$0.3 million on last year and lower than plan by \$1.7 million. Emptying of Clifton sludge pond #1, Sewerage model calibration and CCTV work started later than expected and therefore did not incur all the costs during this year.

What we agreed with the Community

Community Outcome	Level of Service	Measure
Environmental/Social/Economic Wellbeing	Council monitors and effectively manages the sewerage network to support community wellbeing and environmental health	Number of dry weather sewerage overflows per 1,000 properties - DIA Performance Measure 1 (system and adequacy).
Environmental Wellbeing		Compliance with Council's resource consents for discharge from its sewerage system measured by the number of: (DIA Performance measure 2 (discharge compliance)): Abatement notices, Infringement notices, Enforcement orders and/or Convictions received by the Council in relation to those resource consents.
Environmental/Social/Economic Wellbeing	Council is responsive to the community in order to manage the sewerage network to support environmental health and efficient use of resources	DIA Performance Measure 3 (fault response times): a) The median response time from notification to arrival on-site to attend sewerage overflows resulting from a blockage or other fault in the sewerage system b) The median response time from notification to resolution of sewerage overflows resulting from a blockage or other fault in the sewerage system DIA Performance Measure 4 (customer satisfaction) The number of complaints received about: 1. sewage odour, 2. system faults, 3. system blockages, and 4. Council's responsiveness (expressed per 1,000 properties connected to the Council's sewer system).

How did we measure up?

Measure	Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
Number of dry weather sewage overflows per 1,000 properties – DIA Performance Measure 1 (system and adequacy) ¹	0.72	Max 4	Achieved	1.01	2023/24: Achieved – 0.88 2022/23: Achieved – 0.72 2021/22: Achieved – 1.06 2020/21: Achieved – 1.12
Compliance with Council's resource consents for discharge from its sewerage system – DIA Performance measure 2 (discharge compliance) ² (a) Number of abatement notices	0	0	Achieved	0	2023/24: Achieved – 100% 2022/23: Achieved - 100% compliance

Our Activities - Sewerage

Measure	Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
(b) Number of infringement notices (c) Number of enforcement orders (d) Numbers of convictions Received by the Council in relation those resource consents.					2021/22: Achieved – 100% compliance 2020/21: Achieved – 100% compliance
DIA Performance Measure 3 (fault response times): a) The median response time from notification to arrival on-site to attend sewerage overflows resulting from a blockage or other fault in the sewage system	16 minutes	<1 hour	Achieved	31 minutes	2023/24: Achieved – 26 minutes 2022/23: Achieved – 16 minutes ¹ 2021/22: Achieved – 16 minutes 2020/21: Achieved – 15 minutes
b) The median response time from notifications to resolution of sewage overflows resulting from a blockage or other fault in the sewage system	1 hour 19 minutes	<6 hours	Achieved	1 hour 44 minutes	2023/24: Achieved – 45 minutes 2022/23: Achieved – 1 hour and 19 minutes ¹ 2021/22: Achieved – 1 hour and 15 minutes 2020/21: Not achieved – 93% compliance, median response time 1 hour
DIA Performance Measure 4 (customer satisfaction) The number of complaints received about: 1. sewage odour 2. system faults 3. system blockages 4. Council's responsiveness (expressed per 1,000 properties connected to the Council's sewer system)	2.25	Max 4	Achieved	3.54 complaints per 1,000 connections	2023/24: Not achieved – 4.69 complaints per 1,000 connections 2022/23: Achieved – 2.25 complaints per 1,000 connections 2021/22: Achieved – 3.4 complaints per 1,000 connections 2020/21: Achieved – 2.47 complaints per 1,000 connections

Our Activities - Sewerage

The details

1. Number of dry weather sewage overflows per 1,000 properties – DIA Performance Measure 1 (system and adequacy)

ICC rely on information from the public including Council Contractors and private contractors to inform on any overflow which may have occurred. This either occurs through the ICC-operated 24/7 call centre, email, My Invercargill platform, the Antenno application, in person or through written requests.

An overflow occurs when sewage escapes uncontrollably from the Council's foul sewer network. All overflows are cross referenced with rainfall data for Invercargill District provided by Environment Southland. Dry weather conditions are defined as calendar days with less than 1mm of accumulated rain. If an overflow occurred on a day when there was less than 1mm of accumulated rain, it will be classified as a dry weather overflow.

Calculation: (Number of dry weather sewerage overflows per reporting period/Number of Connections to the sewer network)*1000

2. Compliance with Council's resource consents for discharge from its sewerage system – DIA Performance measure 2 (discharge compliance)

Compliance is determined by:

- Checking laboratory test data against the requirements of the resource consents for the Clifton and Bluff Waste Water Treatment Plants

- Checking flow data for the Clifton and Bluff Waste Water Treatment Plants
- Confirming that compliance data has been supplied to Environment Southland within required time.

Once data has been reviewed, Council can assess the extent of compliance with its resource consents for discharge from both Clifton and Bluff Waste Water Treatment Plans. Council will also check for compliance correspondence from Environment Southland regarding the Clifton and Bluff sewerage consents.

Council will then count the number of abatement notices, infringement notices, enforcement orders and convictions received and report them.

3. Dry weather sewerage overflows and Response times baselines

2022/2023 results for the number of dry weather sewerage overflows and response times have been recalculated after the 2024-2034 Long-term Plan has been adopted and published. The recalculations have been noted in the previous Annual Report.

Our Activities - Sewerage

Significant Capital Works Projects

Note	Project	2024/25 Long-term Plan (\$000)	2024/25 Actual (\$000)
1	Treatment Facilities - Clifton consent renewals	103	-
2	Treatment Facilities - Bluff consent renewals	361	663
3	Treatment Facilities - General renewals	-	291
4	Pumping Stations - General renewals	54	184
5	Mersey Street Rising Main Duplication	-	269
6	Pipe Network - General renewals	3,684	2,719
7	Safety improvements around sewerage ponds	42	-

1. Treatment Facilities - Clifton consent renewals - The Clifton consent renewal project has commenced using internal resources during the year.
2. Treatment Facilities - Bluff consent renewals - The Bluff consent renewal project has incurred delays and extra costs due to change of focus to a short-term consent and the need to prepare new consent application.
3. Treatment Facilities - General renewals - Unplanned plant was required to be replaced due to equipment failure.
4. Pumping Stations - General renewals - New Generator was required to be replaced on Dunns Road due to unreliable power supply.
5. Mersey Street Rising Main Duplication - The start of the Mersey Street Rising main duplication project was brought forward from 2025/2026 with design work commenced.
6. Pipe Network - General renewals - Fewer general pipe renewals were completed in 2024/2025 than was planned in the Long-term plan to allow additional pipe renewals to take place within Water.
7. Safety improvements around sewerage ponds - A review of safe working practices has determined this work is no longer required to be implemented.

Our Activities - Sewerage

Invercargill City Council: Funding impact statement for year ended 30 June 2025 for Sewerage

	Long-term Plan 2021 - 2031	Long-term Plan 2024 - 2034	Actual
	2023/24	2024/25	2024/25
	\$ 000	\$ 000	\$ 000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	7,244	10,474	10,478
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,024	1,995	2,293
Internal charges and overheads recovered	-	-	-
Interest and dividends from investments	-	28	59
Local authorities fuel tax, fines, infringements, fees and other receipts	-	-	37
Total operating funding (A)	8,268	12,497	12,867
Applications of operational funding			
Payment to staff and suppliers	3,180	5,844	4,537
Finance costs	-	-	-
Internal charges and overheads applied	25	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,205	5,844	4,537
Surplus (deficit) of operating funding (A - B)	5,063	6,653	8,330
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(2,047)	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(2,047)	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	464	932
- to replace existing assets	3,016	3,780	3,195
Increase (decrease) in reserves	-	2,409	4,202
Increase (decrease) in investments	-	-	1
Total applications of capital funding (D)	3,016	6,653	8,330
Surplus (deficit) of capital funding (C - D)	(5,063)	(6,653)	(8,330)
Funding balance ((A - B) + (C - D))	-	-	-

Our Activities – Roothing

Roothing

Ratonga rori

The Roothing Activity of Council provided a safe, effective and efficient transport system and contributed to the social and economic wellbeing of the Invercargill District. This was achieved by providing a road network that enables safe travel within and through the district including the provision of cycleways and footpaths.

What we have done

Of the total six Roothing performance measure, five have been set by the DIA. At the end of 2024/25, the Roothing Activity met five of its six performance targets.

The number of fatalities and serious injury crashes measure is one of the measures set by the DIA and the annual targets are expected to decrease each year, with a target of zero by 2030 (in line with the Government's Road to Zero Strategy). The number of serious injury crashes reported has exceeded the baseline (2022/23 result) resulting in a failed measure. While driver behaviour is outside of Council's control, the annual figure is a concern.

During the year \$10.2 million was spent on capital projects, down \$0.2 million on last year and lower than plan by \$6.2

million. The finalised NZTA programme 2024-2027 funding allocation was received after the Long-term Plan 2024-2034 was approved. The first stage of the CCTV project was completed during the year and works on Esk Street West are continuing with completion now expected in 2025/2026.

The net costs of the activity for the year was \$4.4 million, up \$3.1 million on last year and higher than plan by \$0.5 million.

Although spend on the costs of using contractor to perform services was at a similar level to last year, a lower amount of state highway recovery revenue was received due to lower work required on these roads.

What we agreed with the Community

Community Outcome	Level of Service	Measure
Social/Cultural Wellbeing	The road network is designed and managed to reduce risk of death and injury	The number of and change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.
Social/Economic Wellbeing		The number of crashes involving intersections.
Social Wellbeing		The average quality of ride, on a sealed local road network, measured by smooth travel exposure.
Environmental/Social/Economic Wellbeing	The road network is designed and managed to support ease of use	The percentage of the sealed local road network that is resurfaced.
		The percentage of footpaths within the district that fall within the level of service, or service standard for the condition of footpaths as set out in the Asset Management Plan.
Social Wellbeing	Council is responsive to the community and monitors and manages the network effectively to support safety and efficiency	The percentage of customer service requests relating to roads and footpaths, to which the territorial authority responds within the time frame specified in the Long-term Plan.

How did we measure up?

Measure	Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
The number of and change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	2 additional crashes from 2021/2022 (17 crashes - 1 fatality, 17 people with serious injuries)	Lower than baseline	Not Achieved ¹	Five additional crashes reported (22 crashes in total, 31 people with serious injuries and no fatalities)	2023/24: Achieved – 10 less crashes reported (7 crashes in total, 7 people with serious injuries and no fatalities) 2022/23: Not Achieved – Two additional crashes (17 crashes, including 1 fatality and 17 people with serious injuries)

Our Activities – Rooding

Measure	Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
					2021/22: Not Achieved – 15 crashes (4 fatalities, 18 people with serious injuries) 2020/21: Achieved – 13 crashes (1 fatalities, 14 people with serious injuries)
Number of crashes involving intersections	101 crashes	Lower than baseline	Achieved ²	48 crashes – 13 serious, 34 minor	N/A – New measure
The average quality of ride, on a sealed local road network, measured by smooth travel exposure ³	Urban - 85% Rural - 98%	Higher than previous annual national average (2023/24) Urban – 85% Rural – 97%	Achieved	Urban - 93% Rural - 97%	2023/24: Achieved - urban 85%, rural 97% 2022/23: Achieved – urban 85%; rural 98% 2021/22: Achieved – urban 85%; rural 98% 2020/21: Achieved - urban 90%; rural 98%
The percentage of the sealed local road network that is resurfaced	6.6%	> 5.55%	Achieved ⁴	9.80%	2023/24: Not Achieved- 5.3% 2022/23: Achieved – 6.6% 2021/22: Not Achieved – 3.97% 2020/21: Not Achieved - 5.3% (target >6.25%)
The percentage of footpaths within the district that fall within the level of service, or service standard for the condition of footpaths as set out in the Asset Management Plan	1.8%	< 8% in very poor condition	Achieved ⁵	1.81% in very poor condition	2023/24: Achieved - 1.81% in very poor condition 2022/23: Achieved – 1.8% in very poor condition 2021/22: Achieved – 0.5% in a very poor condition 2020/21: Achieved - 0.7% in a very poor condition
The percentage of customer service requests relating to roads and footpaths, to which the territorial authority responds within the time frame specified in the Long-term Plan ⁶	83%	75% of requests are responded to in five or less business days	Achieved ⁷	81.25%	2023/24: Achieved - 91% 2022/23: Achieved - 83% 2021/22: Achieved – 78% 2020/21: Achieved - 81%

Our Activities – Roothing

The details

1. Number of and change in the number of fatalities and serious injury crashes

The annual figure is a concern, and a deeper analysis of the crash records and statistics shows that 6 of the serious crashes had alcohol and drugs as a causal factor. Speed whilst driving on a straight road and losing control was a factor in 5 crashes. Further speed reduction measures should be pursued where appropriate. Campaigns/education efforts in this area have been done in partnership with SDC and GDC - Council partners with SDC and GDC for a region-wide approach to the road safety for all modes (pedestrians, cyclists and motorists). However, central funding for road safety promotion has been reduced and Council had to adjust the reach of these programmes to match funding.

2. Number of crashes involving intersections

A range of intersection improvements across the city have been rolled out in 2024/2025. This included new signal operations, better delineation on street and improved streetlighting. More is planned for 2025/2026. In terms of causal factors, drugs/alcohol were a factor in two of the crashes, and a further eight of these crashes were caused by driver inattention.

3. The average quality of ride, on a sealed local network, measured by smooth travel exposure – measurement disclosure

ICC measures how smooth our roads are using a system called Smooth Travel Exposure (STE). This tells Council what percentage of total driving happens on roads that feel smooth enough to meet national standards. To calculate STE, we use two main types of data:

- **Traffic counts** – to estimate how much driving happens on each road.
- **Road condition data** – to measure how rough or smooth the road surfaces are.

After working with Audit NZ, Council improved how it collects traffic data. The updated approach is practical and cost-effective, and it suits Invercargill's stable road network and low traffic growth. Council is confident that this estimates how much driving happens across the city network through our current traffic count programme and supports reliable STE results.

Council follows national best practice by monitoring the busiest 20% of roads, which represent about 80% of all travel. Using estimating model within Asset and Work Manager database, this process estimates nearby streets – so Council don't need to have counts on every single section of roads. This is how the Councils form traffic estimate model.

4. The percentage of sealed local road resurfaced

A significantly higher percentage of resurfaced sealed local road network has been achieved in 2024/2025FY due to higher levels of funding from NZTA (matched by Council), a re-write of tender documentation and favourable market conditions, leading to competitive prices being received by Council and enhancing delivery efforts.

5. The percentage of footpaths that fall within the level of service or service standard for the condition of footpaths as set out in the Asset Management Plan

ICC follows the Pathways Condition Rating and Fault Assessment Guide to determine the percentage of footpaths within the service standard. The assessment is completed once every three years (the last assessment was completed in the 2023/24 financial year). As part of the 2024-2034 Long-term Plan process, Council, via its Roothing Asset Management Plan, accepts that having a level of less than 8% of very poor footpaths acceptable.

6. The percentage of customer service requests relating to roads and footpaths, to which the territorial authority responds within the time frame specified in the Long-term Plan

The process for Requests for Service is:

Requests for service relating to roads and footpaths are tracked by ICC using the Pathway system.

Council can receive requests for service via telephone, in-person, Antenno app, My Invercargill (online portal) and ICC Control Room (after hours), as well as other ICC staff.

A response to these requests is defined as – Council staff (Actioning Officer) reviewing the Request for Service and deciding on next steps. In most instances, this will be calling the customer back to acknowledge Council have received their request, providing them the response/action (if immediately known), referring the request for service to be actioned accordingly (ie. Contractor repair), or tagging the request for service as needing further investigation (and advising customer accordingly).

A response to customer service requests must be provided within five business days of the request being raised.

The percentage of customer service requests relating to roads and footpaths reported is based on the number of requests responded to within five business days.

The remaining footpaths that fall into this category are in very low use areas, some of which will be removed in the coming year. The ongoing investment in footpath renewals follows a targeted approach to allow Council to future proof its footpath network and effectively manage spend.

Through the 2024 Long-term Plan process, a number of Roothing performance measures have been removed due to their operational focus. These operational performance measures proved to be less relevant and often varied, and dependent on factors which gave the public little understanding of how the network was truly operating. The revised measures are focused on network performance.

Our Activities – Roding

7. The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds

While still above target, percentage of requests for service responded to in 5 business days or less has decreased down during the 2025 FY. This was largely due to staffing levels. To address this, the Roding Operations team met weekly to

review new and open RFS and will implement changes to the way Roding requests for service are recorded and allocated to staff. Additional processes of validating data have been put in place to mitigate these in the future.

Significant Capital Works Projects

Note	Project	2024/25 Long-term Plan (\$000)	2024/25 Actual (\$000)
1	CCTV - establishment (Roadmap)	1,087	1,331
2	City Streets - Esk Street West (Roadmap)	4,446	1,031
3	Safety Improvements - Road to Zero programmes	1,990	127
4	Safety Improvements - Minor	52	28
5	Seal Extension	-	56
6	Unsealed Road Metalling renewals	173	132
7	Chipseal Resurfacing renewals	3,074	3,486
8	Asphalt Resurfacing renewals	2,634	2,107
9	Surface water channel renewals	819	43
10	Drainage renewals	95	-
11	Sump renewals	41	211
12	Culvert renewals	41	-
13	Sealed Road Pavement Rehabilitation renewals	-	552
14	Bridge renewals	470	32
15	Traffic sign renewals	62	75
16	Traffic signal renewals	66	16
17	Street light pole renewals	58	162
18	Road marking renewals	206	344
19	General renewals	78	-
20	Footpath renewals	1,203	507
21	Demolition - 69 Don Street	62	-
22	Adjustments for NZTA indicative allocations for continuous programmes 2025-2027	(244)	-

1. CCTV - establishment (Roadmap) – Stage one was completed this year with future stages currently paused.
2. City Streets - Esk Street West (Roadmap) – Work has commenced during 2024/2025 and is to be completed by 2026/2027.
3. Safety Improvements - Road to Zero programmes – Planned works including smart intersection lights and intersection speed zones (RIAWs) is now to be delivered in 2025/26 & 26/27.

Notes 5 – 17 - These works are part of the NZTA programme funded triennium. Some of the work was deferred and is to be completed by 2026/2027.

18. General renewals - No reactive renewals were required in 2024/2025.
19. Footpath renewals - These works are part of the NZTA programme funded triennium. Some of the work was deferred and is to be completed by 2026/2027.
20. Demolition - 69 Don Street - Project work was placed on hold to allow a reassessment to take place on the future of the building.
21. Adjustments for NZTA indicative allocations for continuous programmes 2025-2027 - These works are part of the NZTA programme funded triennium. Some of the work was deferred and is to be completed by 2026/2027.

Our Activities – Solid Waste Management

Invercargill City Council: Funding impact statement for year ended 30 June 2025 for Roading Services

	Long-term Plan 2021 - 2031 2023/24 \$ 000	Long-term Plan 2024 - 2034 2024/25 \$ 000	Actual 2024/25 \$ 000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	8,822	8,627	8,627
Targeted rates	-	-	-
Subsidies and grants for operating purposes	3,303	3,302	2,460
Fees and charges	1,509	1,508	1,242
Internal charges and overheads recovered	-	-	-
Interest and dividends from investments	-	9	13
Local authorities fuel tax, fines, infringements, fees and other receipts	373	686	635
Total operating funding (A)	14,007	14,132	12,977
Applications of operational funding			
Payment to staff and suppliers	7,720	9,331	8,772
Finance costs	-	46	45
Internal charges and overheads applied	1	-	12
Other operating funding applications	-	-	-
Total applications of operating funding (B)	7,721	9,377	8,829
Surplus (deficit) of operating funding (A - B)	6,286	4,755	4,148
Sources of capital funding			
Subsidies and grants for capital expenditure	5,037	6,863	4,118
Development and financial contributions	-	-	-
Increase (decrease) in debt	(1,432)	(20)	(20)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	3,605	6,843	4,098
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	5,585	2,367
- to replace existing assets	9,891	10,828	7,873
Increase (decrease) in reserves	-	(4,815)	13
Increase (decrease) in investments	-	-	(2,007)
Total applications of capital funding (D)	9,891	11,598	8,246
Surplus (deficit) of capital funding (C - D)	(6,286)	(4,755)	(4,148)
Funding balance ((A - B) + (C - D))	-	-	-

Solid Waste Management

Para

The Solid Waste Activity is responsible for the management of solid waste services in the Invercargill District, including collection of kerbside recycling and rubbish, Invercargill and Bluff Transfer Station services, landfill operations and services (closed and open), enforcement activities, public place and event waste management and minimisation (e.g. street litter bins, street recycling bins), education, behaviour change and advocacy.

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

What we have done

The new regional Solid Waste Management performance measures have followed the expected seasonal trends, however, remediation efforts involving the Little Tahiti and Ocean Beach landfills as well as lower than expected levels of recycling and increase in kerbside waste to landfill negatively impacted on the activity’s performance. Four of the five performance measures have not met their 2024/25 targets.

WasteNet, on behalf of Southland’s three Councils (Invercargill City, Southland and Gore District Councils), continues to provide education and communication on waste minimisation techniques to support waste minimisation, however this requires significant behaviour change which is a long-term process.

The net costs of the activity for the year was \$5.9 million, up \$0.3 million on last year and higher than plan by \$0.3 million. Waste volumes generated across the region remained similar to 2023/2024 figures, and significantly lower than previous periods, therefore resulting in operating expenses being lower than expected. Councils share of WasteNet operational surplus is lower than expected this year due to WasteNet undertaking more promotional work to reduce waste and improve recycling.

During the year \$0.1 million was spent on upgrading the weighbridge at the transfer station.

What we agreed with the Community

Community Outcome	Level of Service	Measure
Environmental Wellbeing	The effective use of resources is supported to reduce the impact of waste on the environment	Regional discarded materials rate per person per annum (kgs).
		Recovery of recyclable materials (Actual Recycled - Invercargill City Council and Southland District Council).
		Invercargill City and Southland District Councils actual recycled rate per person per annum (kg).
		Reduction in kerbside waste sent to landfill.
		Waste diversion from landfill.

Our Activities – Solid Waste Management

How did we measure up?

Measure	Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
Regional discarded materials rate per person per annum (kgs)	New measure	≤650 kgs	Not Achieved ¹	730 kgs	N/A – New measure
Recovery of recyclable materials (Actual Recycled - Invercargill City Council and Southland District Council)	New measure	≥4650 tonnes	Not Achieved ²	4620 tonnes	N/A – New measure
Invercargill City and Southland District Councils actual recycled rate per person per annum (kg)	New measure	≥54 kgs	Not Achieved ³	50 kgs	N/A – New measure
Reduction in kerbside waste sent to landfill	New measure	≤17000 tonnes	Not Achieved ⁴	21037 tonnes	N/A – New measure
Waste diversion from landfill	New measure	30%	Achieved ⁵	31%	N/A – New measure

The details

1. Regional discarded materials rate per person per annum

The regional discarded rate per person for the FY2024/25 year at the end of 2024/25FY was 17kg higher than the year-end result for FY2023/24. This result exceeds the Waste Management and Minimisation Plan (WMMP) target of 650kg/person/yr by 80kg.

Similar to FY2023/24, waste volumes were impacted by closed landfill (Little Tahiti landfill and Ocean Beach Landfill) remediation activities.

2. Recovery of recyclable materials (Actual Recycled - Invercargill City Council and Southland District Council)

The recovery of recyclable materials (actual recycled rate) for FY2024/25 was 4,620 tonnes. This result is marginally below the KPI target of 4,650 tonnes/year. While the total volume of incoming recyclables is lower than the target, the contamination rate fell from 18% in 2023/24 to 16% in 2024/25. This indicates that there is a better quality of recycling materials being collected and therefore able to be recycled from the total volume collected. The bin inspection programme implemented in 2025 has likely contributed to these results and it is expected that both the volume of recyclables collected and the quality of recyclables will continue to improve as the populace continue to be supported via this programme.

3. Invercargill City and Southland District Councils actual recycled rate per person per annum (kg)

The actual recycled rate per person for 2024/2025 was 50kg/person, which is marginally (4kg/person) below the target. The quality of incoming recyclables has been observed to be improving as a result of the bin inspection campaign which was implemented in quarter three of 2024/25. It is expected that both the volume of recyclables collected and the quality of recyclables will continue to improve as the populace continue to be supported via this programme.

4. Reduction in kerbside waste sent to landfill

The volume of waste discarded via kerbside rubbish bins for FY2024/2025 was 21,037 tonnes, which is greater than the KPI target of 17,000 tonnes/yr. This result is also 437 tonnes higher than the previous year (2.12% increase). WasteNet provide education and communication on waste minimisation techniques to support attainment of this KPI, however this requires significant behaviour change which is a long-term process.

5. Waste diversion from landfill

The waste diversion from landfill for FY2024/25 Q4 was similar with the same period for FY2023/24.

The FY2024/25 target of 30% was achieved, with the annual waste diversion amounting to 31%.

Our Activities – Solid Waste Management

Significant Capital Works Projects

Note	Project	2024/25	2024/25
		Long-term Plan (\$000)	Actual (\$000)
1	Invercargill Transfer Station - General renewals	82	139

1. Invercargill Transfer Station - General renewals -
Planned renewal work of the weighbridge
completed.

Our Activities – Solid Waste Management

Invercargill City Council: Funding impact statement for year ended 30 June 2025 for Solid Waste Management

	Long-term Plan 2021 - 2031 2023/24 \$ 000	Long-term Plan 2024 - 2034 2024/25 \$ 000	Actual 2024/25 \$ 000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	909	986	986
Targeted rates	4,374	4,812	4,815
Subsidies and grants for operating purposes	-	-	(7)
Fees and charges	6,542	7,681	7,845
Internal charges and overheads recovered	2,481	2,441	2,263
Interest and dividends from investments	-	73	73
Local authorities fuel tax, fines, infringements, fees and other receipts	-	1,610	1,160
Total operating funding (A)	14,306	17,603	17,135
Applications of operational funding			
Payment to staff and suppliers	11,092	14,847	15,115
Finance costs	26	134	133
Internal charges and overheads applied	2,465	2,419	2,242
Other operating funding applications	-	-	-
Total applications of operating funding (B)	13,583	17,400	17,490
Surplus (deficit) of operating funding (A - B)	723	203	(355)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(644)	(60)	(59)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(644)	(60)	(59)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	79	82	139
Increase (decrease) in reserves	-	61	176
Increase (decrease) in investments	-	-	(729)
Total applications of capital funding (D)	79	143	(414)
Surplus (deficit) of capital funding (C - D)	(723)	(203)	355
Funding balance ((A - B) + (C - D))	-	-	-

Leisure, Recreation and Wellbeing Services

Ngā ratonga tākaro me ora

Leisure, Recreation and Wellbeing Services include seven sub-activities.

These are:

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

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

Details on all of these individual sub-activities is available in the following pages.

[What we have done](#)

There are 54 performance measures attributed to Leisure, Recreation and Wellbeing, of which 32 were achieved.

For most Council services and facilities, user numbers have continued to increase. Significant increases from 2023/24 figures were seen in the park user counts which increased by almost 100,000 visitors to 1.63 million, and library users (including physical visitors and website engagements) (61,000 more users compared to 2023/24, reaching 523,400).

The net costs of the activity for the year was \$16.2 million, up \$0.7 million on last year and higher than plan by \$0.7 million.

During the year \$5.7 million was spent on capital projects, down \$3.5 million on last year and lower than plan by \$1.7 million.

Our Activities – Leisure, Recreation and Wellbeing Services – Parks and Reserves

Invercargill City Council: Funding impact statement for year ended 30 June 2025 for Leisure, Recreation and Wellbeing

	Long-term Plan 2021 - 2031 2023/24 \$ 000	Long-term Plan 2024 - 2034 2024/25 \$ 000	Actual 2024/25 \$ 000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	13,965	16,571	16,576
Targeted rates	477	759	761
Subsidies and grants for operating purposes	1,449	2,110	3,039
Fees and charges	9,095	7,507	5,628
Internal charges and overheads recovered	117	68	71
Interest and dividends from investments	-	238	390
Local authorities fuel tax, fines, infringements, fees and other receipts	146	3,264	1,445
Total operating funding (A)	25,249	30,517	27,910
Applications of operational funding			
Payment to staff and suppliers	21,534	28,357	26,932
Finance costs	-	323	181
Internal charges and overheads applied	64	68	68
Other operating funding applications	-	-	-
Total applications of operating funding (B)	21,598	28,748	27,181
Surplus (deficit) of operating funding (A - B)	3,651	1,769	729
Sources of capital funding			
Subsidies and grants for capital expenditure	132	1,195	528
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	(144)	(144)
Gross proceeds from sale of assets	-	130	(14)
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	132	1,181	370
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,433	4,285	2,782
- to replace existing assets	1,954	3,122	2,955
Increase (decrease) in reserves	396	(4,457)	(130)
Increase (decrease) in investments	-	-	(4,508)
Total applications of capital funding (D)	3,783	2,950	1,099
Surplus (deficit) of capital funding (C - D)	(3,651)	(1,769)	(729)
Funding balance ((A - B) + (C - D))	-	-	-

Parks and Reserves

Ngā Papa Rēhia

The Parks and Reserves Activity provides spaces and places to citizens and visitors to the city for amenity value, recreation, sport and leisure. The Activity acts as Kaitiaki (Guardian) to Invercargill District’s parks, reserves and cemeteries, using asset management practices. It also provides burial and cremation services to the community. Trees and open space enhance the amenity of the City, making it a pleasant place to live and attractive to visitors.

What we have done

The Parks and Reserves Activity met four of its six performance measures in 2024/25. Parks and recreation spaces continue to be well utilised, with user numbers being the highest since 2020/21.

While satisfaction levels have fluctuated throughout the year and the target was not met, parks and recreation spaces had one of the highest satisfaction results for 2024/25, with 73% of residents indicating they are satisfied with parks and recreations spaces.

The target for urgent requests for service for Parks and Recreation services completed within specified timeframes has also been missed (78%, with a target of 90%). The Parks and Recreation team have implemented a number of processes and training to ensure a consistent approach is applied to the way requests for service are recorded,

including system updates and Council expects to see an improvement to response times.

The net costs of the activity for the year was \$8.0 million, up \$0.5 million on last year and higher than plan by \$1.2 million. Forestry revenue was lower than expected for the year due to less harvest activity taking place as planned volumes were processed in 2023/2024, at better market prices. Fee and charge revenue was also lower than planned but higher than the previous year for sportsgrounds and cemeteries services.

During the year \$4.5 million was spent on capital projects, down \$0.2 million on last year and higher than plan by \$0.2 million. Highlights included the Surrey Park Grandstand renewals and the opening of Te Wāhi Tākaro o Motupōhue Adventure Park. Council has made the decision to pause the City Centre Masterplan Urban Play project.

What we agreed with the Community

Community Outcome	Level of Service	Measure
Social/Cultural/Environmental Wellbeing	Parks and reserves support community leisure, recreation and wellbeing	Queens Park is accredited as a “Garden of National Significance”
Social Wellbeing		Percentage of residents satisfied with parks and recreation spaces
Social/Cultural Wellbeing	Parks and reserves are well utilised to support wellbeing	Annual number for park usage: - Percentage of users per head of (Invercargill city) population - Total number of park user counts
		Percentage of urgent requests for Parks and Recreation services are completed within specified timeframes.
Social Wellbeing	Council is responsive to the community in order to effectively manage the parks and reserves	Number of Active Partnerships in place to support activation of Parks and Recreation Space
Social/Cultural Wellbeing		

Our Activities – Leisure, Recreation and Wellbeing Services – Parks and Reserves

How did we measure up?

Measure		Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
Queens Park is accredited as a “Garden of National Significance”		Achieved	Maintained	Achieved	Maintained ¹	2023/24: Achieved 2022/23: Achieved 2021/22: Achieved 2020/21: Achieved
Percentage of residents satisfied with parks and recreation spaces		75%	80%	Not achieved ²	73%	2023/24: Not Achieved – 75% 2022/23: Achieved – 80% 2021/22: Achieved – 80% 2020/21: N/A – New Measure
Annual number for park usage	Percentage of users per head of (Invercargill city) population	New measure	75%	Achieved	93%	2023/24: N/A – New Measure
	Total number of park user counts	939,291	939,291	Achieved ³	1,364,225	2023/24: Achieved – 1,179,345 2022/23: Not Achieved – 939,291 2021/22: Not Achieved – 967,869 2020/21: Achieved - 1.026m
Percentage of urgent requests for Parks and Recreation services are completed within specified timeframes.		New measure	90%	Not achieved ⁴	78%	2023/24: N/A – New Measure
Number of Active Partnerships in place to support activation of Parks and Recreation Space		New measure	10	Achieved	12	2023/24: N/A – New Measure

The details

1. Queens Park is accredited as a “Garden of National Significance”

At the end of 2024, Queens Park was re-accredited as a “Garden of National Significance” for 2025-2028.

2. Percentage of residents satisfied with parks and recreation spaces

Satisfaction is assessed via a Residents Survey which is undertaken by an independent provider. Residents of Invercargill District who indicate they have visited a park or recreation space daily, weekly, fortnightly, monthly, once every 2-3 months or at least once a year are asked to rate their satisfaction with parks and recreation spaces. They can rate their satisfaction from 1 to 5, where 1 is ‘least satisfied’ and 5 is the ‘most satisfied’. The final percentage of residents satisfied reported for this measure includes those who provided a satisfaction score of 4 or 5 (as a percentage of all who have provided a satisfaction rating).

Negative commentary regarding the Low Mow trial has continued throughout 2024/2025 despite its finish. Roading corridor concerns similarly are erroneously linked to this activity. It may take some time for the community to regain trust in this area but a slight ongoing increase in satisfaction is encouraging.

Note: in previous reporting periods, the target for this measure was either to maintain or increase the satisfaction percentage.

3. Total number of park user counts

Park user counts are collected from track counters installed at various parks, tracks and reserves throughout Invercargill and Bluff. Data from these counters is gathered and added up to determine the total number of park users each financial year.

Our Activities – Leisure, Recreation and Wellbeing Services – Parks and Reserves

Despite a slight drop in numbers in the last quarter, there is a continued growth in park users, with an increase of 155,388 users counts from the last financial year. Overall usage numbers followed expected seasonal trends. There was a significant wind event over Kings Birthday which resulted in closing spaces (Queens Park) and deterring outside activities such as the Park Run and general community users. Parks user numbers do not show attendees in non-monitored areas – such as the Cricket Ground and Gala Street. The Illuminate event which took place in June over 6 days was held in Cricket Grounds, then into Queens Park attracted 22,000 attendees and Gala Street which held both the Gypsy Fair and ANZAC remembrance – with the attendee numbers for these events not supplied by organisers.

4. Percentage of urgent requests for Parks and Recreation services are completed within specified timeframes

During 2024/25, a total of 44 Parks and Recreation requests for service were classified as urgent, with 37 of these being actioned within the designated timeframes. This is a new measure for the activity and throughout the year, discrepancies have been identified in the way these requests are recorded, updated and consequently reported. The Parks and Recreation team have implemented a number of

processes and training to ensure a consistent approach is applied to the way requests for service are recorded, including system updates. Council expects to see an improvement to response times. It is to be noted that the measure reports on response (action) time (as dictated by urgent priority levels, generally 1 working day), not full completion time (which can range vastly depending on the request).

By actioning the request for service, the Parks and Recreation team ensure that the risk is eliminated (ensuring it is safe) – this could include waiting for contractors to complete the work etc. The percentage reported here is for requests for service that have been made safe within the given timeframe (priority one is a 12 hour timeframe, priority 2 is 24 hours).

Parks and Reserves performance measures have been revised as part of the 2024-2034 Long-term Plan to begin the process of alignment with the Recreation Aotearoa standards. In addition, most measures had an operation focus, which was of limited interest to the community.

Significant Capital Works Projects

Note	Project	2024/25 Long-term Plan (\$000)	2024/25 Actual (\$000)
1	Bluff Boat Ramp - Stage 1 - Jetties (Roadmap)	558	621
2	Bluff Boat Ramp - Stage 2 - Public Toilets & Car Parking Scoping (Roadmap)	361	226
3	City Centre Masterplan Urban Play (Roadmap)	155	-
4	General renewals	330	543
5	Organics composting area	443	-
6	Bluff Hill active recreation hub carpark redevelopment	149	534
7	Surrey Park grandstand renewals (Roadmap)	1,507	1,598
9	Motor vehicle and plant renewals	795	985

- Bluff Boat Ramp - Stage 1 - Jetties (Roadmap) - The boat pontoons have been installed with further minor additional bracing and piling required. Completion now expected in 2025/2026.
- Bluff Boat Ramp - Stage 2 - Public Toilets & Car Parking Scoping (Roadmap) - The construction of the prefabricated toilet is complete offside, and will be installed and commissioned in 2025/2026.
- City Centre Masterplan Urban Play (Roadmap) - Council has made the decision to pause the Urban Play project.
- General renewals - Planned works completed with some additional reactive work required in 2024/2025.
- Organics composting area - Planned works has been deferred to 2026/2027.
- Bluff Hill active recreation hub carpark redevelopment - Te Wāhi Tākaro o Motupōhue Adventure Park officially opened in November 2024.
- Surrey Park grandstand renewals (Roadmap) - Planned works completed.
- Motor vehicle and plant renewals - Planned works completed with some additional reactive work in 2024/2025.

Libraries

Ngā Whare Pukapuka

Invercargill City Council provides library services which support and encourage lifelong learning, digital literacy and reading across all ages and abilities. The activity collects, preserves and guides access to quality information and also provided opportunities to participate in the online world.

What we have done

The Libraries Activity met two of its four performance measures. User numbers (including website engagements) have exceeded the 500,000 target by 23,000 - physical visits and attendance at programmes remains steady, while online visits to e-content platforms is increasing.

For the second year in a row, the percentage of physical collections added has decreased as a result of reduced collection budget. The percentage is reflective of physical items purchased only and does not reflect the portion of budget used for e-books, e-audio, and e-magazines, which is increasing.

Satisfaction levels with the library service decreased to 75%, down six points on 2023/24 figures.

The net costs of the activity for the year was \$2.3 million, in line with last year and plan. The net costs of the activity remained in line with 2022/2023. Although recovery of fees was lower this year than expected lower employee expenses due to timing of vacancies offset the variance.

During the year \$0.4 million was spent on the library collection, in line with last years and plan.

What we agreed with the Community

Community Outcome	Level of Service	Measure
Social/Cultural Wellbeing	Libraries collections support wellbeing through providing quality resources	Percentage of physical collections added in the past 5 years (excludes heritage collections)
		Percentage of residents satisfied with the library service
	Libraries are well utilised to support wellbeing	Annual number of library users: - Physical visitors + website engagement = total number of Library users - Total number of users (physical visitors + website engagement) per head of (Invercargill city) population

Our Activities – Leisure, Recreation and Wellbeing Services – Libraries

How did we measure up?

Measure		Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
Percentage of collection published in the past 5 years (excludes heritage collections)		63%	≥ 60%	Not achieved ¹	49%	2023/24: - Not Achieved – 54% 2022/23: Achieved – 63% 2021/22: Achieved – 60.5% 2020/21: N/A New Measure
Percentage of residents satisfied with the library service		84%	≥85%	Not achieved ²	75%	2023/24: - Not Achieved – 81% 2022/23: Not Achieved – 84% 2021/22: Achieved – 87% 2020/21: N/A New Measure
Number of visits per year	Total number of users (physical visitors + website engagement) per head of (Invercargill city) population	New measure	8.8	Achieved	8.98	2023/24: N/A New Measure
	Physical visitors + website engagement = total number of Library users	485,535	500,000	Achieved	523,444	2023/24: - Not Achieved – 462.462 2022/23: Not Achieved – 485,535 2021/22: Not Achieved – 462,647 2020/21: Not achieved - 459,429

The details

1. Percentage of collection published in the past five years (excluding heritage collections)

To identify the percentage of the collection published in the last five years software BCA Analytics is used to run a report on the Library catalogue with the following perimeters: Items within the current Library collection and items purchased within the last five years. The number of items published within the last five financial years are expressed as a percentage against the total current items in the collection. Long-term items including Reference and Heritage Collections are excluded from the total number of items in the collection. The figure purchased within the last five years is cross checked against the figure purchased over five years ago.

For the second year in a row, the percentage of physical collections added has decreased as a result of reduced collection budget for the past two years as well as vacancies in the buying team. However, the collections budget for 2025/2026 has been increased and recruitment is underway, which is expected to improve performance during 2025/2026 FY. Percentage is reflective of physical items purchased only and does not reflect portion of budget used for e-books, e-audio, and e-magazines.

2. Percentage of residents satisfied with the library service

Satisfaction with services is assessed via a Residents survey which is undertaken by an independent provider.

Residents of Invercargill District who indicate they visit the Library daily, weekly, fortnightly, monthly, once every 2-3 months or at least once a year are asked to rate their satisfaction with the library service. They can rate their satisfaction from 1 to 5, where 1 is 'least satisfied' and 5 is the 'most satisfied'. The final percentage of residents satisfied reported for this measure includes those who provided a satisfaction score of 4 or 5 (as a percentage of all who have provided a satisfaction rating).

Satisfaction levels have remained high, albeit lower than previous years. Most open-ended feedback focuses on the facility being 'great' (or similar comments) and helpful staff. In person surveying of library users has been scheduled for Quarter One of 2025/26.

Our Activities – Leisure, Recreation and Wellbeing – Aquatic Services

Significant Capital Works Projects

Note	Project	2024/25	2024/25
		Long-term Plan (\$000)	Actual (\$000)
1	Library books / Digital collections	434	421

1. Library books / Digital collections - Planned library collections purchases completed.

Aquatic Services

Ngā puna kaukau

The primary goal of the Aquatic Services Activity is to provide quality and affordable aquatic health and fitness, education, sport and leisure services for the community.

The Southland Aquatic Centre (Splash Palace) provides Aquatic Facilities for the health, wellbeing and enjoyment of the community and a place where people can learn to swim and learn water safety. These facilities also enable a range of water sports to be practised and enjoyed, as well as attracting events to the city.

What we have done

After two strong years, Splash Palace user numbers have declined slightly, particularly in the second half of 2024/25 due to maintenance shut downs, unplanned closures or adjusted hours due to staff availability. Despite this decline, learn to swim participation held firm at an average of 818 participants each quarter (total of 3,273 for the entire year), likely a result of enhanced marketing efforts and improved class quality.

Although still below target, satisfaction increased by nine points to 65% during 2024/25.

The net costs of the activity for the year was \$2.0 million, up \$0.3 million on last year and higher than plan by \$0.5 million. General admissions revenue was lower than expected, with economic conditions encouraging frequent visitors to purchase memberships to reduce spending.

What we agreed with the Community

Community Outcome	Level of Service	Measure
Social/Cultural Wellbeing	Pools are well utilised to support wellbeing	Annual number of Splash Palace users: - Number of users per head of (Invercargill City) population - Total number of Splash Palace users
		Learn to swim participation.
	Pools support wellbeing through providing safe, quality and appropriate premises and services	Time pools are kept within operating guidelines of the New Zealand Pool Water Standards NZS5826:2010 to ensure the health and safety of pool users.
	Pools service is reliable and available	Percentage of residents satisfied with the Splash Palace. Time when a minimum of four 25 metre public lanes are available for swimming. The number of unplanned pool closures.

Our Activities – Leisure, Recreation and Wellbeing – Aquatic Services

How did we measure up?

Measure		Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
Annual number of Splash Palace users	Number of users per head of (Invercargill City) population	6.6	6.8	Not achieved ¹	6.56 visits	2023/24: Achieved – 6.7 visits 2022/23: Achieved – 6.6 visits 2021/22: Not Achieved – 4.57 visits 2020/21: Achieved - 6.7 visits
	Total number of Splash Palace users	New measure	390,000	Not achieved ¹	379,979	2023/24: N/A New measure
Learn to Swim participation ²		New measure	700	Achieved	3,273	2023/24: N/A New measure
Time pools are kept within operating guidelines of the New Zealand Pool Water Standards NZS5826:2010 to ensure the health and safety of pool users. User Satisfaction Survey shows 85% or more rate the overall quality as satisfactory or above		100%	100%	Achieved	100%	2023/24: Achieved – 100% 2022/23: Achieved – 100% 2021/22: Achieved – 100% 2020/21: N/A – New Measure
Percentage of residents satisfied with the Splash Palace		67%	75%	Not achieved ³	65%	2023/24: Not Achieved – 56% 2022/23: Not Achieved – 67% 2021/22: Not Achieved – 74% 2020/21: N/A New Measure
Time when a minimum of four 25 metre public lanes are available for swimming ⁴		98%	95%	Achieved	98%	2023/24: Achieved – 98% 2022/23: Achieved – 98% 2021/22: Not Achieved – 88% 2020/21: Achieved - 99%
The number of unplanned pool closures		New measure	Less than 15 pool closures/year	Not achieved ⁵	31	2023/24: N/A New Measure

The details**1. Annual number of Splash Palace users**

The total number of Splash Palace users are calculated using door count software, footprint. The data is calculated on a monthly basis. The automated data is manually checked and where days data is missing an average of the four previous same days of the same calendar month is used in its place. The annual figure is compiled from the monthly figures for the period. 5% is added to the total to allow for a margin of error (e.g. carried children and people entering side by side which are not counted).

Participation levels during the second half of the year have been lower than expected due to maintenance shut downs, unplanned closures or adjusted hours due to staff availability.

2. Learn to Swim participation

Participation in the Learn to Swim Programme is calculated utilising the booking software Envibe. Week six of the programme is used as a proxy for the whole programme to ensure later registrations and early drop-outs and later starting classes are best accounted for. The registrations for each days programme are manually added to identify the total actual number of participants for week six.

3. Percentage of residents satisfied with the Splash Palace

For the 2024/25 year, 454 residents provided a satisfaction rating for Splash Palace, with just under 100 of these (22%) received from in-person surveying at Splash Palace. Overall, Splash Palace received a 65% satisfaction rating, but the 22% of respondents from the in-person survey rated a satisfaction of 85%.

Some key areas noted in the responses compared to 2023/24 was a 5% increase on the bad layout through the changing rooms and entry, a reduction of 10% of a 'good' rating, a 5% increase in those rating it good for kids/families and a 5% increase in the facility being well maintained.

Work is already underway to rectify the entry/changing room layout concerns which should make customers more comfortable accessing poolside while still entering through the access gates.

4. Time when a minimum of four 25 metre public lanes are available for swimming

The time when a minimum of 4 25m public lanes are available for swimming is calculated using the booking software Envibe. The number of hours not available for bookings for individual lanes is manually counted for each day and collated into a monthly figure. This figure is subtracted from the total opening hours for the facility of the month and then provided as a percentage against the total number of hours. The monthly figures are added for the quarter and then the quarters resulted averaged for the annual figure.

5. The number of unplanned pool closures

Unplanned pool closures were at their highest in Quarter Four. Although these incidents are generally outside of the control of staff, Splash Palace will be implementing measures to mitigate the frequency by ensuring all children under the age of 3 are wearing an approved swimming nappy.

Arts, Culture and Heritage

Ngā Toi, te Ahurea, me ngā Taonga

The Arts, Culture and Heritage Activity provides access to, and preservation of, our cultural assets for our community now and into the future. Council’s involvement with Arts, Culture and Heritage is primarily focused on Invercargill City yet also extends in to the Southland region. This role encompasses funding, governance representation, management and support of entities providing arts, culture and heritage activities, and direct delivery of services through the Bluff Maritime Museum, He Waka Tuia (until 2027), Te Pātaka Taoka Southern Regional Collections Facility and Te Unua – Museum of Southland.

What we have done

He Waka Tuia continues to increase in popularity, with user numbers exceeding 2023/24 levels and satisfaction lifting from 34% in 2023/24 to 54%.

Due to the condition of Te Pātaka Taoka not being operational, its two performance measures focused on visit numbers, have not been achieved in 2024/25 and are unlikely to be achieved in 2025/26.

The net costs of the activity for the year was \$2.2 million, down \$0.5 million on last year and lower than plan by \$1.0 million. Council withdrew from the Southland Regional

Heritage Committee during the year and therefore ended the grant payments to the committee. The rates funding for the grant, which would be paid back to Council via Te Kupeka Tiaki Toaka Trust, was instead held in Council for the operating the collections area. Expenditure is tracking lower due to Southern Regional Collections team still settling into its new operational level since the relocation to Te Pātaka Taoka Southern Regional Collections Facility. The Te Unua team are currently still in the establishment phase.

What we agreed with the Community

Community Outcome	Level of Service	Measure
Cultural Wellbeing		Annual number of He Waka Tuia users: - Number of users per head of (Invercargill City) population - Total number of He Waka Tuia users
Social/Cultural Wellbeing	Arts, culture and heritage services are well utilised to support community wellbeing	Te Pātaka Taoka Southern Regional Collections Facility: - Annual number of visits to access the collection - Annual number of school visits
Cultural/Economic Wellbeing		Annual number of Te Unua - Museum of Southland users - Total number of Te Unua - Museum of Southland users - Total number of Te Unua users per head of (Invercargill city) population
Cultural Wellbeing	Arts, culture and heritage venues support wellbeing through providing high quality, frequently refreshed and culturally enriching experiences	Percentage of residents satisfied with He Waka Tuia Museum and Art Gallery.
		Number of onsite and off-site exhibitions which celebrate our collections and the stories of Southland.

Our Activities – Leisure, Recreation and Wellbeing Services – Arts, Culture and Heritage

How did we measure up?

Measure		Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
He Waka Tuia						
Annual number of He Waka Tuia users	Number of users per head of (Invercargill City) population	New measure	0.33	Achieved	0.36	2023/24: N/A New Measure
	Total number of He Waka Tuia users	18,553	19,000	Achieved ¹	20,572	2023/24: Achieved – 18,473 (target of 14,000) 2022/23: Achieved – 18,553 (target of 14,000) 2021/22: Not Achieved – 7,875 (target of 14,000) 2020/21: N/A New Measure
Percentage of residents satisfied with He Waka Tuia Museum and Art Gallery		17%	20%	Achieved ²	54%	2023/24: Not Achieved – 23% (target of 7-8, equating to 70-80%) 2022/23: Not Achieved – 17% (target of 7-8, equating to 70-80%) 2021/22: Not Achieved – 19% (target of 7-8, equating to 70-80%) 2020/21: N/A New Measure
Number of onsite and off-site exhibitions which celebrate our collections and the stories of Southland ³		New measure	12 exhibitions per annum: 4 off-site, 8 onsite	Achieved	15 Exhibitions: 4 off-site, 11 onsite	2023/24: N/A New Measure
Te Pātaka Taoka Southern Regional Collections Facility						
Annual number of visits to access the collection		New measure	300	Not Achieved ⁴		2023/24: N/A New Measure
Annual number of school visits		New measure	10	Not Achieved ⁴		2023/24: N/A New Measure
Te Unua Museum of Southland						
Annual number of Te Unua - Museum of Southland users	Total number of Te Unua - Museum of Southland users	New measure	0	Achieved - Not measured in 2024/2025 ⁵	0	
	Total number of Te Unua users per head of (Invercargill city) population	New measure	0	Achieved - Not measured in 2024/2025 ⁵	0	

Our Activities – Leisure, Recreation and Wellbeing Services – Arts, Culture and Heritage

The details

1. Annual number of He Waka Tuia users

The total number of He Waka Tuia users is calculated by adding together the following figures:

A manual count of each visitor who enters the He Waka Tuia facility by IPAG reception staff using a hand-tally counter. This daily number is added by the staff to the front-of-house diary, and then reported monthly.

For visitors to He Waka Tuia offsite exhibitions and events user numbers are gathered by the onsite manager and then reported monthly.

He Waka Tuia annual user numbers continues to increase, exceeding this year's target, supported by increased delivery of public and school programmes. A highlight was collaborating with other inner-city venues to deliver a special school programme to James Hargest Year 7 and 8 students exploring the places, stories and histories of the Invercargill CBD.

2. Percentage of residents satisfied with He Waka Tuia Museum and Art Gallery

Satisfaction with services is undertaken via Residents Survey which is undertaken by an independent provider.

Residents of Invercargill District who indicate they visit the He Waka Tuia daily, weekly, fortnightly, monthly, once every 2-3 months or at least once a year are asked to rate their satisfaction with He Waka Tuia. They can rate their satisfaction from 1 to 5, where 1 is 'least satisfied' and 5 is the 'most satisfied'. The final percentage of residents satisfied reported for this measure includes those who provided a satisfaction score of 4 or 5 (as a percentage of all who have provided a satisfaction rating).

Satisfaction levels during the year have increased slightly. There was an increase in respondents who indicated He Waka Tuia was a good facility and/or had good exhibitions

(including good children's exhibitions). A fifth of respondents said the facility was small and there were not enough exhibits, and some continue to raise the issue of the facility not being a replacement for the museum.

During Quarter Four, in person data collection took place at He Waka Tuia - of the 54 completed surveys, 89% were satisfied, lifting the overall satisfaction to 54%.

3. Number of onsite and off-site exhibitions which celebrate our collections and the stories of Southland

The total number of onsite and offsite exhibitions which celebrate our collections and stories of Southland is calculated by the IPAG Manager by adding each new exhibition which opened within the year of the reporting period. I.e. an exhibition opening in June 2024 but running until September 2024 would be counted as a 2024 exhibition, and not as a 2025 although it was open during that period

4. Te Pātaka Taoka Southern Regional Collections Facility – Annual number of visits to access the collection and annual number of school visits

This measure was not be achieved for 2024/25 is unlikely to be achieved in 2025/26 due to there being no intention to allow visitors to Te Pātaka Taoka while Council continues to progress with organising staff and public areas and the collection items within the facility.

5. Annual number of Te Unua Museum of Southland users

There is no target set for the annual number of users for 2024/2025 and 2025/2026 financial years due to the museum not being operational.

Venues and Events Services

Ngā wāhi ratonga

The Venues and Events Services Activity aims to provide quality venues, event services, and visitor experiences for the wellbeing and enjoyment of the community. The venues are places where people can enjoy cultural, social, sporting and recreational activities. These facilities also contribute to residents developing a sense of belonging and pride of their place, Invercargill and Southland. The venues portfolio includes The Civic Theatre, The Scottish Hall and Rugby Park as well the operating the Invercargill Ticketek ticketing service.

What we have done

Eleven of the 21 measures have been achieved in 2024/25.

Throughout the year, Council saw strong demand for from local not-for-profit groups for both the Civic Theatre and Scottish Hall, with no demand from international/national not-for-profits. The overall results also highlight the commercial popularity of these, with the Civic Theatre popular among national/international hirers and the Scottish Hall popular among local hirers.

Demand from international/national not for profits and local commercial clients is very limited for the Civic Theatre. Similarly, demand from international/national not for profits and commercial clients for the Scottish Hall is very limited. The targets for these measures are not in line with market requirements and as a result, they have not been met in 2024/25.

Rugby Park hireage consisted mostly of local commercial and national/international not-for-profit organisations, both of which exceeded their yearly target.

While the combined number of Council venues users has reached 1.52 users per head of population (ahead of the 1.1 target), the result is below 2023/24 levels (1.64 users per head of population). The extent to which Council venues are used is largely influenced by individuals' own circumstances and entertainment preferences, with the rising cost of living playing a key role.

The net costs of the activity for the year was \$0.4 million, in line with both last year and the plan, with lower revenue generated from bookings were offset by limiting the costs to hosting the event in the venues.

What we agreed with the Community

Community Outcome	Level of Service	Measure
Cultural/Social Wellbeing	Venues are well utilised to support community wellbeing	Civic Theatre Occupancy - Main auditorium. Civic Theatre Occupancy - Auxiliary Rooms. Civic Theatre – Hireage - Not for Profit-Local, Not for Profit - National/ International, Commercial – Local, Commercial - National/ International. Scottish Hall – Occupancy. Scottish Hall – Hireage - Not for Profit-Local, Not for Profit - National/ International, Commercial – Local, Commercial - National/ International. Rugby Park – Occupancy. Rugby Park – Hireage - Not for Profit-Local, Not for Profit - National/ International, Commercial – Local, Commercial - National/ International. Annual number of users across all venues: - Number of users per head of (Invercargill City) population - Total number of venue users.
	City venues support wellbeing through enabling culturally and socially enriching experiences	Percentage of residents satisfied with the Civic Theatre Percentage of residents satisfied with the Scottish Hall Percentage of residents satisfied with Rugby Park

Our Activities – Leisure, Recreation and Wellbeing – Venue and Event Services

How did we measure up?

Measure		Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
Civic Theatre Occupancy - Main auditorium		30% Occupancy Rate	35%	Achieved	38%	2023/24: Achieved – 32.5% ¹ 2022/23: Achieved – 30% 2021/22: Not Achieved – 21% 2020/21 – 26%
Civic Theatre Occupancy - Auxiliary Rooms		62% Occupancy Rate	40%	Not Achieved ²	26.25%	2023/24: Achieved – 26% 2022/23: Achieved – 62% 2021/22: Achieved – 100% 2020/21 – 45%
Civic Theatre - Hirage	Not for Profit-Local	New measure	≥35	Achieved	43	2023/24: N/A New measure
	Not for Profit - National/ International	New measure	≥20	Not Achieved ³	0	2023/24: N/A New measure
	Commercial - Local	New measure	≥10	Not Achieved ⁴	3	2023/24: N/A New measure
	Commercial - National/ International	New measure	≥30	Achieved	43	2023/24: N/A New measure
Percentage of residents satisfied with the Civic Theatre		New measure	80%	Not Achieved ⁵	71%	2023/24: N/A New measure
Scottish Hall - Occupancy		33% Occupancy rate	30%	Achieved	42%	2023/24: Achieved – 45% 2022/23: Achieved – 33% 2021/22: Achieved – 19% 2020/21 – 17%
Scottish Hall - Hirage	Not for Profit-Local	New measure	≥55	Achieved	82	2023/24: N/A New measure
	Not for Profit - National/ International	New measure	≥5	Not Achieved ⁶	0	2023/24: N/A New measure
	Commercial - Local	New measure	≥5	Achieved	5	2023/24: N/A New measure
	Commercial - National/ International	New measure	≥3	Not Achieved ⁷	2	2023/24: N/A New measure
Percentage of residents satisfied with the Scottish Hall		New measure	60%	Not Achieved ⁸	51%	2023/24: N/A New measure
Rugby Park - Occupancy		7% Occupancy Rate	7%	Achieved	12%	2023/24: Not Achieved – 4% 2022/23: Not Achieved – 7% 2021/22: Not Achieved – 7% 2020/21 – 4%
Rugby Park - Hirage	Not for Profit-Local	New measure	≥10	Not Achieved ⁹	6	2023/24: N/A New measure
	Not for Profit - National/ International	New measure	≥2	Achieved	5	2023/24: N/A New measure

Our Activities – Leisure, Recreation and Wellbeing – Venue and Event Services

Measure		Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
	Commercial - Local	New measure	≥2	Achieved	9	2023/24: N/A New measure
	Commercial - National/ International	New measure	≥8	Not Achieved ¹⁰	3	2023/24: N/A New measure
Percentage of residents satisfied with Rugby Park		New measure	40%	Not Achieved ¹¹	34%	2023/24: N/A New measure
Annual number of users across all venues	Number of users per head of (Invercargill City) population	1.5	1.1	Achieved	1.52	2023/24: Achieved – 1.64 Vph 2022/23: Achieved – 1.5 vph 2021/22: Achieved – 1.6 vph 2020/21: N/A New Measure
	Total number of venue users	80,648	63,000	Achieved	87,135	2023/24: Achieved – 94,082 visits 2022/23: Achieved – 80,648 visits 2021/22: Achieved – 89,970 visits 2020/21: N/A New Measure

The details

1. Civic Theatre Occupancy – Main Auditorium

The occupancy rates for the Civic theatre (Main auditorium and Auxillary Rooms), Scottish Hall and Rugby Park are calculated on the following basis: Total half days occupied over total half days available recorded within Council's Pathways system.

The target for the 2021/22, 2022/23 and 2023/24 financial years for Civic Theatre – Main Auditorium was occupancy greater than 28% (lower than the current target of a minimum of 35%).

2. Civic Theatre – Auxiliary Rooms

Quarter Four saw a small recovery but the overall trend remains below target. With the Council Administration Building decant, Victoria Room is being utilised as the Council Chambers. The Victoria Room was originally included in the business plan as a commercial space with potential to attract revenue and events. Achieving the target in future years is unlikely if based on hirage of Wikitoria and Drawing Rooms only. Business planning and strategic development are challenging due to ongoing ambiguity around which locations may still be used for corporate accommodation.

Note: The target for the 2021/22, 2022/23 and 2023/24 financial years was occupancy greater than 11%.

3. Civic Theatre – Hireage – Not for profit – national/International

The hireage rates for the Civic Theatre, Scottish Hall, and Rugby Park are calculated by dividing the total number of occupied days—recorded in our Pathways system—by the booking status. These statuses include:

Not-for-Profit – Local - these are community groups that are incorporated societies or charities that have gone through our community access programme to offer them a discount. Rooms such as the Wikitoria or Scottish Hall do not attract a discount due to the design of lower cost for these spaces but

are also included in these numbers due to their intent to be more accessible to the community.

Not-for-Profit – National/International – these are events that may be touring and may offer free attendance. These would not be ticketed events unless crowd control was necessary and therefore numbers would be based on historic data.

Commercial – Local (recorded in Ticketek) - This is when a commercial event sells tickets such as the Rugby NPC (professional league), or a commercial hire by a business or corporate entity.

Commercial – National/International (recorded in Ticketek) – these represent the shows and events that sell tickets to the public with the intend to generate revenue for the promoter or organiser. These will almost always be ticketed. There are at times seminars or workshops that may be counted in this number should they be outside the region coming ie. A tourism school trying to attract students.

The target for Civic Theatre Hireage – Not for profit – national/international has not been met as not for profit events do not tour (touring events are treated as commercial and charged accordingly). This is unlikely to change.

4. Civic Theatre – Hireage – Commercial - Local

There is very limited local opportunity for commercial hires. This has also been hampered by the uncertainty of spaces available to hire with the decant. The target set is very ambitious and will not be met in 2024/2025. Once the decant process is complete, Council will be able to reassess the situation and develop a business and strategic plan for these spaces to support future revenue generation.

5. Percentage of residents satisfied with the Civic Theatre

Our Activities – General Services

Satisfaction remained consistent throughout the year and, while it does not meet the desired level, it is still a positive result overall. It demonstrates clear potential to grow resident satisfaction with the range of events and entertainment options available. Achieving this growth will require additional resources and a focused effort within the events sector.

6. Scottish Hall – Hireage – Not for Profit – National/International

This measure has not been met in 2024/25 due to very limited numbers of national/international not-for-profit hirers. The target is not in line with market requirements and it is unlikely it will be met in future years.

7. Scottish Hall – Hireage – Commercial – National/International

The Scottish Hall has little appeal to the national/international commercial market. The two events captured are the national planners conference and an antiques roadshow-style event, which was not typical or anticipated within the scope of this measure. As such, it is unlikely that the target will be achieved in future year. The Community Lounge is the only space that attracts commercial use; however, this is mainly for community training.

8. Percentage of residents satisfied with the Scottish Hall

The overall satisfaction is below target. Anecdotal evidence suggests that the Scottish, is well-regarded by those who use it, are familiar with it, or have a personal connection to it. There are several opportunities to increase awareness and visibility of its value within the community.

Enhancing event offerings and increasing publicity around the Scottish Hall will be a key focus moving forward. Some investment will be required, but it should be approached strategically to maximise both value and return on investment.

9. Rugby Park – Hireage – Not for Profit – Local

The overall result highlights the potential usage of Rugby Park, despite the booking metric being recorded at only six. Current reporting process captures bookings as single entries, even though one booking may encompass multiple events, days, or functions. As such, the booking metric alone does not accurately reflect actual usage for this category.

If the metric were based on the number of individual events, the figure for this period would exceed 22—and even more if each game or fixture were counted separately.

10. Rugby Park – Hireage – Commercial – National/International

Commercial hires include professional rugby events. However, given the current level of operational resources—of which there are none—it is unlikely that Council will meet this measure under existing conditions. Commercial entities

require confidence that a venue of this scale has the necessary support to host larger and more diverse events. There is significant potential for Rugby Park to expand its commercial usage across a variety of sporting codes, promoter-led events such as touring international artists and concerts, and innovative commercial hospitality initiatives. Stakeholders have expressed a strong desire to unlock the venue's revenue-generating potential through increased investment and strategic focus.

11. Percentage of residents satisfied with Rugby Park

This result is not unexpected. Until the venue is adequately resourced in both operations and maintenance, this measure is likely to remain low. Additionally, the venue is currently perceived as an elite facility catering to a single sport, largely due to its name. A rebranding could be beneficial—particularly if further investment is being considered—to broaden its appeal and better reflect its potential for multi-sport and community use.

Satisfaction for services is assessed via a Residents Survey which is undertaken by an independent provider. Residents of Invercargill District who indicate they visit each of the venues - Civic Theatre, Scottish Hall and Rugby Park - daily, weekly, fortnightly, monthly, once every 2-3 months or at least once a year are asked to rate their satisfaction with each of them. They can rate their satisfaction from 1 to 5, where 1 is 'least satisfied' and 5 is the 'most satisfied'. The final percentages of residents satisfied reported for each venue includes those who provided a satisfaction score of 4 or 5 (as a percentage of all who have provided a satisfaction rating).

12. Annual number of users across all venues

The total number of users is derived from ticket sales data provided by Ticketek for ticketed events. For auxiliary rooms, attendance figures are estimated/aggregated based on historic patterns, which vary depending on the room and the type of event.

Where available, we also incorporate data from hirers and users, including their estimates of participant numbers, crew, cast, and any peripheral personnel associated with a production. In some cases, this information is not recorded by promoters, users, or hirers. When such data is unavailable, we apply our own assumptions using industry knowledge and history of similar events. However, if we are uncertain about the reliability of the information, we may choose to exclude it from the dataset to maintain the integrity of the reporting. Audience and users are combined to give a total number of users for an event or function. Should no ticket data or function attendance data be available, we use aggregated numbers on best practice industry and historic data.

Public Transport

Ngā waka

Public Transport Activity provides both a bus services to the Invercargill urban area (both city and school bus runs) and Total Mobility (subsidised travel support for qualifying customers) services to the wider Southland province. This ensures that there are suitable and appropriate choices for travel options that respond to Southland's changing public transport needs.

The Public Transport Activity manages regional public transport for Southland under a delegation from Environment Southland.

What we have done

Three of the four Passenger Transport performance measures were achieved in 2024/25. Patronage continued to increase, exceeding 2023/24 figures. Satisfaction with the quality and cost of the bus service also increased, although satisfaction with price remained below target.

While the overall results for 2024/25 are positive, fare increases are expected to impact the activity performance in 2025/26.

The net costs of the activity for the year was \$1.3 million, up \$0.3 million on last year and lower than plan by \$0.1 million.

The bus service was delivered on budget. However the cost to run the Total Mobility scheme was higher this year. These were offset by higher subsidy revenue received from NZTA. Council is consulting with the community on ways to better manage demand and cost in this area.

During the year there was no spend on capital projects required,

What we agreed with the Community

Community Outcome	Level of Service	Measure
Social/Environmental/Economic	Public transport is well utilised to support community wellbeing	Annual number of public transport users: - Number of users per head of (Invercargill City) population - Total number of public transport users.
Social	Public transport supports wellbeing through enabling people to move around the city	Percentage of residents satisfied with quality of bus service. Percentage of residents satisfied with price of bus service.

How did we measure up?

Measure		Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
Annual number of public transport users	Number of users per head of (Invercargill City) population	New measure	2.5	Achieved ¹	2.7	2023/24: N/A New Measure
	Total number of public transport users	141,837	143,000	Achieved ¹	160,793	2023/24: Achieved – 157,141 2022/23: Achieved – 141,837 2021/22: Not Achieved – 109,471 2020/21: Not Achieved – 145,586
Percentage of residents satisfied with quality of bus service		40%	43%	Achieved ²	55%	2023/24: Not Achieved – 46% (target 70%)

Our Activities – Leisure, Recreation and Wellbeing – Public Transport

					2022/23: Not Achieved – 40% 2021/22: Not Achieved – 55% 2020/21: N/A New Measure
Percentage of residents satisfied with price of bus service	64%	60%	Not Achieved ³	57%	2023/24: Not Achieved – 48% (target 80%) 2022/23: Not Achieved – 64% 2021/22: Not Achieved – 23% 2020/21: Not Achieved – 80% (target 82%)

The details

1. Annual number of public transport users

The total number of public transport users is based on bus trips data provided from the Beecard system which is nationally managed by ORC (Otago Regional Council). ORC provides a monthly summary of the trips by transaction types by transaction date (e.g. user types such as adult, child, Super gold etc.) and by peak and off peak periods. Non-trip related transactions such as card balances, adding money to Beecard etc. are excluded. Cost of the trips is also included as some fares are free (e.g. super gold and children) but those trips have funding supplied as annual sums (e.g. super gold) and need to be accounted for within the NZTA system.

Patronage has increased during 2024/25, however there will likely be an initial drop in the following financial year due to fare increase. This may be followed by a slow build. Council will continue to monitor this closely.

2. Percentage of resident satisfied with quality of the bus service

Satisfaction with Council services is based on the Residents Survey undertaken by an independent provider. Residents of Invercargill District who indicate they catch the bus in Invercargill daily, weekly, fortnightly, monthly, once every 2-3 months or at least once a year are asked to rate

their satisfaction with the quality of the bus service and the price of the bus service. For both of these, they can rate their satisfaction from 1 to 5, where 1 is 'least satisfied' and 5 is the 'most satisfied'. The final percentages of residents satisfied reported for each includes those who provided a satisfaction score of 4 or 5 (as a percentage of all who have provided a satisfaction rating).

A new service will provide an increase in level of service with a new fleet and technology. The rollout of the National Ticketing system has been delayed.

Note that the satisfaction target for the previous financial year was 70%.

3. Percentage of residents satisfied with price of bus service

There has been an increase in satisfaction compared to 2023/24, however it appears residents remain price-sensitive. Price increases mandated by Government for 2025/26 and beyond will impact this measure further.

Note that the satisfaction target for the previous financial year was 80%.

Significant Capital Works Projects

Note	Project	2024/25 Long-term Plan (\$000)	2024/25 Actual (\$000)
1	General renewals	33	-

1. General renewals - No renewal work required on for the year.

Elderly Persons Housing

Ngā mātāpuputu whare

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

What we have done

Council's housing units continue to be occupied in excess of the 95% target, and regular inspections are undertaken every six months for all Council-owned housing. In the last quarter, one non-urgent request for service was answered outside of the five working day timeframe, resulting in a missed target.

The net costs of the activity for the year was -\$0.1 million, down \$0.1 million on last year and plan. Additional repairs

and maintenance were carried out during the year to refurbish some units between tenancies

During the year \$0.7 million was spent on capital projects, down \$3.0 million on last year and lower than plan by \$2.0 million. The next property on the programme for replacement and new builds is Miller Street and the planning and tender process commenced this year with construction now planned to be completed by 2025/2026.

What we agreed with the Community

Community Outcome	Level of Service	Measure
	Elderly persons housing is well utilised to support community wellbeing	Units are occupied 95% of the time
Cultural/Social Wellbeing	Council is responsive to the community in order to effectively manage the elderly persons housing	Requests for service are responded to and remedial action in place: - Urgent
		Requests for service are responded to and remedial action in place: - Non-Urgent
	Council effectively manages the elderly persons housing to provide efficient and effective value	Regular inspections are undertaken

How did we measure up?

Measure	Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
Units are occupied 95% of the time	98%	95%	Achieved	97%	2023/24: Achieved – 96% 2022/23: Achieved – 98% 2021/22: Achieved – 98% 2020/21: N/A – New Measure
Requests for service are responded to and remedial action in place: - Urgent	100% within 24 hours	24 hours	Achieved ¹	100% of RSF responded to and remedial action in place within 24 hours (average time 25 minutes)	2023/24: Achieved – 100% completed within 24 hours 2022/23: Achieved – 100% completed within 24 hours 2021/22: Not Achieved – 80% completed within 24 hours 2020/21: N/A – New Measure

Our Activities – Leisure, Recreation and Wellbeing – Elderly Persons Housing

Requests for service are responded to and remedial action in place: - Non-Urgent	99% within 5 working days	5 working days	Not Achieved ²	99% of RFS responded to and remedial action in place within 5 working days (average time less than 1 day)	2023/24: Not Achieved – 99.8% completed within 5 days (266 of 267) 2022/23: Not Achieved – 99% completed within 5 days 2021/22: Not Achieved – 99% completed within 5 days 2020/21: N/A – New Measure
Regular inspections are undertaken	100%	100%	Achieved ³	100%	2023/24: N/A - New Measure

The details

1. Units are occupied 95% of the time

The occupation rate for the elderly housing units is calculated utilising data held regarding total number of days available across all units (vacant, unavailable, occupied). The percentage is based on occupied days versus total days occupied, vacant and unavailable.

2. Requests for service are responded to and remedial action in place: - Urgent

Urgent services are defined as matters with an emergency or health and safety implication. The percentages are calculated through running a report for all requests for service (complete and incomplete) for elderly housing and for urgent requests assessing whether these were complete within 24 hours and for non-urgent requests whether these were complete within five working days. The percentages for urgent and non-urgent are based on complete within timeframe over all requests complete or incomplete.

No urgent requests for service were received in Quarters Two and Three and Four. Two urgent RFS were received in Quarter One.

3. Requests for service are responded to and remedial action in place: - Non-Urgent

Non-urgent services are defined as all other requests for service.

A total of 365 non-urgent requests for service have been received in 2024/25. One non-urgent request for a housing application query was responded to within 8 working days (due to Housing Officer on leave), therefore resulting in a missed target.

4. Regular inspections are undertaken

440 inspections have been undertaken during 2024/25.

Significant Capital Works Projects

Note	Project	2024/25	2024/25
		Long-term Plan (\$000)	Actual (\$000)
1	Housing - replacement and new build programme	2,114	500
2	Housing - renewals	528	162

- Housing - replacement and new build programme - Planning and tender work for the Miller Street property commenced in 2024/2025 with construction planned to be completed by 2025/2026.
- Housing – renewals - Some of the planned refit work was completed in 2024/2025 when property are available. Roof renewals has been deferred to 2025/2026.

Corporate and Regulatory Services

Ratonga rangatōpū

Corporate and Regulatory Services include five sub-activities. These are:

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

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

Details on all of these individual sub-activities is available in the following pages.

What we have done

There are 30 performance measures attributed to Corporate and Regulatory Services, of which 22 were achieved.

Being responsive to the community is a priority for Council. During 2024/25, Council received 21,955 requests for service via various channels. 21,432 of these (98%) were under investigation or responded to within ten working days of being raised.

The net costs of the activity for the year was \$13.5 million, down \$5.4 million on last year and lower than plan by \$1.8 million.

During the year \$26.1 million was spent on capital projects, up \$12.5 million on last year and lower than plan by \$9.5 million.

Our Activities – Corporate and Regulatory Services

Invercargill City Council: Funding impact statement for year ended 30 June 2025 for Corporate and Regulatory Services

	Long-term Plan 2021 - 2031 2023/24 \$ 000	Long-term Plan 2024 - 2034 2024/25 \$ 000	Actual 2024/25 \$ 000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	14,336	19,830	19,743
Targeted rates	242	281	348
Subsidies and grants for operating purposes	26	80	173
Fees and charges	8,193	8,413	7,508
Internal charges and overheads recovered	-	232	224
Interest and dividends from investments	5,390	12,683	17,063
Local authorities fuel tax, fines, infringements, fees and other receipts	2,202	3,449	3,863
Total operating funding (A)	30,389	44,968	48,922
Applications of operational funding			
Payment to staff and suppliers	29,709	35,037	37,471
Finance costs	3,021	4,913	4,735
Internal charges and overheads applied	40	254	236
Other operating funding applications	-	-	-
Total applications of operating funding (B)	32,770	40,204	42,442
Surplus (deficit) of operating funding (A - B)	(2,381)	4,764	6,480
Sources of capital funding			
Subsidies and grants for capital expenditure	2,533	6,180	3,500
Development and financial contributions	-	-	-
Increase (decrease) in debt	8,680	23,939	3,229
Gross proceeds from sale of assets	13,500	2,103	555
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	24,713	32,222	7,284
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	15,936	26,314	18,989
- to replace existing assets	6,608	9,261	5,742
Increase (decrease) in reserves	(396)	14,399	1,163
Increase (decrease) in investments	184	(12,988)	(12,130)
Total applications of capital funding (D)	22,332	36,986	13,764
Surplus (deficit) of capital funding (C - D)	2,381	(4,764)	(6,480)
Funding balance ((A - B) + (C - D))	-	-	-

Democratic Process

Mana whakahaere

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

What we have done

Satisfaction with opportunities Council provides for community involvement in decisions making reached 23%. The most significant driver of low satisfaction remains the perception that Council does not listen. More people are satisfied with consultation process and fewer unaware consultation is happening.

Council continues to see strong demand for the Community Wellbeing Fund. A total of 71 activities were supported by the Community Wellbeing Fund, almost twice the set target. The fund will be reduced by \$100,000 in the 2025/26 which may impact performance.

There were no elections held in 2024/25.

The net costs of the activity for the year was \$8.1 million, in line with both last year and the plan

What we agreed with the Community

Community Outcome	Level of Service	Measure
Cultural/Social Wellbeing	The community is supported to understand and participate in the democratic process	Percentage of residents satisfied with the opportunities Council provides for community involvement in decision making.
		Voter participation in elections.
Social/Cultural/Environmental/Economic Wellbeing	The community is supported to deliver and participate in events and other activities which enhance wellbeing	Number of activities or events supported by the Community Wellbeing Fund.

Our Activities – Corporate and Regulatory Services – Democratic Process

How did we measure up?

Measure	Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
Percentage of residents satisfied with the opportunities Council provides for community involvement in decision making	19%	20%	Achieved ¹	23%	2023/2024: Not Achieved – 22% (target 50%) 2022/23: Not Achieved - 19% 2021/22: Not Achieved – 18% 2020/21: Achieved - 52%
Voter participation in elections	New measure	N/A – No election	Achieved	N/A – No election	2023/24: N/A New Measure
Number of activities or events supported by the Community Wellbeing Fund	53	40	Achieved ²	71	2023/2024: Achieved – 68 (target 25) 2022/23: Achieved - 53 2021/22: Achieved - 55 2020/21: N/A – New Measure

The details

1. Satisfaction with opportunities Council provides for community involvement in decision-making

2024/25 survey results show that the most significant driver of low satisfaction remains the perception that Council does not listen. More people are satisfied with consultation process and fewer unaware consultation is happening.

2. Number of activities or events supported by the Community Wellbeing Fund (CWF)

Interest in the fund remains high with increasing numbers of applications. The fund is becoming well-known, with repeat applicants and other funders referring organisations to CWF. The fund will be reduced by \$100,000 in the 2025/26 year but it is proposed that the Community Wellbeing Fund Sub-Committee continues with 5 funding rounds.

Regulatory Services

Ratonga Ture

The key objective of Regulatory Services is the implementation of national legislation in the Invercargill context, while focusing on achieving community wellbeing. The Regulatory Services activity is responsible for the delivery of key legislative requirements relating to building, planning, food and alcohol, environmental health, parking compliance, animal control, environmental health and litter.

The activity balances acceptable community behaviour with the community’s expectation for enforcement, for example, balancing the rights of dog ownership against barking dog nuisance.

What we have done

While the targets have been missed for building consents granted, non-notified resource consents not requiring a hearing granted and Code Compliance Certificates Issued, the activity remained substantially complaint with these, with results ranging from 94% to 99%. 56 food premises registrations were processed and 404 alcohol licenses not requiring a hearing were granted within the statutory timeframes.

Council saw a significant increase in the number of Land Information Memorandum (LIM) Reports issued. 834 LIM reports have been issued in 2024/25, with 120 of these issued late. The number of LIMs lodged increased significantly from January 2025, driven by lower mortgage interest rates, buoyant market, property investors, first time buyers in the context of Invercargill's price point. In addition, obtaining a

LIM Report is becoming a requirement imposed by many banks and insurance companies. Timelines have been breached during March and April 2025. From May 2025, Council has been able to return to issuing under 10 working days.

The net costs of the activity for the year was \$1.1 million, down \$1.4 million on last year and higher than plan by \$1.7 million. The Planning and Building areas saw an increased volume of commercial consents and requests for LIMs, which positive impacted revenue. This partly offset the lower than planned revenue from other areas of Planning and Building.

What we agreed with the Community

Community Outcome	Level of Service	Measure
Economic/Social/Environmental Wellbeing	Council is responsive to the community to ensure regulatory processes are effectively managed to support appropriate development and economic activity	Building consents are granted within statutory timeframe. Non-notified resource consents not requiring a hearing are granted within statutory timeframe. Code Compliance Certificates are issued within statutory timeframe. Food premises are registered within 20 working days. Alcohol licences not requiring a hearing are granted within 30 days. Land Information Memorandum (LIM) Reports are issued within 10 working days.
	Regulatory processes are effectively managed to support appropriate development	Percentage of residents satisfied with service received from the Building, Planning and Property Records Department. Percentage of residents satisfied with the building and/or resource consent process.
	The District's heritage is valued and preserved	Amount of eligible applications received to support heritage buildings (earthquake strengthening and/or heritage improvements).

Our Activities – Corporate and Regulatory Services – Regulatory Services

How did we measure up?

Measure	Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
Building consents are granted within statutory timeframe	98%	100% of building consents are granted within statutory timeframe	Not achieved ¹	99% (1047 of 1058)	2023/24: Not Achieved - 99% (2327 of 2369) 2022/23: Not Achieved - 98% 2021/22: Not Achieved – 99% 2020/21: Achieved – 100%
Non-notified resource consents not requiring a hearing are granted within statutory timeframe	96%	100% of non-notified resource consents are granted within statutory timeframe	Not achieved ²	94% (169 of 180)	2023/24: Not Achieved - 98% (174 of 177) 2022/23: Not Achieved - 96% 2021/22: Not Achieved – 85% 2020/21: Achieved – 100%
Code Compliance Certificates are issued within statutory timeframe	New measure	100% of Code Compliance Certificates are issued within statutory timeframe	Not achieved ³	97% (872 of 897)	2023/24: N/A – New Measure
Food premises are registered within 20 working days	100%	100% of food premises are registered within 20 working days	Achieved	100% (56)	2023/24: Not Achieved - 96% (57 of 59) 2022/23: Achieved – 100% 2021/22: Achieved – 100% 2020/21: Achieved – 100%
Alcohol licences not requiring a hearing are granted within 30 days	100%	100% of alcohol licences not requiring a hearing are granted within 30 days	Achieved	100% (404)	2023/24: Achieved - 100% (338) 2022/23: Achieved – 100% 2021/22: Achieved – 100% 2020/21: Achieved – 100%
Land Information Memorandum (LIM) Reports are issued within 10 working days	New measure	100%	Not achieved ⁴	86% (714 of 834)	2023/24: N/A – New Measure

Our Activities – Corporate and Regulatory Services – Regulatory Services

Percentage of residents satisfied with service received from the Building, Planning and Property Records Department ⁵	New measure	50%	Achieved	58%	2023/24: N/A – New Measure
Percentage of residents satisfied with the building and/or resource consent process ⁶	New Measure	50%	Achieved	51.5%	2023/24: N/A – New Measure
Amount of eligible applications received to support heritage buildings (earthquake strengthening and/or heritage improvements)	New measure	Council's Heritage Funds are at least 90% subscribed each financial year	Achieved ⁷	100%	2023/24: N/A – New Measure

The details

1. Building consents are granted within statutory timeframe (20 working days)

1058 building consents have been granted during 2024/25, with 11 of these granted outside the statutory timeframe. The highest number of consents (287) was granted in Quarter Four, and represents 20 more consents compared to the same period last year. Processing breaches related to complexity of building category and multiple stakeholders. A processing location note has been added by vetting team. IANZ completed the internal audits in January 2025 and advised their performance expectation is 95%.

Council is required to report on performance against statutory timeframes in the manner outlined by the Department for Internal Affairs. The statutory timeframes are as follows:

- Building consents 20 working days
- Non-notified resource consents 20 working days
- Code of Compliance certificates 20 working days

2. Non-notified resource consents not requiring a hearing are granted within statutory timeframe (20 working days)

180 non-notified resource consents not requiring a hearing have been granted in 2024/25, with 11 being granted outside of the statutory timeframe. Resourcing with the Planning team has been a key factor impacting on delivery, as well as timelines for several applications were lengthened due to complexity or delays in receiving internal comments.

3. Code Compliance Certificates are issued within statutory timeframe (20 working days)

897 Code Compliance certificates have been issued during 2024/25, with 25 of these being issued outside of the statutory timeframe. The issue of CCCs is a manual process subject to human error and continuous performance attention. The BCA is currently reviewing a system that automates the process which would address the issue. IANZ completed the internal audits in January 2025 and advise their performance expectation is 95%.

4. Land Information Memorandum (LIM) Reports are issued within 10 working days

834 Land Information Memorandums have been issued in 2024/25, with 120 of these issued late. The number of LIMs lodged increased significantly from January 2025, driven by

lower mortgage interest rates, buoyant market, property investors, first time buyers in the context of Invercargill's price point. In addition, obtaining a LIM Report is becoming a requirement imposed by many banks and insurance companies. Breaches of statutory compliance in early 2025 were addressed with additional resource offset by the additional revenue from the increased demand.

5. Percentage of residents satisfied with service received from the Building, Planning and Property Records Department

Satisfaction with Council services is based on the Residents Survey undertaken by an independent provider.

Residents of Invercargill District who indicate they have contacted the Building, Planning and Property Records department in the last 12 months are asked to provide a satisfaction rating for the service received. They can rate their satisfaction from 1 to 5, where 1 is 'least satisfied' and 5 is the 'most satisfied'. The final percentage of residents satisfied reported for this measure includes those who provided a satisfaction score of 4 or 5 (as a percentage of all who have provided a satisfaction rating).

6. Percentage of residents satisfied with the building and/or resource consent process

Residents of Invercargill District who have contacted the Building, Planning and Property Records department in the last 12 months to apply for a building or resource consent, are asked to provide a satisfaction rating for the consenting process (depending on which they applied for), where 1 is 'least satisfied' and 5 is the 'most satisfied'. The final percentage of residents satisfied reported for this measure includes those who provided a satisfaction score of 4 or 5 (as a percentage of all who have provided a satisfaction rating). The final percentage is an average of the satisfaction with the building consent process and the resource consent process.

7. Amount of eligible applications received to support heritage buildings (earthquake strengthening and/or heritage improvements)

A total of 20 applications supporting heritage buildings were received in 2024/25. The Built Heritage Fund was 130% subscribed and the Seismic Strengthening Fund was 277% subscribed. The Built Heritage Fund has been paused for 2025/26.

Corporate Services

Ratonga Rangapū

The Corporate Services Activity encompasses a number of different services and functions that are often considered back office or internal functions. These financial, management and technical areas together enable and support Council to deliver on its public activities. The Corporate Services is fundamental to the provision of Council services to the community and it predominantly provides internal support to the organisation. It enables and supports Council performance and delivery, by providing robust and agile support services throughout the organisation, enabling delivery of services and Council outcomes to the community.

What we have done

All Corporate Services measures have been achieved in 2024/25. Council received 21,955 requests for service via various channels. 21,432 of these (or 98%) were under investigation or responded to within ten working days of being raised (18 points above the 80% target) demonstrating overall steady response timeframes.

The call centre has been available almost 100% of the time and face-to-face services in Invercargill and Bluff remain available to the community with very brief interruptions.

89% of suppliers have been paid on time.

The net costs of the activity for the year was \$14.3 million, up \$2.5 million on last year and higher than plan by \$6.5 million. Recovery of internal staffing costs against capital projects, as well as higher insurance premiums reflecting world wide trend in insurance risk and rising asset replacement values.

During the year \$6.8 million was spent on capital projects, up \$4.6 million on last year and higher than plan by \$1.1 million. During the year the commencement of relocation of staff and Council chambers from 101 Esk Street occurred earlier than planned and will continue into 2025/2026.

What we agreed with the Community

Community Outcome	Level of Service	Measure
Social/Cultural/Environmental/Economic Wellbeing	Council is responsive to the community in order to manage Council business effectively to support community wellbeing	Percentage of Requests for Service under investigation/ closed within 10 working days of being raised
Social/Economic Wellbeing		Percentage of suppliers who are paid on time
Social/Cultural/Environmental/Economic Wellbeing	Corporate services are reliable and available	Accessible customer service: - Customers are provided with a 24-hour 7 day a week call centre - Invercargill customers are provided with face-to-face customer services - Bluff customers are provided with face-to-face customer services

How did we measure up?

Measure	Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
Percentage of Requests for Service under investigation/ closed within 10 working days of being raised ¹	New measure	80%	Achieved	98%	2023/24: N/A – New Measure
Percentage of suppliers who are paid on time ²	New measure	85%	Achieved	89%	2023/24: N/A – New Measure

Our Activities – Corporate and Regulatory Services – Corporate Services

Accessible customer service	Customers are provided with a 24 hour 7 day a week call centre	New measure	99%	Achieved	99.99%	2023/24: N/A – New Measure
	Invercargill customers are provided with face to face customer services	New measure	1880 hours per annum	Achieved	1954.75 hours	2023/24: N/A – New Measure
	Bluff customers are provided with face to face customer services	New measure	2045 hours per annum	Achieved	2051.25 hours	2023/24: N/A – New Measure

The detail

1. Percentage of Requests for Service under investigation/ closed within 10 working days of being raised

Requests for service across Council are logged within the Council's Request for Service software. A report is generated for the appropriate period. The percentage is calculated based on the number of requests dealt with by customer service representatives either closed or under investigation against the total requests within the time period.

2. Percentage of suppliers who are paid on time

Council commits to pay invoices on the 20th of the following month following receipt of goods and invoice. The percentage of suppliers paid on time is taken from a report based on dates of key actions logged within the accounting system, Technology One. This number is reported for the annual period as a percentage against the total number of invoices, both paid and unpaid.

Significant Capital Works Projects

Note	Project	2024/25	2024/25
		Long-term Plan (\$000)	Actual (\$000)
1	Roadmap Programme Contingency	1,030	-
2	IT - Software	82	103
3	IT - Hardware	301	378
4	Our Council (Business Enhancement) Programme	3,516	3,241
5	Relocation of staff and Chambers from 101 Esk Street	-	2,543
6	Motor vehicles and plant renewals	701	808

2. IT – Software - Planned works completed.
3. IT – Hardware - Planned works completed.
4. Our Council (Business Enhancement) Programme - Planned works continue to progress with some delays incurred due to resource availability.
5. Relocation of staff and Chambers from 101 Esk Street - Project work brought forward from 2027/2028 with stage one completed of relocation of the first group of staff out of the 101 Esk Street building.
6. Motor vehicles and plant renewals - Planned works completed.

Property Services

Ratonga Hangatanga

The Property Services Activity underpins many Council activities by providing the land and buildings needed. The Activity acts as the “owner” of Council’s property and manages the community owned and publicly used facilities of Council for the benefit of Invercargill residents and ratepayers and visitors to the city. The Property Services Activity manages and maintains a portfolio of building assets including public, commercial, residential and parks operational buildings and leases. It also manages and operates public toilets for use by the community and visitors to our city and parks. It ensures that the buildings are designed, constructed, developed and maintained for their specific purpose throughout their life-cycle.

What we have done

Five of the seven Property Services measures have been achieved.

For the first time, residents have been asked to rate their satisfaction with the District’s public toilets. Satisfaction was at 36%, lower than the 55% target. The percentage of public toilets being operational 24 hours per day has also not been met this financial year due to delays in sourcing replacement plant items and replacement of Stirling Point toilet.

The net costs of the activity for the year was \$4.6 million, up \$0.9 million on last year and lower than plan by \$0.1 million. The increase in costs is due to increases to interest expenses

as a result from increased borrowings required to fund capital expenditure.

During the year \$19.0 million was spent on capital projects, up \$9.2 million on last year and lower than plan by \$10.8 million. Construction commenced on the Te Unua building structure, with completion expected in 2025/2026. The Experience works have fallen behind the programme due to slower-than-planned engagement by the iwi supporting team. Stage 2 of Rugby Park has been completed and work on the Splash Palace poolside entrance commenced. A number of projects have been deferred.

What we agreed with the Community

Community Outcome	Level of Service	Measure
Social	Council is responsive to the community to ensure effective management of property to support community wellbeing	Requests for service are responded to and remedial action in place: - Emergency - H&S related requests.
		Requests for service are responded to and remedial action in place: - Non-Urgent routine requests.
Social	Property is effectively managed to provide safe appropriate spaces for the community	All buildings have a current Building Warrant of Fitness.
		Condition assessments are not older than 5 years old (of agreed buildings).
Social/Environmental	Property is reliable and available to the community	Percentage of residents satisfied with public toilet facilities in Invercargill District
		Asbestos Management Plans are reviewed and updated so they are not older than 5 years.
Social	Property is reliable and available to the community	Public toilets are operational 95% of open hours (which is 24 hours per day)

Our Activities – Corporate and Regulatory Services – Investments

How did we measure up?

Measure	Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
Requests for service are responded to and remedial action in place: - Emergency - H&S related requests.	New measure	24 hours	Achieved	100% of RSF responded to and remedial action in place within 24 hours (average time 7 hours) (10)	2023/24: N/A - New Measure
Requests for service are responded to and remedial action in place: - Non-Urgent routine requests	New measure	5 working days	Achieved	100% of RSF responded to and remedial action in place within 5 working days (average time 1 day) (139 RFS)	2023/24: N/A - New Measure
All buildings have a current Building Warrant of Fitness	New measure	100%	Achieved	100%	2023/24: N/A - New Measure
Condition assessments are not older than 5 years old (of agreed buildings)	New measure	80%	Achieved	100%	2023/24: N/A - New Measure
Asbestos Management Plans are reviewed and updated so they are not older than 5 years.	New measure	80%	Achieved	92%	2023/24: N/A - New Measure
Percentage of residents satisfied with public toilet facilities in Invercargill District	New measure	55%	Not Achieved ¹	36%	2023/24: N/A - New Measure
Public toilets are operational 95% of open hours (which is 24 hours per day)	95%	95%	Not Achieved ²	91%	2023/24: Achieved – 97% 2022/23: Achieved – 95% 2021/22: achieved – 95% 2020/21: Achieved – 95%

The details

1. Requests for service are responded to and remedial action in place: - Emergency - H&S related requests.

Urgent requests for service are defined as those which are assessed as having a health and safety or emergency response implication and need a response and remedial action to be in place within 24 hours. These are calculated by drawing down the data log of all requests received via calls, emails, service app or any other mechanism, from the software which stores requests for service. The result is the percentage of the total property, urgent requests which are complete within a 24 period.

2. Requests for service are responded to and remedial action in place: - Non-Urgent routine requests

Non-urgent requests are those which do not have an emergency and health and safety implication (including routine maintenance requests) and are assessed as complete

if appropriate remedial action is in place within five working days. Completion rates are the numbers of property, non-urgent requests complete within 5 working days, expressed as a percentage of the total.

3. Percentage of residents satisfied with public toilet facilities in Invercargill District

Satisfaction for Council services is assessed via the Residents Survey undertaken by an independent provider. Residents of Invercargill District who indicate they use a public toilet daily, weekly, fortnightly, monthly, once every 2-3 months or at least once a year are asked to rate their satisfaction with public toilets in the District. They can rate their satisfaction from 1 to 5, where 1 is 'least satisfied' and 5 is the 'most satisfied'. The final percentage of residents satisfied reported for this measure includes those who provided a satisfaction

Our Activities – Corporate and Regulatory Services – Investments

score of 4 or 5 (as a percentage of all who have provided a satisfaction rating).

Respondents were asked to rate and comment on public toilets for the first time in 2024/2025. Feedback to date show that 29% believe toilets are good and 26% believe they are clean. 16% said more toilets are needed. A small number of respondents commented on toilets being vandalised, that are poor or unclean. Officers will continue to monitor and manage the operational maintenance and cleaning of all toilet facilities on a scheduled basis.

4. Public toilets are operational 95% of open hours (which is 24 hours per day)

Delays in sourcing of replacement plant items in February necessitated in two Exeloo toilets being unavailable for a period of time. Removal of toilet at Stirling Point for replacement during May and June also affected opening hours. This along with vandalism to toilets in July 2024 resulted in a missed target for 2024/25.

Significant Capital Works Projects

Note	Project	2024/25 Long-term Plan (\$000)	2024/25 Actual (\$000)
1	Te unua - Main building (Roadmap)	22,630	17,079
2	Te unua - Experience building (Roadmap)	1,030	-
3	Additional pool (Roadmap)	155	-
4	Southland Aquatic Centre building - Internal wall modifications renewals	82	22
5	Southland Aquatic Centre building - Changing rooms renewals	824	4
6	Scoping of Art Precinct	155	58
7	Bluff Service Centre building - General renewals	610	83
8	Civic Administration building - Redevelopment	147	37
9	Civic Administration building - General renewals	577	-
10	Dog Pound building - General improvements	21	85
11	Library building - Archives exterior repaint & minor work renewals	103	25
12	Car parking building - General renewals	95	-
13	Crematorium building - General renewals	899	20
14	Parks buildings - General renewals	246	43
15	Rugby Park building - Main stand strengthening	1,113	(584)
16	Bluff Senior Citizens building - General renewals	129	-
17	Public Toilets - Coronation Ave	165	233
18	Public Toilets - Russell Square	181	256
19	Public Toilets - Bluff Service Centre	206	-
20	Public Toilets - Stirling Point	206	243
21	Public Toilets - General renewals	165	51

Our Activities – Corporate and Regulatory Services – Investments

1. Te Unua (Roadmap) - Construction commenced on the main building
2. Te Unua building structure in 2024/2025 with completion expected in 2025/2026. The Experience works have fallen behind the programme due to slower-than-planned engagement.
3. Additional pool (Roadmap) - Scoping for the project has been deferred to 2026/2027.
4. Southland Aquatic Centre building - Internal wall modifications renewals - Wall modifications commenced late 2024/2025 with completion now expected in 2025/2026.
5. Southland Aquatic Centre building - Changing rooms renewals - Planned works has been deferred to begin in 2025/2026 with completion expected in 2026/2027.
6. Scoping of Art Precinct - Scoping work for an Art Precinct has commenced in 2024/2025 with completion now expected in 2025/2026.
7. Bluff Service Centre building - General renewals - Planned works has been deferred with completion expected in 2025/2026.
8. Civic Administration building – Redevelopment - Project work was placed on hold to allow a reassessment to take place on the future of the building.
9. Civic Administration building - General renewals - No reactive renewals were required in 2024/2025.
10. Dog Pound building - General improvements - Prior year planned work in entry and yard improvements was completed in 2024/2025.
11. Library building - Archives exterior repaint & minor work renewals - Library roof condition assessment was completed during the year. Other project works were placed on hold to allow a reassessment to take place.
12. Car parking building - General renewals - Planned works has been deferred to 2026/2027.
13. Crematorium building - General renewals - Planned works has been deferred to 2026/2027.
14. Parks buildings - General renewals - Project work was placed on hold to allow a reassessment to take place.
15. Rugby Park building - Main stand strengthening - Stage 2 completed this year and future stages are paused until the outdoor venue strategy is completed.
16. Bluff Senior Citizens building - General renewals - Planned works has been deferred to 2029/2030.
17. Public Toilets - Coronation Ave - Planned works completed.
18. Public Toilets - Russell Square - Planned works completed.
19. Public Toilets - Bluff Service Centre - Planned works has been deferred to 2025/2026.
20. Public Toilets - Stirling Point - Planned works completed.
21. Public Toilets - General renewals - Lower than plan level of reactive renewals was required in 2024/2025.

Investments

Ngā mahi haumi

The Investment Activity includes all of the investing activities of Council. These investments are comprised of Invercargill City Holdings Limited, financial investments in term deposits and property investments. The Investment Activity portfolio supports appropriate commercial and economic development in the Invercargill District.

What we have done

Property occupancy levels, percentage of portfolio income over asset value and net rate of return, as well as dividend income have met their yearly targets. The net interest income target has not been achieved due to the Invercargill City Holdings and Invercargill Central Limited advances being repaid early.

The net costs of the activity for the year was -\$14.7 million, down \$7.4 million on last year and lower than plan by \$9.9

million. Three dividends were received from Invercargill City Holdings Limited this year, two where planned and one extra was to subsidise the Museum build costs.

During the year minimal was spent on capital projects, in line with on last year and lower than plan by \$0.2 million due to planned work now expected to be completed in 2025/2026.

What we agreed with the Community

Community Outcome	Level of Service	Measure
Economic/Social Wellbeing	Investment property is well utilised in order to deliver returns to the community	Occupancy levels are greater than 95%. Total Gross Income over Total Asset Value: - Total portfolio - Portfolio excluding Strategic, Development and Vacant land
Economic Wellbeing	Investment property is effectively managed in order to deliver returns to the community	Net rate of return is greater than Council's planned cash deposit rate for the portfolio excluding Strategic, Development and Vacant land. Net interest income is higher than budgeted. Dividend income is in line with budget.

Our Activities – Corporate and Regulatory Services – Investments

How did we measure up?

Measure		Baseline 2022/2023	Target 2024/2025	Achieved	Result 2024/2025	Prior Years
Investment Property						
Occupancy levels are greater than 95%		New measure	>95%	Achieved	98%	2023/24: N/A – New Measure
Total Gross Income over Total Asset Value	Total portfolio	New measure	4%	Achieved	5.71%	2023/24: N/A – New Measure
	Portfolio excluding Strategic, Development and Vacant land	New measure	5%	Achieved	6.02%	2023/24: N/A – New Measure
Net rate of return is greater than Council's planned cash deposit rate for the portfolio excluding Strategic, Development and Vacant land		New measure	> planned cash deposit rate 3.5%	Achieved	5.23%	2023/24: N/A – New Measure
Other Investments						
Net interest income is higher than budgeted		New measure	> Budget	Not Achieved ¹	(\$148,952)	2023/24: N/A – New Measure
Dividend income is in line with budget		New measure	= Budget	Achieved	+\$5,000,000	2023/24: N/A – New Measure

The details

1. Net interest income is higher than budgeted

The net interest income is lower than budgeted due to Invercargill City Holdings Limited advance being repaid in July

2024 and the Invercargill Central Limited advance balance being \$2.9m lower with Invercargill Central Limited repaying part of advance (debt interest however fixed).

Significant Capital Works Projects

Note	Project	2024/25 Long-term Plan (\$000)	2024/25 Actual (\$000)
1	Awarua Historic Precinct building renewal	206	23

1. Awarua Historic Precinct building renewal - Project planning work commenced in 2024/2025 with completion now expected in 2025/2026.

Our Activities – Support for External Organisations

Support for External Organisations

In addition to the work which Council delivers directly, Council provides support to a range of external organisations to deliver activities with an impact on community wellbeing. Those organisations are detailed below:

Note	Support for External Organisations	Long-term Plan Community outcome	Contribution towards outcomes	Allocated level of financial support 2024/2025 \$000	Actual level of financial support 2024/2025 \$000
1	Active Southland – Spaces and Places Strategy	Social/Cultural/Economic/ Environmental Wellbeing	The goal of the Strategy is to enhance sports facilities, promote active lifestyles, and foster community wellbeing through collaboration across council boundaries and leveraging pooled funding resources.	52	52
2	Bluff Indoor Pool Trust	Social Wellbeing	The Bluff Pool facility is a valuable resource for physical activity and recreation for all Bluff residents and it also provides facilities for the Bluff Primary School and St Theresa's Primary School's swimming curriculum.	120 + LGCI (128)	128
3	Bluff Maritime Museum Trust (Council Controlled Organisation)	Cultural/Social Wellbeing	Bluff Maritime Museum contains an extensive collection of Bluff's fascinating maritime heritage.	40	40
4	Emergency Management Southland	Social/Economic/ Environmental Wellbeing	Established by the four Councils, Emergency Management Southland is responsible for the delivery of Civil Defence and Emergency Management responses throughout this region.	462	453
5	Environment Southland for EnviroSchools Programme (environmental education)	Social/Environmental Wellbeing	EnviroSchools is a national network of change-makers empowering children and young people. EnviroSchools deliver a facilitated programme and work with teachers and individual schools to achieve sustainability goals relevant to them.	7,5	7,5
6	Southland Regional Development Agency Limited t/a Great South (Council Controlled Organisation)	Economic/Social/ Environmental Wellbeing	Committed to driving economic, social, and cultural growth, Great South has a clear mandate to leverage opportunities for Southland in the areas of economic development, business development services, tourism and events.	1,867	1,867
7	Invercargill Public Art Gallery (IPAG) Trust	Cultural/Social Wellbeing	IPAG operate and care for the fine art collection, as well as implement a full calendar of exhibitions and accompanying public programming at He Waka Tuia.	613	513
8	Invercargill Community Connections Charitable Trust (IC2 Trust) – Saving Grace Project	Social Wellbeing	The Invercargill Community Connections Charitable Trust is fundraising to develop a facility that will provide a range of courses, activities, events and services, under the framework of the Haurora model of health and wellbeing that help and assist people of all ethnicities, ages, abilities and genders to grow, feel at home and be their best mentally, physically, socially and with purpose for their lives.	200	200
9	South Invercargill Urban Rejuvenation Charitable Trust – South Alive	Social/Cultural/Environmental/ Economic Wellbeing	South Alive is an urban rejuvenation project, led by the community, with the goal of identifying the best possible future for South Invercargill and ways to make it happen.	25	25
10	Southland Indoor Leisure Centre Charitable Trust (SILCCT)	Social/Cultural Wellbeing	SILCCT maintains the ILT Stadium Southland and the Velodrome to a world-class standard. This facility has provided and will continue to provide significant sporting, cultural, educational, art and entertainment opportunities that add to	700	700

Our Activities – Support for External Organisations

Note	Support for External Organisations	Long-term Plan Community outcome	Contribution towards outcomes	Allocated level of financial support 2024/2025 \$000	Actual level of financial support 2024/2025 \$000
			the health and wellbeing of Invercargill residents.		
11	Southland Youth One Stop Shop Trust	Social wellbeing	Southland Youth One Stop Shop support rangatahi in Murihiku Southland by providing free health and social services for rangatahi aged 10-24.	27 + CPI (33.4)	33.8

Notes

1 Active Southland – Spaces and Places Strategy

Active Southland coordinates the Spaces and Places Strategy for the region. During 2024/25, Active Southland facilitated a range of community engagement and strategic planning activities, including facilitation of a successful Advisory Group, data and insight collection and dissemination, and capability support.

The funding was allocated to operational expenditure, and overall, spending remained in line with the budget.

2 Bluff Indoor Pool Trust

Funding was utilised to enable the Bluff pool to operate. Bluff Pool opened for the season in October 2024 with the new heating and ventilation system fully operational, resulting in reduced heating costs and reduced condensation. During the financial year, the Trust also upgraded the entrance way to become fully accessible and have also replaced the insulated pool covers. There has been an increase in the number of family memberships (29 in 2023/24, to 44 in 2024/25) and a small increase in individual memberships. The public session attendance numbers reduced; however, this is likely a direct result of the increased key memberships. The local Bluff schools (Bluff Primary and St Theresa's) continue to use the pool for the learn to swim programmes accounting for approximately 2800 separate student entries to the pool from both schools (as they visit the pool for 10 separate sessions).

3 Bluff Maritime Museum Trust

Council contributed \$40,000 towards the operating costs of the Bluff Maritime Museum, with \$20,000 of this being a one-off payment as an interim adjustment for insurance, urgent maintenance and annual leave cover. 4,320 people visited the Museum during 2024/2025.

Page 117 provides further information on the Bluff Maritime Museum Trust.

4 Emergency Management Southland

All Southlanders benefit from the work of Emergency Management Southland. During the 2024/25 financial year, Emergency Management Southland (EMS) delivered a wide range of activities aimed at strengthening community resilience, despite ongoing staffing challenges. EMS engaged with communities through events such as Community Response Planning evenings, Community Preparedness Days, multicultural festivals, A&P shows, and school programmes like the expanded School Simulator initiative. These efforts were guided by insights from the 2024 Preparedness Survey, which highlighted key demographic gaps in readiness and informed targeted outreach.

Training and capability building remained a core focus, with over 38 training sessions delivered across the region, including CIMS4 and ECC-specific courses. The organisation maintained a fit-for-purpose response structure, responding to the Southland M6.8 earthquake and tsunami event, supporting flood monitoring operations, and providing remote assistance to other regions. EMS also progressed strategic projects such as the Group Plan review, appointing a new Manager and Group Controller, and enhancing public communication through a new PIM role and increased digital engagement.

5 Enviroschools

The annual funding amount was utilised to support 28 schools and early learning centres in the Invercargill District with environmental education. The funding contributed to workshops, resources for school projects, and operational costs associated with delivering the Enviroschool programme. Approximately 4,000 children and young people attended activity days, workshops, hui and events run by the Education Team during the last financial year. In addition to this, regular Enviroschools training workshops for Board of Trustee members, Principals and lead teachers were offered. Some highlights include distribution of Enviroschools Action Fund grants to 19 schools and ECEs, supporting student-led environmental projects, strong collaboration with WasteNet, Thriving Southland, University of Otago staff and many more to enhance education delivery, and expansion of student-led workshops, empowering young leaders to educate their peers on key environmental topics.

Our Activities – Support for External Organisations

6 Southland Regional Development Agency Limited t/a Great South

Page 119 provides further information.

7 Invercargill Public Art Gallery

During 2024/25, 20,572 people visited He Waka Tuia and a total of 15 exhibitions were held - ten exhibitions onsite at HWT and five offsite (at YMCA, Community Trust South, Bill Richardson Transport World, collaboration with Invercargill City Library and Miharo). Through these exhibitions, the public regained regular access to artworks and artefacts of regional and national significance as exhibitions frequently featured narratives rooted in Southland's heritage and identity, enhancing civic pride and a sense of place.

The activity cost for the 2024/25 financial year was \$513,000 and it was agreed that the balanced is to be utilised in the 2025/26 financial year to pilot an outreach curator, digitisation and access project and content development for an Inner-City Art & heritage Walking Tour.

8 Invercargill Community Connections Charitable Trust – Saving Grace Project

The Saving Grace Project's purpose is to build an 800m2 purpose-built community hub in south Invercargill, based on the results of a feasibility study in 2020. To date, the Trust purchased the Grace Street building, finalised designs, obtained Stage 1 Building Consent and submitted Stage 2 Consent application, secured foundation grant and a five-year partnership with SIT, engaged local businesses to mentor and invest, appointed an impressive list of Ambassadors, all of whom have deep ties to Invercargill and are willing to donate their time and resources to support the project and lastly developing a plan for a sustainable funding model through employee contribution partnerships.

The Invercargill Community Connections Charitable Trust have initiated the construction tender process for both Stages 1 and 2 of the project. Subject to a satisfactory outcome, construction of Stage 1 is expected to commence in late September 2025.

9 Southland Invercargill Urban Rejuvenation Charitable Trust - South Alive

During 2024/25, through various projects, volunteer teams and events, South Alive continued to maintain community connection, participation and wellbeing, grow pride in South Invercargill spaces, grow community capability and develop the environmental sustainability of their organisation. Their annual survey showed that 97% of people indicated they feel proud to live, work and play in South Invercargill. South Alive facilitated and supported a range of events, workshops and volunteering opportunities including free Zumba and yoga, community walking group, community gardening, hobby groups, school holiday events/programmes, annual quiz night, rubbish clean up days, Pantry Village markets, bike maintenance workshop, employment workshops, driver licensing courses and many others.

An estimated 6,500 volunteer hours were contributed by regular volunteers during the year.

10 Southland Indoor Leisure Centre Trust (SILCCT)

ILT Stadium Southland is regularly used by the Invercargill community for recreational, sporting, cultural, corporate and entertainment purposes. It sees approximately 490,000 visitors every year through these events and functions. Community usage was up 22% from January – June 2025 compared to the same period last year. Events held at ILT Stadium Southland include the Southland Home Show, Adventure Parks, Relay for Life, Westpac Chopper Million Dollar Masquerade Ball, Devilskin, Matariki, Rocking with the Stars, and many more

Approximately \$453,000 was utilised to fund maintenance of Stadium Southland. The remainder of the \$700,000 allocated was utilised for supporting the operation of the Stadium.

11 Southland One Stop Shop Trust

The funding was utilised to pay for the rent of their premises under an agreement which continues to 2027/2028.

1,094 rangatahi attended appointments and utilised services and support at Number10 over the year.

Over 400 rangatahi attended the Block Takeover which bought them through the building and space.

830 individual clients attended 3503 clinical appointments, 148 individual clients attended 1885 mentoring/advocacy appointments, and 76 individual clients attended 3 youth development groups.

Our Activities – Support for External Organisations

Community funds

Fund	Amount available 2024/2025 \$000	Amount allocated 2024/2025 \$000
Community Wellbeing Fund	565	586
Built Heritage Fund	188	188
Seismic Strengthening Fund	127	127

The Community Wellbeing Fund

The Community Wellbeing Fund remains popular with community groups looking for funding for their projects and over 30% of applications received were from new organisations who had not applied to the fund previously. Funding support has been given to a variety of applications across many organisations and diverse projects.

Total allocations made to successful projects equalled \$586,859. As at financial year end, \$106,300 had been distributed to nine multiyear applications allocated during previous financial years. An additional multiyear grant of \$21,900 of returned grants from previous funding year were received and redistributed. \$480,559 was allocated to new applications.

83 applications were received with 62 successfully allocated funding in addition to the multiyear allocations mentioned above. This compares to 63 projects funded in 2023/24 through the Community Wellbeing Fund.

As in previous years, social wellbeing remains the focus of most applications:

- 100% of funding was allocated to projects which promoted some element of social wellbeing.
- 64% of funding was allocated to projects with some focus on cultural wellbeing.
- 47% of funding was allocated to projects which had an element within the city centre.
- 44% of funding was allocated to projects which promoted economic wellbeing.
- 28% of funding was allocated to projects which had some element of environmental wellbeing.

The breakdown below gives a high-level overview of the types of projects funded:

- 25 allocations were made to events, a drop on the 31 funded the previous year.
- 8 projects supported rangatahi/ young people in Invercargill and Bluff, a 50% reduction in the funding level provided for youth related activities last year.
- 13 projects were arts related and an additional 3 had a focus on heritage.
- 7 projects had an aspect of an active/sports focus.
- 9% applications were from Māori organisations; 49% identified as NZ European; 38% said they were Multi-ethnic.
- 90% of cultural application requests were funded, up from 79% support given in 2023/24.
- 20 applications were supported that included engagement with Bluff residents.

Please note that projects could cover more than one sector, therefore the numbers above reflect the totals across all sectors, not the number of applications.

Council's Heritage Funding

Council has two funds that support heritage buildings: Built Heritage Fund and Seismic Strengthening Fund.

The City Centre Heritage Subcommittee supported 15 built heritage projects in 2024/2025, allocating the full \$188,000 available. Projects included works such as façade repainting, reroofing, veranda repairs and restoration of original heritage features. \$26,366 was forfeited by owners, but it was then re-awarded and paid out in a quick-fire funding round in June 2025 resulting in the full \$188,000 being uplifted.

The Subcommittee supported 5 seismic strengthening projects in 2024/2025. Three recipients received funding towards detail seismic design and one recipient received funding towards seismic strengthening works to their heritage building.

Council Controlled Organisations

Ngā rōpū a te kaunihera

Council Controlled Organisations and Council Organisations provide opportunities for councils to provide services and activities. A Council Controlled Organisation is a company or organisation in which a council, or councils, hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers.

A Council Controlled Trading Organisation is similar, but its main focus is making a profit.

A Council Organisation is the same as a Council Controlled Organisation but does not require 50% or more control.

Each Council Controlled Organisation prepared a Statement of Intent which sets out, for the benefit of its shareholders, its mission and objectives for each financial year.

The following Council Controlled Organisations are included in this section:

- Invercargill City Holdings Limited
- Bluff Maritime Museum Trust
- Invercargill City Charitable Trust
- Southland Regional Development Agency Limited – trading as Great South

Invercargill Venue and Events Management Ltd is no longer a CCO, with operation of theatre services brought in house.

Te Kupeka Tiaki Taoka – Southland Regional Collection Trust ceased to be a Council Controlled Organisation in June 2024 following changes to its Trust deed.

Council Controlled Organisations

Invercargill City Holdings Ltd

www.ichl.co.nz

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

ICHL has the following specific objectives:

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

There was no proposal to change the ownership or control of ICHL in 2024/2025.

ICHL has the following investments:

Companies	Description
Electricity Invercargill Limited (100%)	Operate a successful electricity distribution network and metering service in the Invercargill and Bluff areas Invest in the infrastructure, electrical and energy sectors.
Invercargill Airport Limited (97.47%)	Provision of airport services at the Invercargill Airport.
Invercargill Central Limited (47.78%)	Invercargill Central Limited owns the Invercargill Central shopping centre.
HWCP Management Limited (49.9%)	HWCP Management Limited owns a block of land in the inner city.

During the financial year, ICHL provided a dividend of \$14.457 million to Council.

At the request of Council, ICHL hold the equity investment in ICL.

On 3 July 2024 ICHL amalgamated its 100% shareholding of Invercargill City Holdings Limited.

The ICHL group Annual Report is available on its website.

The 2024/2025 Statement of Intent had the following key performance measure.

Financial Performance Targets – Rate of return on equity funds	2024/2025 Target	2024/2025 Result
Invercargill City Holdings Limited - % After Tax	18.53%	2024/25: 19.32% 2023/24: 11.56% 2022/23: 3.6% 2021/22: -27.57% 2020/21: 2.65%

Council Controlled Organisations

ICHL has a range of other performance measures which can be seen in full in the ICHL Annual Report on page 52.

Highlights include:

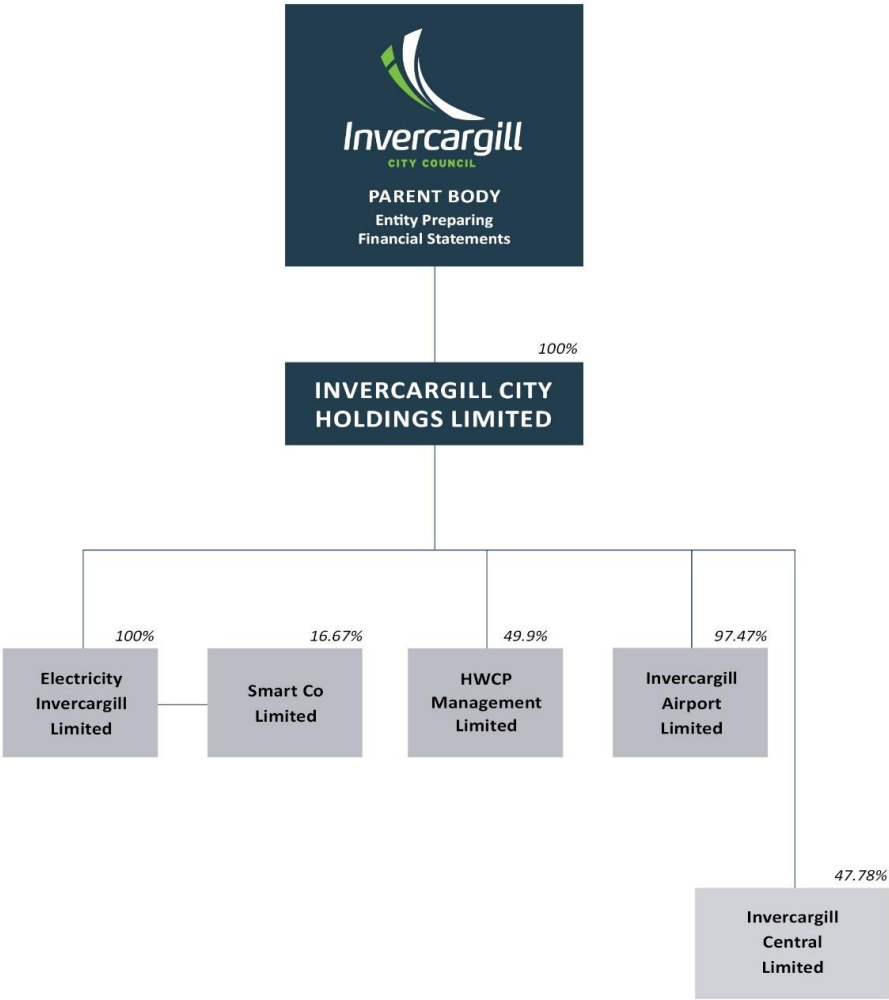
	Group 2025 Target \$000	Group 2025 Actual \$000	Group 2024 Actual \$000	Group 2024 Restated
Gross Revenue		39,602	47,054	31,236
Expenditure		28,283	34,799	28,317
Net Profit (Loss)		11,319	12,255	2,919
Tax		(1,579)	(4,221)	(3,324)
Group net profit (Loss) after tax	14,843	31,279	8,034	5,206
Dividend to Invercargill City Council	9,456	14,457	5,206	5,206
Shareholder Funds to total assets	88.34%	82.64%	49.03%	47.96%

Health and Safety

	Group 2025 Target	Group 2025 Achievement	Group 2024 Achievement
Total recordable injury rate	3.1	4.0	1.0

Group Structure

for Invercargill City Holdings Ltd



Notes:
1. Invercargill Property Limited amalgamated with Invercargill City Holdings on 03 July 2024.

Council Controlled Organisations

Electricity Invercargill Limited (EIL)

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

The Group divested of its interests in Pylon Limited and its associated entities on 19 November 2024.

Key Performance Indicators

The below tables include EIL's key performance indicators and results for 2024/25:

Objective	Performance target			
Network reliability	System Average Interruption Duration Index (SAIDI) The average total time in minutes each customer connected to the network is without supply:			
	SAIDI	Target 2025	Actual 2025	Previous results
	Planned	16.00	15.73	2023/24: 13.82
	Unplanned	13.70	20.98	2023/24: 17.80
	System Average Interruption Frequency Index (SAIFI) The average number of times each customer connected to the network is without supply:			
	SAIFI	Target 2025	Actual 2025	Previous results
	Planned	0.08	0.09	2023/24: 0.09
	Unplanned	0.29	0.35	2023/24: 0.30
Health and safety	PowerNet is contracted to EIL to manage operations. EIL as a joint PCBU with PowerNet will monitor PowerNet health and Safety Performance targets.			
	Total Recordable Injury Frequency Rate Contractor Targets (TRIFR)			
	TRIFR	Target 2025	Actual 2025	Previous results
		3.1	4.0	2023/2024: 1.0

Invercargill Airport Limited (IAL)

IAL provides all airport related services for Invercargill and is the gateway to the City and the wider Southland region.

IAL is 97.47% owned by Invercargill City Holdings Limited and the other 2.53% shareholders are the four local Rūnanga.

Key Performance Indicators

The below tables include IAL's key performance indicators:

Objective	Performance target		
	Target 2025		Actual 2025
Safety	Zero lost time injuries for staff.		Achieved - There were no lost time injuries to staff related to the IAL workplace. IAL continues to advance safety in the workplace, reporting and addressing minor incidents and observations. Leaders within the business are ensuring the safety culture continues to grow positively.
	Reduce bird strikes to aircraft to below 2 per quarter		Not achieved – 12 in total
	Priority 1 (P1) safety and health actions are completed within the agreed time periods.		Achieved - No Priority One incidents were recorded for the period.
Passenger numbers		Budget 2025	Actual 2025
	Passenger movements	369,410	Not achieved – 338,259
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	Under the Airport Carbon Accreditation scheme, IAL will work to complete ACERT level 2 (Carbon management towards reduced carbon footprint).		Achieved - IAL has received advice outlining the actions required to reduce our emissions sufficiently to reach the expectation of the ACERT Level 2 scheme.
Environmental	No notifiable environmental incidents on airport managed property.		Achieved - There were no notifiable environmental incidents on airport managed property in this period.

Council Controlled Organisations

Invercargill Central Limited (ICL)

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

ICL aims to achieve the below performance targets.

Objective	Performance target	
	Target 2025	Actual 2025
Operational budget costs	Operating costs within 10% of budget.	Achieved - Operating costs were 12% less than budget for the 2025 financial year.
Tenancy	90% leased	Achieved - Vacancy rate for the 2025 financial year was 6.9%.

Council Controlled Organisations

Te Kupeka Tiaki Taoka – Southland Regional Collections Trust

The 2024-25 financial year was a period of transition for the Te Kupeka Tiaki Taoka – Southland Regional Collections Trust Board. The Trust ceased to be a Council Controlled Organisation (CCO) in June 2024 following changes to the Trust Deed which saw it being operated by a group of independent trustees. As it was no longer a CCO, it was not required to prepare a Statement of Intent for the 2024-25 year. On 18 March 2025 an amended Trust Deed was adopted. The changes made related to the Appointments Committee which again saw the Trust return to CCO status. A Statement of Intent will be prepared for the 2025-26 financial year.

The Trust continues to function as the guardians / owners of the collection. Governance of the collection continued in support of its continued care, preservation and management, principally at Invercargill City Council's new collections facility: Te Pataka Taoka.

The Trust's Annual Report for the 2023/2024 year is available on the Invercargill City Council's website.

Council Controlled Organisations

Bluff Maritime Museum Trust

The Bluff Maritime Museum Trust's vision is to make the Bluff Maritime Museum a must-see attraction for residents and visitors. The Bluff Maritime Museum Trust contributes towards the achievement of Invercargill City's community outcomes for cultural and social wellbeing through provision of a facility that inspires and informs locals and visitors of the Bluff and Foveaux Strait areas heritage and culture. The Bluff Maritime Museum Trust ensures collections are preserved, enabling them to be maintained and exhibited in conditions that ensure their long-term preservation, while providing a quality visitor experience.

The Trust receives an annual grant from the Southland Regional Heritage Committee, the Invercargill City Council, Environment Southland and the Bluff Community Board. There was no proposal to change the ownership or control of the Bluff Maritime Museum Trust in 2024/2025.

Community Outcome	Goal	2024/2025 Target	2024/2025 Result
Cultural/ Social Wellbeing	To recognise the museum as a place where our maritime heritage is valued and promoted.	To recognise the museum as a place where our maritime heritage is valued and promoted.	During 2024/25, Bluff Maritime Museum was supported by Project Ark, a programme of work that aims to improve standards of care and accessibility for regional museum collections throughout Southland. At the end of the programme, almost 2300 records have been digitised. One-off additional funding was allocated in 2024/25 for urgent maintenance, insurance and annual leave cover. Maintenance included replacement of doors to the oyster boat the Monica as well as installation of new benches to increase safety, installation of entrance flood lights for security and replacing spouting on east side of the building. Insurance remains a significant cost for the museum. 4,320 people visited the Museum in 2024/25, up from 4,134 in 2023/24, 3,884 in 2022/23 and 2,799 in 2021/22. Three new schools and five community groups visited for the first time during the financial year.

Invercargill City Charitable Trust

The Trust comprises a Board of five Trustees who oversee the governance of the Trust. The Trustee positions are held by the Mayor, Deputy Mayor and Council Chief Executive and 2 Councillors of the Invercargill City Council. Day-to-day operations of the Trust and reporting to the Board is administered by staff provided by Invercargill City Council.

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

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

The main outputs of the Trust are costs relating to the ownership and maintenance of Rugby Park stadium.

The operation of Rugby Park Stadium was contracted to Invercargill City Council.

The Trust is an exempt Council controlled organisation.

Southland Regional Development Agency Limited Trading as Great South



www.greatsouth.nz

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

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

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

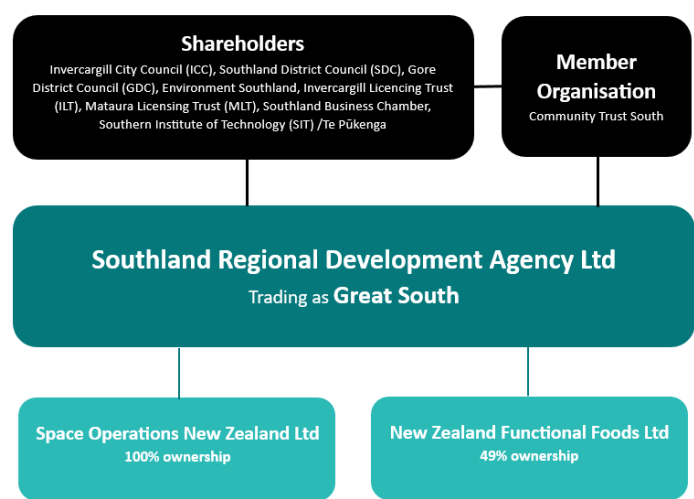
Great South has four strategic goals:

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

Great South has one subsidiary company and one joint venture – Space Operations NZ Limited and NZ Functional Foods Limited.

The activities delivered by Great South directly contribute towards the ICC community outcomes. Great South works with a range of stakeholders to drive growth in the region. The core funding was spent on operational costs, and contract funding was spent regional economic development, business support services, regional tourism development and regional event delivery. Overall project and core expenditure was within revenue limits.

Note: The Key Performance Indicators (KPIs) published in the 2024-2034 Long-term Plan were based on the draft 2024/2025 Great South Statement of Intent. Following changes to Great South funding, the final KPIs in the 2024/25 Statement of Intent have been changed to reflect the new funding commitments. Both sets of KPIs have been include in the Annual Report. Reporting is based on the final Statement of Intent KPIs.



LTP KEY PERFORMANCE INDICATORS			STATEMENT OF INTENT KEY PERFORMANCE INDICATORS			
Description	KPI target 2024/25	Community Outcomes	Description	KPI target 2024/25	Result 2024/25	Achieved
Data and Insights Provide up-to-date and accurate data and insights to inform decision making via regional data dashboards and repository.	•Further develop regional data dashboards along with sustainability, housing and tourism dashboards.	Economic Wellbeing	Data and Insights Provide up-to- date and accurate data and insights to inform decision making via regional data dashboards and repository.	• Launch DISH – Digital Insights Southland Hub including six dashboards, a website and a cloud- based processing system. • Prepare a shared service proposal for Councils to use and support DISH.	• DISH successfully launched with dashboards shown for economy, tourism, housing, environment, wellbeing as well as a key indicators page. • Shared service proposal was developed with gained support for the service so far from Environment Southland	Achieved
Develop and circulate regular data reports derived from the regional dashboards (Dashboards may include: housing, regional indicators, tourism and environmental / climate change data).	• Produce and distribute. • Undertake gap analysis of further data needs.	Economic Wellbeing			• Quarterly reports issued and published for Tourism, Housing and Regional Economic Data	Achieved
Advocacy and Submission Advocate for and/or prepare submissions regarding key issues including housing, telecommunications, skills development, roading and transport, and carbon forestry.	•Hold bi-annual meetings with central government officials at MBIE, NZTE, MHUD, MfE, MPI etc.	Economic Wellbeing	Advocacy and Submission Advocate for and/ or prepare submissions and funding applications for issues of importance to the region.	• Hold bi-annual meetings with central government officials at MBIE, NZTE, MHUD, MfE, MPI etc. • Prepare a minimum of two submissions on issues of regional significance. • Support Councils and stakeholders to apply for RIF as applicable.	• A range of meetings have been completed with ministers, ministerial offices and agencies. • Minor Residential Unit legislation changes to the Resource Management Act and Building Act, DOC Submissions on Charging for Access to some Public Conservation Land & Modernising Conservation Land Management • Support provided to SDC, ICC, Ocean Beach, SpaceOPs for RIF applications	Achieved
Housing Build on regional housing planning undertaken in 2023/24 as part of Beyond 2025.	•Facilitate Implementation of the Regional Housing Action Plan, including any	Economic/ Social Wellbeing	Housing Implement priorities from the Murihiku Southland Housing Action Plan.	• Deliver four projects from the Housing Action Plan. • Support individual Councils with their housing planning considering current and future community and industry needs.	• Project 1: Prepare discussion document for regional leaders which outlines options for a regional housing framework and structure - Completed as per Q1	Achieved

LTP KEY PERFORMANCE INDICATORS			STATEMENT OF INTENT KEY PERFORMANCE INDICATORS			
Description	KPI target 2024/25	Community Outcomes	Description	KPI target 2024/25	Result 2024/25	Achieved
	regional housing forums. • Maintain Regional Digital Housing Portal and website.				- Project 2: Develop and maintain the Regional Digital Housing Portal / website - Completed and launched June 2025 - Project 3: Maintain the Housing Data Dashboard and produce associated reporting where resource permits - Housing report completed for Q1 (Jan – March) 2025. Distributed online, email and hard copy distributed at Housing Forum - Project 4: A 'development ready' customer journey mapping exercise with each of the southland councils. this will show the experience of the consenting / house building process from the perspective of builders, homeowners, and developers, with the outcome being observations and recommendations to help the region - Complete - Build Southland Website completed and Launched from Project 4's recommendations - Ongoing support provided as required by individual councils. Regional Housing Forum Event successfully held at Murihiku Marae in partnership with four councils. Housing advocacy a key focus with presentations to Minister Costello re elderly housing.	
Water Investigate current and future water resilience.	• Investigate development of a Water Resilience Plan in partnership with Environment Southland and the wider industry.	Economic/Social/ Environmental Wellbeing			Pushed out to 2025/26	Not achieved

LTP KEY PERFORMANCE INDICATORS			STATEMENT OF INTENT KEY PERFORMANCE INDICATORS			
Description	KPI target 2024/25	Community Outcomes	Description	KPI target 2024/25	Result 2024/25	Achieved
	Advocate to secure Sky TEM airborne surveying for 2024/2025 (subject to external funding).					
Transport Data and insights provided to support decision making around regional transport network.	Investigate development of a multi-mode Integrated Transport Plan.	Economic/Social/Environmental Wellbeing			Pushed out to 2025/26	Not achieved
Economic Diversification Encourage regional economic diversification by providing data and supporting investigation.	Create a Regional Industry Capability Profile.	Economic Wellbeing			Pushed out to 2025/26	Not achieved
			Aquaculture Facilitate and develop a regional approach to realise the benefits of Aquaculture as a diversification opportunity.	- Facilitate development of a Regional Aquaculture Strategy. - Support local and central government, and Iwi, to provide enabling regulation and infrastructure to build an aquaculture industry in Southland.	- The Murihiku Southland Aquaculture Pathway has been developed. - Socialisation of aquaculture with Iwi and councils including connecting with private sector continues as part of the approach to develop the regional pathway. - Support provided to Environment Southland with development and socialisation of the revised Regional Coastal Plan	Achieved
Support agricultural sector land - use and support farmer decision making.	Prepare and implement a project on how to share land-use data with farmers (externally funded).	Economic Wellbeing	Agriculture Support agricultural sector land - use and support farmer decision making.	Analysis of relevant agricultural sector data to feed into the Regional Emissions Report for 2025.	Regional data analysed and interim report ready waiting for release of information from MPI.	Achieved

LTP KEY PERFORMANCE INDICATORS			STATEMENT OF INTENT KEY PERFORMANCE INDICATORS			
Description	KPI target 2024/25	Community Outcomes	Description	KPI target 2024/25	Result 2024/25	Achieved
	- Update soils database and growing degree days seasonal breakdown analysis. - Undertake ongoing analysis and monitoring of regional farming (livestock numbers, forestry growth, and water allocation).					
Forestry Working with Councils, support further investigation of the impacts of unrestricted forestry in our region.	Provide data and insights to support carbon forestry advocacy for regulatory certainty.	Economic Wellbeing	Forestry Support further investigation of the impacts of unrestricted forestry.	Provide data and insights regarding changing land use and the impacts of carbon forestry.	An interim report has been completed. However, it lacks the harvest and planning data from MPI to complete the final version of the report.	Not achieved
Regional Strategic Planning Facilitate and deliver regional strategies, feasibility assessments and plans as required by shareholders.	- Complete Regional Aquaculture Strategy. - Complete Provenance and Branding Export Investigation.	Economic Wellbeing			Murihiku Southland Aquaculture Pathway completed and awaiting final graphically designed report for distribution	Achieved
Digital Presence Great South website redesigned to ensure accurate and up-to-date information is provided to shareholders and wider communities.	- Redesign and launch website. 10% increase in visitors to the website from 2023/24 baseline.	Economic Wellbeing			Not a priority for 2024/25. This will be worked on in 2025/26 FY	Not achieved
			Connectivity Monitor digital connectivity in the region.	Deliver the Digital Connectivity Report which tracks mobile phone coverage across the region.	Completed and report distributed to council in December 2024	Achieved

LTP KEY PERFORMANCE INDICATORS			STATEMENT OF INTENT KEY PERFORMANCE INDICATORS			
Description	KPI target 2024/25	Community Outcomes	Description	KPI target 2024/25	Result 2024/25	Achieved
Building Capability in our Businesses Continue support for businesses via a range of services including Regional Business Partner (RBP), workshops, events, webinars, and Callaghan Innovation Research and Development.	- Great South Business Consultations 150. - Great South Business Engagements 250 (MBIE Contract ends 2024/25).	Economic Wellbeing	Communications Continue to connect with businesses within the region to provide information on RBP and Callaghan Innovation opportunities.	- Publish Beyond Great – Great South's Business Newsletter six times per year. - Showcase six Southland businesses achieving success.	- Complete - newsletters distributed in Jul, Sep, Nov, Jan, April and May - Complete - featured business include: Nind Dairy, Bluff Distillery, Kayes Bakery, Ajax Building Contractors, Blue River Dairy, Healthy Munch	Achieved
			Business in Southland - A Regional Guide Resource document that outlines useful information for new and potential businesses to the region.	Develop and publish a regional guide to support new businesses to Southland.	Complete – "Murihiku Southland; Where business finds its edge" designed and published on the Great South website.	Achieved
			Consumer Marketing Promote Murihiku Southland as a year- round destination for travellers from New Zealand, Australia and other key markets, resulting in more visitors.	- Ensure 85% of website traffic comes from key markets in NZ, Australia, North America, Europe, Asia. - Three digital campaigns.	- Southland NZ - 92% and Fiordland NZ - 79% from key markets. Combined, the two regions achieved 89.0% - Total of 9 digital campaigns carried out: * Five social media campaigns focused on Southland NZ * Two social media campaigns focused on Fiordland NZ * Two integrated campaigns in partnership with NZME, targeting both domestic and international audiences - Collectively, these campaigns generated nearly 4.25 million	Achieved

LTP KEY PERFORMANCE INDICATORS			STATEMENT OF INTENT KEY PERFORMANCE INDICATORS			
Description	KPI target 2024/25	Community Outcomes	Description	KPI target 2024/25	Result 2024/25	Achieved
					impressions and reached over 1.5 million unique individuals worldwide, driving awareness and engagement across key markets.	
			Content Development Increase awareness and preference for Murihiku Southland as a year-round destination for travellers through improved marketing.	Three Marketing collateral updated including Murihiku Visitor Guide, Murihiku Eats and Hike Fiordland.	- Hike Fiordland: The Hiking Passport Guide - Murihiku Eats: The Murihiku Southland Food Guide - Murihiku Southland Visitor Guide and Map	Achieved
Content Focus on Web, Social, PR/Media and Partnerships (e.g., AirNZ)	- Ensure 85% of website traffic comes from key markets in NZ, Australia, North America, Europe, Asia. - Five-eight media famils held. 45 media results achieved.	Economic Wellbeing	Media Increase positive travel media coverage for Murihiku Southland, promoting the region's diverse activities and experiences and drive visitor numbers.	- Three media famils 15 media results.	27 famil opportunities were delivered across Southland and Fiordland, significantly exceeding the KPI target. These famils supported destination storytelling, trade engagement, and international media exposure. - TECNZ, Minecraft, The Hardest Geezer and hosting TNZ in Southland were the catalysts for this exceptional achievement in 2024/25	Achieved
Showcasing Our Region Trade Events, Trade Famils and TRENZ.	- Attend five trade shows, two partnered famils, two Murihiku itineraries adopted from Milford Opportunities Project. - Develop one new iwi experience.	Economic Wellbeing	Showcasing Our Region Trade Events, Trade Famils and TRENZ.	- Attend five trade shows. - Attend two partnered famils. - Two Murihiku itineraries adopted from the Milford Opportunities Project.	- TEC, TRENZ, RTNZ IBO, Murihiku Operator (6 companies) training and Regional Tourism Organisation Inbound operator training - Hosted Southern World agents in Fiordland, welcomed the TNZ team and board to Invercargill and welcomed TNZ UK & Germany trade famil. Also hosted Pre- and Post-	Achieved

LTP KEY PERFORMANCE INDICATORS			STATEMENT OF INTENT KEY PERFORMANCE INDICATORS			
Description	KPI target 2024/25	Community Outcomes	Description	KPI target 2024/25	Result 2024/25	Achieved
					TRENZ famils across Southland and Fiordland for agents and TNZ staff 3 itineraries including: TRENZ 2025 itinerary, Grand Pacific Tours tour group extension of Te Anau Invercargill Dunedin as part of a South Island wide itinerary and development of Southern Way targeting Gold Coast Australia trade itineraries	
			New Experiences	Develop one new iwi experience.	Matariki initiative involving Te Ao Mārama, Iwi & SDC - 9 Matariki way points around Southland being developed into a regional story telling experience.	Achieved
Business Events Deliver Business Events Strategy.	- Attend three conference events. - Confirm four new conferences for the region. - Host two famils in Murihiku. - Deliver TECNZ conference.	Economic Wellbeing	Business Events Develop Murihiku Southland as a Business Events destination.	Attend three conference events.	4 conferences attended including: The Office EA PA Show, AuSAE Linc Conference, BE Expo & MEETINGS25	Achieved
Destination Development Progress key projects from the Murihiku Southland Destination Strategy 2023 -2029.	Progress at least five projects from the Murihiku Southland Destination Strategy 2023 – 2029.	Economic Wellbeing	Destination Development Progress projects from the Murihiku Southland Destination Strategy (MSDS).	- Develop an Implementation Plan for MSDS. - Progress three projects from MSDS which includes delivering the Murihiku Southland Sustainable Tourism programme.	- Implementation plan for MSDS complete and has been shared with key stakeholders and on our Great South website and social media channels. 5 projects progressed from the MSDS: 1. Establish Murihiku Southland as a world class dark skies destination - Fiordland Dark Sky Sanctuary accreditation, night sky storytelling opportunities, Rakiura annual report, advocacy. 2. Te Taurapa o Te Waka - Motupōhue Bluff Visitor Experience – project management support in conjunction	Achieved

LTP KEY PERFORMANCE INDICATORS			STATEMENT OF INTENT KEY PERFORMANCE INDICATORS			
Description	KPI target 2024/25	Community Outcomes	Description	KPI target 2024/25	Result 2024/25	Achieved
					with Awarua Rūnaka, feasibility assessment and fundraising strategy, planning assessment ahead of fundraising drive. 3. Bluff Motupōhue Tourism Master Plan - overall oversight and key project involvement. Management of coordinator role. 4. Tourism sector sustainability: leadership and support – facilitate capability building, encourage decarbonisation pathways and sharing of successes within the tourism sector. This includes delivery of sustainable tourism programmes and completion of the climate champion's pilot programme. 5. Southland Murihiku Food Tourism Strategy delivery - key projects outlined within this plan are delivered, further establishing food as a key pillar of visitation to Murihiku Southland.	
Murihiku Southland sustainable tourism programme.	Two Murihiku Sustainable Tourism Programmes held.	Economic Wellbeing			Not undertaken in 2024/25	Not achieved
Maintain website calendar listings for regional events.	10% increase on number of events listed (baseline: 690). 10% increase on number of overall page views (baseline: 40,000). 15% increase on number of overall	Economic Wellbeing	Regional Events Calendar Maintain southlandnz.com website calendar listings for regional events.	10% increase on number of events listed (baseline: 690). 10% increase on number of overall page views (baseline: 40,000). 15% increase on number of overall page views from within Southland (baseline: 14,000).	- Events listed as 772 (12% increase) - Increase in page views – achieved 99,626 - Increase in page views from within Southland – achieved 29,967	Achieved

LTP KEY PERFORMANCE INDICATORS			STATEMENT OF INTENT KEY PERFORMANCE INDICATORS			
Description	KPI target 2024/25	Community Outcomes	Description	KPI target 2024/25	Result 2024/25	Achieved
	page views from within Southland (baseline: 14,000).					
Support Major Southland Events	- Support delivery of Burt Munro Challenge. - Deliver ILT Kidzone Festival.	Economic Wellbeing	Unmissable Regional Events	- Support delivery of Burt Munro Challenge. - Deliver ILT Kidzone Festival.	- Burt Munro successfully delivered - ILT Kidzone successfully delivered	Achieved
			Regional Marketing of Events	- Six cluster events. - Four seasonal campaigns. - Marketing of unmissable events.	Seasonal campaigns which highlighted events in Murihiku Southland: - Spring - Summer - Autumn - Winter Cluster Campaigns & Other (marketing done via Southland NZ social channels): - Get Festive Invercargill - Summer Holiday Activity Guide - Burt Munro Challenge - Southland Heritage Month "Like" Campaign – used events to drive social engagement and increase followers on Southland NZ - ILT Kidzone (2024) - Esk Street Food Market (x2) - Christmas Market on Esk Street - New Year's Eve on Don - Don Street Food Market - Visit Shop Explore – Invercargill City Centre - Flames on Esk	Achieved

LTP KEY PERFORMANCE INDICATORS			STATEMENT OF INTENT KEY PERFORMANCE INDICATORS			
Description	KPI target 2024/25	Community Outcomes	Description	KPI target 2024/25	Result 2024/25	Achieved
					All 42 "unmissable events" were also promoted via social posts on both Southland and Fiordland NZ channels.	
Monitor Emissions Complete annual regional emissions reporting by emissions source.	•Produce annual emissions report.	Economic/ Environmental Wellbeing	Monitor Emissions Complete annual regional emissions reporting.	•Produce the Regional Emissions Report for 2024.	• Interim Regional emissions report has been completed; however Great South are waiting for final data from MPI and MfE for forestry.	Not achieved <i>** Waiting on release of information from central government</i>
			Energy Planning Implement the Net Zero Southland Report.	• Review and update the Net Zero Southland - Economic Mitigation Pathways Analysis to Net Zero Emissions for Southland Report (March 2021).	• Framework has been reviewed, and additional information added to the plan, including the need for biomass. The forestry data biomass needs new industry investment and has included the effects of Tiwai now remaining in the province and recent legislative change.	Not achieved <i>** New legislation for plantation forestry on productive land was released in June. This needed to be incorporated and modelled and another factor (in addition to the delay in release of information from central government) why this report has now been delayed to 2025/26 FY</i>
Deliver business decarbonisation outreach and public socialisation workshops.	•Two information workshops and at least one Decarbonisation Workshop Series held.	Economic/ Environmental Wellbeing			• The two information workshops were pushed back, but Great South held a two-day decarbonisation workshop in November 2024.	Not achieved
Implement the Regional Energy Strategy	•Prepare reports on 'biogenic capture and use' opportunities and 'woody mass' availability.	Economic/ Environmental Wellbeing	Implementation of the Regional Energy Strategy	• Prepare an Action Plan to guide implementation of the Regional Energy Strategy. • Prepare two technical reports to support the development 'biogenic methane capture and use' opportunities and 'woody	• As part of the Action Plan to guide implementation of the Regional Energy Strategy Great South has undertaken the wind resources plan, identified solar potential within the region, and completed the evaluation of run of river hydro.	Achieved

LTP KEY PERFORMANCE INDICATORS			STATEMENT OF INTENT KEY PERFORMANCE INDICATORS			
Description	KPI target 2024/25	Community Outcomes	Description	KPI target 2024/25	Result 2024/25	Achieved
				bio-mass' market growth. • Prepare a spatial plan identifying favourable locations for renewable energy generation.	• As part of a new industry opportunity, Great South have identified a demand for 95,000 tonnes of processed carbon from wood biomass for industrial processing which requires carbon feed stocks. Great South also evaluated the biomass needs for existing and committed decarbonisation projects - mainly boiler fuel, is 555,000 tonnes of biomass currently Southland produces 218,000 tonnes of biomass. Spatial plan for renewable energy generation report completes with 114 sites identified. This technical report has been sent to ES to incorporate into future spatial plans.	

Financial Management

Te Whakahaere Pūtea

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

This section includes:

- Statement of comprehensive revenue and expense / Tauākī o te Whiwhinga Matawānui me te Utu
- Statement of changes in equity / Tauākī o ngā Rerekētanga o te Tika
- Statement of financial position / Tauākī o te Tūranga Pūtea
- Statement of Cash flows/ Tauākī rere Moni
- Notes to the financial statements / He Panui ki nga Tauākī Pūtea

All figures are GST exclusive unless otherwise stated.

Statement of comprehensive revenue and expense

Tauākī o ngā Moni Whiwhi me ngā Whakapaunga Whānui

For the year ended 30 June 2025

	Note	Council Actual 2025 (\$000)	Council Budget 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Revenue						
Rates revenue	2.1	78,860	78,861	71,292	78,860	71,292
Fines		1,827	1,519	648	1,827	648
Subsidies and grants	2.4	13,811	19,730	16,148	13,835	16,173
Direct charges revenue		30,132	35,206	29,869	58,829	53,974
Rental revenue		3,514	3,699	3,327	6,050	5,694
Finance revenue	5	3,216	3,643	4,275	4,780	5,422
Dividend income		14,457	9,457	5,478	-	-
Subvention payments received		-	-	21	-	-
Vested assets	11.3	2,284	-	32	2,284	32
Other revenue		-	-	-	-	799
Total revenue (excluding gains)		148,101	152,115	131,090	166,465	154,034
Expenditure						
Employee expenses	3	37,398	36,019	34,522	39,405	36,464
Depreciation and amortisation	4	42,109	47,038	42,669	49,682	50,210
General expenses	6	64,022	65,856	61,431	81,273	76,051
Finance expenses	5	5,896	6,268	5,077	8,164	9,344
Total expenditure		149,425	155,181	143,699	178,524	172,069
Other gains/(losses)	2.2	1,026	1,062	3,108	1,810	3,588
Operating surplus (deficit) before tax		(298)	(2,004)	(9,501)	(10,249)	(14,447)
Share of associates' and joint ventures' surplus (deficit)	17,18	-	-	-	2,685	4,582
Adjustment for share of net losses not recognised/ Impairment*	17.2	-	-	-	-	(6,483)
Surplus (deficit) before tax		(298)	(2,004)	(9,501)	(7,564)	(16,348)
Income tax expense	7.1	(29)	-	2	1,550	4,102
Surplus (deficit) after tax from continuing operations		(269)	(2,004)	(9,503)	(9,114)	(20,450)
Surplus (deficit) after tax from discontinued operations	33	-	-	-	21,539	12,702
Surplus (deficit) after tax		(269)	(2,004)	(9,503)	12,425	(7,748)
Attributable to:						
Invercargill City Council		(269)	(2,004)	(9,503)	12,384	(7,760)
Minority interest		-	-	-	41	12
		(269)	(2,004)	(9,503)	12,425	(7,748)
Other comprehensive revenue and expense						
Property, plant and equipment revaluation gains/(losses)		170,892	62,785	73,183	175,691	74,030
Carbon credit revaluation gains/(losses)	2.2	264	-	282	264	282
Cash flow hedges		(821)	-	(386)	(1,419)	(856)
Total other comprehensive revenue and expense		170,335	62,785	73,079	174,536	73,456
Total comprehensive revenue and expense		170,066	60,781	63,576	186,961	65,708
Total comprehensive revenue and expense attributable to:						
Equity holders of the Council		170,066	60,781	63,576	186,920	65,696
Minority interest		-	-	-	41	12
		170,066	60,781	63,576	186,961	65,708

The accompanying notes form part of and are to be read in conjunction with these financial statements.

*Adjustment for share of net losses not recognised relates to the current year balance and impairment relates to the prior year balance.

For further details refer to Note 17.2.

Statement of changes in equity

Tauākī o ngā panoni tūnga pūtea

For the year ended 30 June 2025

Note	Council Actual 2025 (\$000)	Council Budget 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Balance at 1 July	1,203,034	1,179,091	1,139,458	1,293,961	1,228,253
Total comprehensive revenue and expense for the year	170,066	60,781	63,576	186,961	65,708
Balance at 30 June	1,373,100	1,239,872	1,203,034	1,480,922	1,293,961
Attributable to:					
Invercargill City Council	1,373,100	1,239,872	1,203,034	1,479,061	1,292,140
Minority interest	-	-	-	1,861	1,821
Balance at 30 June	1,373,100	1,239,872	1,203,034	1,480,922	1,293,961

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Notes to the Financial Statements

Statement of financial position

Tauāki o te Tūnga Pūtea

As at 30 June 2025

	Note	Council Actual 2025 (\$000)	Council Budget 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Assets						
Current assets						
Cash and cash equivalents	8	11,103	2,311	12,373	29,620	14,054
Receivables	9.1	16,000	17,025	13,428	18,110	16,817
Prepayments		2,267	1,372	1,721	2,267	1,721
Tax receivables	7.2	-	-	-	-	-
Inventories		222	619	366	254	368
Derivative financial instruments	19.1	-	-	-	-	33
Other financial assets	18.1	25,595	24,676	19,757	25,595	20,507
Total current assets		55,187	46,003	47,645	75,846	53,500
Non-current assets						
Work in progress	11.2,12.1,16	52,644	-	44,473	57,485	54,825
Property, plant and equipment	11.1	1,315,787	1,261,291	1,133,573	1,480,157	1,284,095
Intangible assets	12.1	2,491	9,932	2,380	2,491	2,380
Biological assets	13	3,937	4,502	3,894	3,937	3,894
Investment property	16	28,290	26,815	27,486	39,595	35,261
Investment in associates and joint ventures	17.1	-	-	-	12,696	131,857
Advances to associates and joint ventures		-	-	-	1,278	14,492
Investment in CCOs and other similar entities	17.1, 18.1	76,569	76,569	76,569	2,087	1,632
Other financial assets	18.1	20,314	19,641	40,245	20,561	22,947
Derivative financial instruments	19.1	-	751	365	-	1,163
Deferred tax assets	7.3	-	-	-	-	-
Total non-current assets		1,500,032	1,399,501	1,328,985	1,620,287	1,552,546
Total assets		1,555,219	1,445,504	1,376,630	1,696,133	1,606,046
Liabilities						
Current liabilities						
Trade and other payables	10	21,050	19,225	15,586	26,326	19,980
Provisions	20	300	79	613	4,195	4,498
Employee benefit liabilities	21	4,726	3,893	4,433	4,966	4,603
Borrowings and other financial liabilities	19.2	67,435	36,282	63,290	67,435	142,055
Tax payable	7.2	-	-	2	1,607	3,897
Total current liabilities		93,511	59,479	83,924	104,529	175,033
Non-current liabilities						
Provisions	20	816	798	816	816	816
Employee benefit liabilities	21	-	28	-	-	-
Borrowings and other financial liabilities	19.2	87,336	145,327	88,856	87,336	107,056
Deferred tax liabilities	7.3	-	-	-	22,074	29,180
Derivative financial instruments	19.1	456	-	-	456	-
Total non-current liabilities		88,608	146,153	89,672	110,682	137,052
Total liabilities		182,119	205,632	173,596	215,211	312,085
Equity						
Retained earnings	22	356,871	361,211	363,502	425,903	403,510
Other reserves	22	1,016,229	878,661	839,532	1,055,019	890,451
Total equity		1,373,100	1,239,872	1,203,034	1,480,922	1,293,961
Total liabilities and equity		1,555,219	1,445,504	1,376,630	1,696,133	1,606,046
Total equity attributable to the Council		1,373,100	1,239,872	1,203,034	1,479,061	1,292,140
Total equity attributable to the minority interests		-	-	-	1,861	1,821
Total equity		1,373,100	1,239,872	1,203,034	1,480,922	1,293,961

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Notes to the Financial Statements

Statement of Cash flows

Tauākī o ngā rerenga moni

For the year ended 30 June 2025

		Council Actual 2025 (\$000)	Council Budget 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Cash flows from operating activities						
Receipts from rates revenue		77,720	78,861	71,292	77,720	71,292
Receipts from other revenue		48,801	59,619	53,500	79,517	80,634
Interest received		3,362	3,643	3,936	4,696	5,083
Dividends received		14,457	9,457	5,478	-	-
Subvention payments received		-	-	21	-	4
Payments to suppliers and employees		(96,036)	(101,926)	(98,251)	(113,216)	(114,965)
Interest paid		(5,918)	(6,268)	(5,280)	(8,144)	(9,745)
Income tax (paid) refund		(2)	-	-	(2,016)	(1,446)
Goods and services tax (net)		(1,341)	-	(333)	(1,072)	(454)
Net cash flows from operating activities	24.1	41,043	43,386	30,363	37,485	30,403
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment		258	253	213	263	240
Proceeds from sale of investment property		276	1,980	420	276	420
Proceeds from sale of investments		24,831	18,000	18,040	156,976	18,790
Advances repaid by subsidiaries and associates		21,740	-	12,090	18,699	12,090
Purchase of property, plant and equipment		(57,040)	(78,672)	(46,196)	(67,662)	(54,638)
Purchase of investments		(31,774)	(5,063)	(19,757)	(31,774)	(39,057)
Purchase of investment property		-	(206)	-	(1,319)	(2,908)
Purchase of intangible assets		(2,402)	(3,599)	(2,673)	(2,402)	(2,673)
Advances made to associates and joint ventures		(850)	-	(23,420)	(1,240)	(6,826)
Dividends received from associates and joint ventures		-	-	-	586	5,539
Investments in associates and joint ventures		-	-	-	-	(150)
Net cash flows from investing activities		(44,961)	(67,307)	(61,283)	72,403	(69,173)
Cash flows from financing activities						
Proceeds from borrowings		125,011	26,153	127,533	125,011	133,280
Repayment of borrowings		(122,364)	(2,818)	(99,683)	(219,329)	(99,683)
Dividends paid		-	-	-	(5)	(18)
Net cash flows from financing activities	24.2	2,647	23,335	27,850	(94,323)	33,579
Net (decrease) increase in cash, cash equivalents and bank overdrafts		(1,270)	(586)	(3,070)	15,566	(5,191)
Cash, cash equivalents and bank overdrafts at the beginning of the year		12,373	2,897	15,443	14,054	19,245
Cash, cash equivalents and bank overdrafts at the end of the year	8	11,103	2,311	12,373	29,620	14,054

The accompanying notes form part of and are to be read in conjunction with these financial statements.

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Notes to the Financial Statements

1 Statement of Accounting Policies

Tauākī o ngā kaupapa here kaute

Reporting entity

Council is the Invercargill City Council and consolidated subsidiaries are together the Group.

Council is a territorial authority governed by the Local Government Act 2002. The consolidated entity consists of Invercargill City Council and its subsidiaries, Invercargill City Holdings Limited (100% owned); and Invercargill City Charitable Trust (100% owned). Invercargill Venue and Events Management Limited (100% owned) was wound up in the previous year. The Council has one joint venture, a joint operation being WasteNet (56% share). Council has two associates being Emergency Management Southland (28% share of voting rights) and Southland Regional Development Agency (48.73% share of voting rights). Council previously held a 64% share of voting rights in Southland Regional Heritage Committee however it is no longer a party to this committee.

The Invercargill City Holdings Limited (ICHL) Group consists of:

- Electricity Invercargill Limited (100% owned). (Refer to page 113 for additional structure information). Electricity Invercargill Limited has a balance date of 31 March.
- Invercargill Airport Limited (97% owned).
- HWCP Management Limited (49.9% owned). Invercargill City Property Limited (100% owned) was amalgamated with ICHL at 3 July 2024. (Refer to page 112 for additional structure information).
- Invercargill Central Limited is an associate of Invercargill City Holdings Limited (47.78% owned).

All Invercargill City Council subsidiaries and associates are incorporated in New Zealand.

The primary objective of Council is to provide goods or services for the community or for social benefit rather than to make a financial return. Accordingly, Council has designated itself a public benefit entity (PBE) for financial reporting purposes. Council is therefore subject to policies and exemptions that may not apply to other entities in the Group. Where PBE treatment of specific issues differs from the usual treatment, this fact is noted in each policy.

The financial statements of Council are for the year ended 30 June 2025. The financial statements were approved by Council on 11 November 2025.

Basis of preparation - Measurement base

The financial statements of Council and the Group have been prepared in accordance with the Tier 1 PBE accounting standards. These financial statements comply with the PBE standards. The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The financial statements have been prepared on the going concern basis. The financial statements have been prepared in accordance with GAAP. The purpose of complying with GAAP is because Council is a public benefit entity.

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

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. The accrual basis of accounting has been used unless otherwise stated. All amounts are "Actual" results with the exception of "Plan" amounts.

Except where specified, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling on the day of the transaction.

Foreign currency monetary assets and liabilities at balance date are translated to NZ dollars at the rate ruling at that date. Foreign exchange differences arising on translation are recognised in the surplus or deficit, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Notes to the Financial Statements

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to NZ dollars at rates ruling at the dates the fair value was determined.

Translation differences on equities held at fair value through surplus or deficit are reported as part of the fair value gain or loss. Translation differences on equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

Goods and Services Tax (GST)

The financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

The net GST paid to, or received from the Inland Revenue Department, 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 shown exclusive of GST.

Cost allocations

Council has derived the cost of service for each significant activity of the Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Council operates an internal treasury function that funds the net debt balance of each activity. Finance costs are allocated based on the net debt balance. The funding impact statements for each activity show the finance cost and debt movement for the year.

Plan values disclosed

The budget figures are those approved by Council at the beginning of the year in the Long-term Plan or Annual Plan. The budget figures have been prepared in accordance with Tier 1 PBE accounting standards, using accounting policies that are consistent with those adopted by Council for the preparation of the financial statements.

Net Assets / Equity

Net Assets or equity is the community's and ratepayers' interest in Council. It is measured as the difference between total assets and total liabilities. The asset revaluation reserve is recorded at fair value through other comprehensive revenue and expense reserve. The hedging revaluation reserve is recorded at fair value through other comprehensive revenue and expense reserve.

Implementation of new accounting standards**PBE IPSAS 1 Disclosure of Fees for Audit Firms' Services**

PBE IPSAS 1 Disclosure of Fees for Audit Firms' Services was issued on 18 May 2023. This standard sets out amendments to PBE IPSAS 1 Presentation Financial Reports. The amendments require an entity to describe the services provided by its audit or review firm and to disclose the fees incurred by the entity for those services. It is effective for reporting periods beginning on or after 1 January 2024. The group already meets the requirements of this standard.

Standard issued but not yet effective

The group will adopt the following accounting standard in the reporting period after the effective date.

Standards issued and not yet effective, and not early adopted PBE IPSAS 3.35,36

Standards and amendments issued but not yet effective that have not been early adopted and that are relevant to the Council and group are: 2024 Omnibus Amendments to PBE Standards (amendments to PBE IPSAS 1) This amendment clarifies the principles for classifying a liability as current or noncurrent, particularly in relation to loan covenants. The amendment is effective for the year ended 30 June 2027. The Council has not yet assessed in detail the impact of these amendments.

PBE IFRS 17 Insurance Contracts

PBE IFRS 17 establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts and will replace PBE IFRS 4. This standard is effective for the year ended 30 June 2027. This standard is not expected to have a significant impact.

Notes to the Financial Statements

Basis of consolidation

consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the group on a line-by-line basis. All intragroup balances, transactions, revenues, and expenses are eliminated on consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when the Council obtains control of the entity and ceases when the Council loses control of the entity.

Control over an entity is determined when the Council has exposure, or rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The Council considers all relevant facts and circumstances in assessing whether it has power over another entity. For example, the ability to appoint or remove a majority of the entity's governance and management, binding arrangements the Council enters into, group voting rights, and pre-determination mechanisms. The Council reassesses whether or not it controls another entity if facts and circumstances change.

The Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in surplus or deficit.

Notes to the Financial Statements

2 Revenue

Accounting Policy / Kaupapahere Kaute

Revenue comprises rates, revenue from operating activities, investment revenue, gains and finance revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from either exchange or non-exchange transactions.

Revenue from exchange transactions arises where the Group provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash) in exchange.

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. These are transactions where the Group receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally akin with an arm's length commercial transaction between a willing buyer and willing seller. Some services which the Council provides for a fee are charged below market value as they are subsidised by rates. Other services operate on a cost recovery or breakeven basis which may not be considered to reflect a market return. A significant portion of the Council's revenue will be categorised non-exchange.

As the Group satisfies an obligation which has been recognised as a liability, it reduces the carrying amount of the liability and recognises an amount of revenue equal to the reduction.

Sale of goods and services- Revenue is recognised in surplus or deficit when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in surplus or deficit in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods or continuing management involvement with the goods.

Rental revenue- Rental revenue from investment and other property is recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental revenue. Rental revenue is classified as exchange revenue where it is considered to reflect a market/arm's length rental.

Dividend revenue- Dividend revenue is classified as exchange revenue and is recognised when the shareholder's right to receive payment is established.

Finance revenue- Finance lease revenue is classified as exchange revenue and is allocated over the lease term on a systematic basis. This revenue allocation is based on a pattern reflecting a constant periodic return on the Council's net investment in the finance lease.

Agencies- The Council collects monies for many organisations. Where collections are processed through Council's books, any monies held are shown as accounts payable in the statement of financial position. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

Waka Kotahi (NZ Transport Agency) roading subsidies The Council receives funding assistance from Waka Kotahi, which subsidise part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Grant revenue (including Waka Kotahi (NZ Transport Agency) Grants revenue is recognised on receipt, except to the extent that a liability is also recognised in respect of the same inflow. A liability is recognised when the resources received are subject to a condition such as an obligation to return those resources received in the event that the conditions attached are breached. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount is recognised as revenue. Grant revenue is categorised as non-exchange revenue.

Notes to the Financial Statements

2.1 Rates revenue

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)
General rates	46,794	42,952
Rates penalties	877	774
	47,671	43,726
Targeted rates attributable to activities		
Water	9,936	9,949
Sewerage and drainage	10,478	7,619
Refuse and recycling	4,815	4,459
Other activities	6,043	5,610
Total revenue from rates	78,943	71,363

As required by the Local Government (Rating) Act 2002, details of rates remitted during the year are as follows:

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)
Halls, museums and other similar groups	2	2
Organisations whose object is the health and well-being of the community	34	32
Organisations whose principal object is the promotion of the arts or recreation	35	28
Organisations using premises for branches of the arts	8	7
Organisations using premises for historic conservation purposes	4	2
Total remissions	83	71
Rates revenue net of remissions	78,860	71,292

In accordance with the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission under Council's rates remission policy.

LGFA Guarantee and Indemnity Deed

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. The Multi-Issuer Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by the Council from other local authorities for services provided by the Council for which those other local authorities rate. The annual rates income of the Council for the year ended 30 June 2025 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown above.

Notes to the Financial Statements

Commentary / Whakaaro

The increase in annual rates collected by Council reflects the 9.88% rise as part of the 2024-2034 Long-Term Plan and growth in rating units.

The annual rates revenue of the Council for the year ended 30 June 2025 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is the "Rates revenue net of remissions" shown above.

Rates revenue is shown net of rates remissions. The purpose of granting rates remission to an organisation is to:

- assist the organisation's survival, and
- make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, those with disabilities and economically disadvantaged people.

As required by the Local Government (Rating) Act 2002, details of rates remitted during the year are shown above.

The total amount of rates charged on Council owned properties that have not been eliminated from revenue and expenditure is \$2.51 million (2024: \$2.13 million). For the Group, rates of \$2.63 million (2024: \$2.20 million) have not been eliminated.

2.1(a) Rating base information

Rating units within the district or region of the local authority at the end of the preceding financial year. The following disclosures are made in accordance with the Local Government Act 2002, Clause 30A of Schedule 10.

	Council Actual 2025	Council Actual 2024
Number of rating units within the Invercargill City Council	27,310	27,206
	(\$000)	(\$000)
Total rateable land value within the Invercargill City Council	6,285,118	4,518,437
Total rateable capital value within the Invercargill City Council	16,255,676	13,063,983

Commentary / Whakaaro

The rating database as at 30 June 2024 is used to determine the rates revenue for the 2024/2025 year. This information is verified with Quotable Value Limited.

Notes to the Financial Statements

2.2 Other gains and losses

*Accounting Policy / Kaupapahere Kaute***Realised gains and losses in surplus / deficit**

Realised gains and losses arising from the sale of property, plant and equipment and investments and changes arising from the ineffectiveness of derivative financial instruments and movements in impairments of other financial assets are recognised through surplus / deficit.

During the year ended 30 June 2023 an impairment expense of \$2.492 million was recognised with regard to a related party loan. This impairment was reversed in the year ended 30 June 2024. Further details of this transaction are described in Note 19.5.

Unrealised gains and losses in other comprehensive revenue and expense - Unrealised gains and losses arising from the revaluation of investments and changes arising from mark to market valuation of derivative financial instruments are recognised in other comprehensive revenue and expense.

Other losses - include revaluation decrements relating to investment properties, losses on the sale of property, plant and equipment and investments and losses arising from derivative financial instruments.

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
<i>Recognised in Retained Earnings</i>				
Change in fair value and harvesting of biological assets (refer Note 13)	60	(223)	60	(223)
Change in fair value of investment property (refer Note 16)	1,080	950	1,704	1,430
Change in fair value of investments	-	-	160	-
Impairment of other financial assets	-	2,492	-	2,492
Net gain/(loss) on sale of property, plant and equipment	(10)	7	(10)	7
Impairment on property, plant and equipment	(104)	(118)	(104)	(118)
	1,026	3,108	1,810	3,588
<i>Recognised in Other comprehensive revenue and expense</i>				
Change in fair value of carbon credits	264	282	264	282
Change in fair value of cash flow hedges	(821)	(386)	(1,419)	(856)
Total other gains and losses	469	3,004	655	3,014

Notes to the Financial Statements

2.3 Reconciliations of Funding Impact Statements to Statement of Comprehensive Revenue & Expense

Rates revenue reconciliation from Funding Impact Statements to Statement of Comprehensive Revenue and Expense

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)
General rates, uniform annual general charges, rates penalties	47,587	43,655
Targeted rates	31,273	27,637
Total rates revenue as per Funding Impact Statement	78,860	71,292
Rates excluding targeted water supply rates	68,989	61,397
Rates - Targeted water supply rates	9,871	9,895
Total rates revenue as per Statement of Comprehensive Revenue and Expense	78,860	71,292

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)
Total operating funding as per Funding Impact Statement	137,670	122,143
Plus: Capital funding - Subsidies and grants for capital expenditure		
- Roading activity	4,119	4,130
- Stormwater activity	-	(40)
- Water activity	-	-
- Sewerage activity	-	-
- Corporate and Regulatory activities	3,500	4,857
- Leisure, Recreation and Wellbeing Services activities	528	-
Plus: Vested assets	2,284	-
Total revenue (excluding gains)	148,101	131,090
Plus: Non cash revaluations		
Other Gains / (losses)		
- Investment property revaluation gain/(loss)	1,080	950
- Biological assets revaluation gain/(loss)	60	(223)
- De-recognition of property, plant and equipment gain/(loss)	(10)	6
- Impairment on property, plant and equipment	(104)	(118)
- Impairment of other financial assets	-	2,492
	1,026	3,107
Other comprehensive revenue and expense		
- Carbon credits revaluation gain/(loss)	264	282
- Cash flow hedges revaluation gain/(loss)	(821)	(386)
Total revenue funding as per Statement of Comprehensive Revenue and Expense	148,570	134,093

Notes to the Financial Statements

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)
Per Statement of Comprehensive Revenue and Expense		
Rates excluding targeted water supply rates	68,989	61,397
Targeted rates for water supply	9,871	9,895
Finance revenue	3,216	4,275
Subsidies and grants	13,811	16,148
Other revenue	52,214	39,376
Total revenue (excluding gains)	148,101	131,091
Other Gains / (losses)		
Change in fair value and harvesting of biological assets	60	(224)
Change in fair value of investment property	1,080	950
Gain/(Loss) on sale of assets	(10)	6
Impairment on property, plant and equipment	(104)	(118)
Impairment of other financial assets	-	2,492
	1,026	3,106
Other comprehensive revenue and expense		
Change in fair value of carbon credits	264	282
Change in fair value of cash flow hedges	(821)	(386)
Total revenue as per Statement of Comprehensive Revenue and Expense	148,570	134,093
Operating expenditure reconciliation from Funding Impact Statement to Statement of Comprehensive Revenue and Expense		
	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)
Total applications of operating funding as per Funding Impact Statement	107,286	101,150
Per Statement of Comprehensive Revenue and Expense		
Employee benefit expenses	37,398	34,522
Other expenses	64,022	61,431
Finance expenses	5,896	5,077
	107,316	101,030
Plus: depreciation expense (not in Funding Impact Statement)	42,109	42,669
Total operating expenditure including finance costs as per Statement of Comprehensive Revenue and Expense	149,425	143,699

Notes to the Financial Statements

2.4 Subsidies and grants

Accounting Policy / Kaupapahere Kaute

Waka Kotahi (NZ Transport Agency) roading subsidies - The Council receives funding assistance from Waka Kotahi, which subsidise part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Grant revenue (including Waka Kotahi (NZ Transport Agency)) - Grants revenue is recognised on receipt, except to the extent that a liability is also recognised in respect of the same inflow. A liability is recognised when the resources received are subject to a condition such as an obligation to return those resources received in the event that the conditions attached are breached. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount is recognised as revenue. Grant revenue is categorised as non-exchange revenue.

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Waka Kotahi (NZ Transport Agency)				
- Operating	5,183	6,264	5,183	6,264
- Capital	4,118	4,131	4,118	4,131
Other grants and subsidies				
- Operating	482	936	506	961
- Capital	4,028	4,817	4,028	4,817
Total subsidies and grants	13,811	16,148	13,835	16,173

Commentary / Whakaaro

Subsidies and grants are a mix of capital and operating grants from the Crown and other organisations. The Council received material Crown funding from Waka Kotahi, Community Trust South, Invercargill Licensing Trust Foundation & Three Waters Better off Funding.

Waka Kotahi funding of \$9.3 million (2024: \$10.4 million) which funded road and footpath operating activities and capital projects.

Three Waters Better off Funding of \$0.58 million (2024: \$2.11 million), consists of Elderly Housing Double Glazing.

Invercargill Licensing Trust Foundation funding of \$0.5 million for Te Unua (New Museum), (2024: \$1.0 Million).

Community Trust South of \$3.0 million for Te Unua (New Museum), (2024: \$Nil)

Tourism Infrastructure Fund funding of \$Nil million for Bluff Recreation. (2024: \$0.65 million).

Notes to the Financial Statements

3 Employee expenses

Accounting Policy / Kaupapahere Kaute

Salaries and wages are recognised as an expense as employees provide services. Superannuation schemes. Defined contribution schemes Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme 28 are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Wages and salaries	34,488	31,522	36,443	33,414
Contributions to defined contribution plans	959	829	959	879
Increase/(Decrease) in employee benefits	173	195	226	195
Other employment related expenses	1,778	1,976	1,778	1,976
Total	37,398	34,522	39,406	36,464

Commentary / Whakaaro

Council made twelve (2024: two) severance payments during the year ended 30 June 2025 totalling \$149,885 (\$39,600, \$29,885, \$6,000, \$11,500, \$10,000, \$7,500, \$6,000, \$900, \$6,500, \$10,000, \$5,000, \$17,000) (2024: \$8,000, \$21,526)

4 Depreciation and amortisation expense by group of activity

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)
Roading	13,661	13,586
Sewerage	7,081	7,883
Solid waste management	115	116
Stormwater	4,824	4,609
Water supply	6,656	6,860
General Services	5,697	9,615
Leisure, Recreation and Wellbeing Services	4,075	-
Total depreciation and amortisation expense by group of activity	42,109	42,669

Notes to the Financial Statements

5 Net Finance costs

Accounting Policy / Kaupapahere Kaute

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

Finance revenue - Finance revenue comprises interest receivable on funds invested and on loans advanced. Finance revenue, is recognised in surplus or deficit as it accrues, using the effective interest rate method.

Finance revenue from related party investments relates to a loan to Invercargill Central Limited, an associate of Invercargill City Holdings Limited.

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Finance expenses				
- Borrowings	5,735	5,066	8,109	9,333
- Other	161	11	55	11
Total Financial expenses	5,896	5,077	8,164	9,344
Finance revenue				
- Cash and cash equivalents	(505)	(645)	(518)	(663)
- Other Financial Assets	(1,529)	(1,130)	(3,264)	(2,259)
- Related Party Investments	(1,182)	(2,500)	(998)	(2,500)
Total Financial revenue	(3,216)	(4,275)	(4,780)	(5,422)
Net Finance Cost	2,680	802	3,384	3,922

Commentary / Whakaaro

Council has entered into interest rate swap agreements to fix the cost of current and future borrowing. Market interest rates have increased in 2024/2025, however with the majority of the Councils debt set on fixed rates the financing costs have been relatively stable.

Invercargill Central Limited (ICL) owed Council \$16.3 million (2024: \$19.1 million) in loan funding for its city centre development. Interest is charged at market rates on the loan.

Notes to the Financial Statements

6 General expenses

Accounting Policy / Kaupapahere Kaute

Non-discretionary grants- are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants- are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant and any grant criteria are met. Rates remissions are treated as a discretionary grant to the recipient of the remission in accordance with the Council's rates remission policy.

Operating leases- payments made under operating leases are recognised in surplus or deficit proportionally over the term of the lease. Lease incentives received are recognised in surplus or deficit as an integral part of the total lease expense.

Minimum lease payments- payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Unrecoverable rates- Where in the opinion of the Chief Executive rates cannot reasonably be recovered under sections 90A and 90B of the local Government Rating Act 2002, they are recorded as bad debts and written off. The Council has the ability to recover rates on the sale of a property and until this occurs rates arrears are treated as doubtful debts and provision is made for the amount of rates outstanding.

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Audit fees (Note 6.1)	514	514	1,006	825
Bad and doubtful debts	39	(199)	39	(199)
Impairment Expense	-	-	537	-
Directors' fees	-	-	539	584
Elected members' remuneration	847	816	847	816
Operating lease expenses	424	329	424	329
Donations and Grants expenses	6,154	6,309	6,154	6,309
Direct operating expenses (including repairs and maintenance) arising on investment properties	699	563	699	563
Direct operating expenses (including repairs and maintenance) arising on other Council activities	41,435	41,729	41,435	41,729
Biological assets cost of goods sold	17	86	17	86
PWC Consulting Fees*	-	-	-	14
Other expenses	13,893	11,284	29,576	24,995
Total General Expenses	64,022	61,431	81,273	76,051

*Consulting fees include Regulatory Forecasting and Price Setting Compliance Statement

Notes to the Financial Statements

6.1 Remuneration of auditors

Accounting Policy / Kaupapahere Kaute

The Council and group's financial statements and service performance information for the year ended 30 June 2025 (the "financial report") are audited by Audit New Zealand on behalf of the Auditor-General.

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Auditor's remuneration to Audit New Zealand comprises:				
- Audit of the financial report	407	346	592	505
- Cost recovery from audit of last year's financial report	-	20	50	20
Audit or review related services:				
- Assurance engagement in relation to the Debenture Trust Deed	9	9	9	9
- Audit of the 2024-34 Long-term plan	-	139	-	139
Auditor's remuneration to other auditors comprises:				
- Audit of financial statements	-	-	123	57
- Audit of default price path	-	-	39	38
- Audit of regulatory disclosures	-	-	95	57
- Other audit-related services	98	-	98	-
Total	514	514	1,006	825

Commentary / Whakaaro

The audit fee disclosed for the financial report represents the fee for the annual statutory audit engagement carried out under the Auditor-General's auditing standards, as described in the audit report on pages 29 - 34. This fee also includes the audit of the summary annual report, also a statutory requirement, which is completed in conjunction with this engagement and not billed separately.

The Group other audit-related services are incurred by Electricity Invercargill Limited in relation to the audit of Default Price Path and audit of Regulatory Disclosures.

Notes to the Financial Statements

7 Income taxes*Accounting Policy / Kaupapahere Kaute*

Income tax on the surplus or deficit for the year includes current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes at the reporting date.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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 PBE 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 interest 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.

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

Notes to the Financial Statements

7.1 Components of tax expense

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Current tax expense				
Current tax	(29)	2	1,795	4,481
Adjustment to current tax for prior years	-	-	(1,968)	-
Total current tax expense	(29)	2	(173)	4,481
Deferred tax expense				
Origination and reversal of temporary differences	-	-	47	(30)
Adjustment for prior periods	-	-	(62)	(5)
Reversal of deferred tax on Southern Generation	-	-	-	(2,296)
Effect of change in tax legislation	-	-	2,257	2,074
Total deferred tax expense	-	-	2,242	(257)
Total income tax expense	(29)	2	2,069	4,224
Reconciliation of effective tax rate				
Surplus (deficit) before tax from continuing operations	(298)	(9,501)	(8,083)	(16,348)
Surplus (deficit) before tax from discontinued operations	-	-	22,058	12,824
Surplus (deficit) for the period	(298)	(9,501)	13,975	(3,524)
Tax at 28%	(83)	(2,660)	3,913	(987)
Permanent differences	-	-	237	136
Non-deductible expenses	-	-	38	62
Tax exempt revenue	83	2,662	5,432	4,420
Subvention payments (made) received	-	21	-	-
Elimination of share of associate income	-	-	(7,581)	(3,894)
Under/(Over) provided in prior periods	(29)	(21)	(30)	(5)
Tax liability on sale of investments	-	-	-	2,418
Effect of change in tax legislation	-	-	60	2,074
Total income tax expense	(29)	2	2,069	4,224
Tax expense relating to continuing operations	(29)	2	1,550	4,102
Tax expense relating to discontinued operations	-	-	519	122
	(29)	2	2,069	4,224

Notes to the Financial Statements

7.2 Current tax assets and liabilities

	Council Actual 2024 (\$000)	Council Actual 2023 (\$000)	Group Actual 2024 (\$000)	Group Actual 2023 (\$000)
Current tax assets				
Current tax/Tax refund receivable	-	-	-	2
Total current tax assets	-	-	-	2
Current tax payable				
Income tax payable	2	-	3,897	913
Total current tax liabilities	2	-	3,897	913

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Current tax assets				
Current tax/Tax refund receivable	-	-	-	-
Total current tax assets	-	-	-	-
Current tax payable				
Income tax payable	-	2	1,607	3,897
Total current tax liabilities	-	2	1,607	3,897

7.3 Deferred tax balance

Group

Movements in temporary differences during the year

	Balance 1 July 2023 (\$000)	Recognised in surplus or deficit (\$000)	Recognised in equity (\$000)	Balance 30 June 2024 (\$000)	Recognised in surplus or deficit (\$000)	Recognised in equity (\$000)	Disposal of Subsidiary (\$000)	Balance 30 June 2025 (\$000)
Property, plant and equipment	28,002	(241)	-	27,761	2,215	1,462	(10,248)	21,190
Investment property	396	(28)	-	368	159	-	-	527
Derivatives	414	-	(182)	232	(41)	(191)	-	-
Provisions	(13)	(3)	-	(16)	(29)	-	-	(45)
Other items	829	7	-	836	(63)	-	(370)	403
Tax losses	(25)	25	-	-	-	-	-	-
Total movements	29,603	(240)	(182)	29,181	2,241	1,271	(10,618)	22,074

7.4 Unrecognised tax losses

Commentary / Whakaaro

Council does not have any deferred tax assets or liabilities (2024: \$Nil). However, the asset has been recognised at a Group level.

Notes to the Financial Statements

8 Cash and cash equivalents

Accounting Policy / Kaupapahere Kaute

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

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

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Bank balances	11,089	12,358	29,606	14,039
Cash on hand	14	15	14	15
Cash and cash equivalents in the Statement of Cash Flows	11,103	12,373	29,620	14,054

Commentary / Whakaaro

The carrying value of short-term deposits with maturity of three months or less approximates their fair value.

Within the balances above, Council holds:

- \$Nil (2024: \$770,000) of funds designated for construction of a boat ramp at Bluff, these funds are restricted for this purpose.
- \$722,981 (2024: \$1,028,437) of funds relating to the WasteNet Southland joint arrangement. The other partners' share of this balance is included within Trade and other payables.
- \$26,020 (2024: \$26,296) of funds relating to the Kiwibank Lotto operation. The other partners' share of this balance is included within Trade and other payables.

Notes to the Financial Statements

9 Receivables and prepayments

Accounting Policy / Kaupapahere Kaute

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

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

For the purpose of aging analysis, trade receivables include rates receivables, non-exchange receivables from user charges, other trade receivables and related party receivables.

As debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, the carrying value of debtors and other receivables approximates their fair value.

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

9.1 Receivables

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Rates and water receivables	5,117	3,977	5,116	3,975
Related party receivables	1,475	701	185	940
Sundry debtors	4,070	3,838	6,659	6,350
Accrued Revenue	3,374	4,250	4,134	4,688
Goods and services tax	2,408	1,067	2,460	1,269
	16,444	13,833	18,554	17,222
Less provision for impairment of receivables	(444)	(405)	(444)	(405)
Total	16,000	13,428	18,110	16,817
Total receivables comprises:				
Receivables from non-exchange transactions	9,205	8,252	9,257	8,257
Receivables from exchange transactions	6,795	5,176	8,423	8,560
Total	16,000	13,428	17,680	16,817

Commentary / Whakaaro

Receivables from non-exchange transactions includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates.

Receivables from exchange transactions includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.

The carrying value of trade and other receivables approximates their fair value.

Council does not provide for any impairment on rates receivables as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances.

The powers under the Local Government (Rating) Act 2002 allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Notes to the Financial Statements

The Chief Executive approved the write-off of rates receivables during the year under the Local Government (Rating) Act 2002 as follows:
Section 90A: \$Nil (2024: \$93.40) and Section 90B: Nil (2024: Nil).

9.2 Movement in provision for impairment of receivables:

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
At 1 July	(397)	(611)	(495)	(709)
Additional provisions made during the year	(44)	(42)	(44)	(42)
Receivables written off during the period	2	8	2	8
Provision for bad and doubtful debts	(5)	248	93	248
At 30 June	(444)	(397)	(444)	(495)

Commentary / Whakaaro

As of 30 June 2025, and 2024, all overdue receivables, except for rates receivables, have been assessed for impairment and appropriate provisions applied. The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The impairment provision has been calculated based on expected losses for the Council's pool of debtors. Expected losses have been determined based on an analysis of the Council's losses in previous periods, and review of specific debtors.

9.3 Credit risks aging of trade receivables

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Current (less than 3 months)	10,412	12,619	12,511	15,069
3 to 6 months	4,627	655	4,638	686
6 to 9 months	72	675	72	675
9 to 12 months	-	-	-	-
> 12 months	889	818	889	824
Carrying amount	16,000	14,767	18,110	17,254

Commentary / Whakaaro

There is no concentration of credit risk with respect to receivables outside the Group, as the Group has a large number of customers.

Notes to the Financial Statements

10 Payables

Accounting Policy / Kaupapahere Kaute

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. Short-term payables are recorded at the amount payable.

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Trade payables	6,984	4,528	9,562	4,599
Accrued expenses	11,694	8,581	14,171	9,926
Amounts due from related parties	-	-	81	2,608
Revenue in advance	2,372	2,477	2,512	2,847
Total	21,050	15,586	26,326	19,980
Total payables comprises:				
Payables from non-exchange transactions	2,372	2,477	2,372	2,477
Payables from exchange transactions	18,678	13,109	23,954	17,503
Total trade and other payables	21,050	15,586	26,326	19,980

Commentary / Whakaaro

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.

11 Property, plant & equipment

Accounting Policy / Kaupapahere Kaute

Property, plant and equipment - Consists of: Operational assets (including land, buildings, library books, plant and equipment, motor vehicles and furniture and fittings); Restricted assets (parks and reserves owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions) and Infrastructure assets (the fixed utility systems, each asset class includes all items that are required for the network to function)

Property, plant and equipment is recorded at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation (if applicable) or at historical cost less depreciation (if applicable).

Property, plant and equipment held at fair value includes Operational Land and Buildings, Library Books and Infrastructure assets (excluding land under roads). All other property, plant and equipment including land under roads is stated at historical cost less depreciation.

Individual assets, or group of assets, are capitalised if their costs is greater than \$1,000.

Revaluation - Valuations are performed with sufficient regularity to ensure revalued assets are carried at a value that is not materially different from fair value.

Where the Council has elected to account for revaluations of property, plant and equipment on a class of asset basis, increases in the carrying amounts arising on revaluation of a class of assets are credited directly to equity under the heading revaluation reserve. However, the net revaluation increase shall be recognised in surplus or deficit to the extent it reverses a net revaluation decrease of the same class of assets previously recognised in surplus or deficit.

For assets being revalued, the total accumulated depreciation prior to the date of valuation is transferred to the gross carrying amount of the asset. The new carrying value amount is then restated to the new revalued amount of the asset.

Notes to the Financial Statements

Cost - Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to surplus or deficit during the financial period in which they are incurred.

Capital expenditure - Capital expenditure is defined as all expenditure incurred in the creation of a new asset and any expenditure that results in a significant restoration or increased service potential for existing assets. Constructed assets are included in property, plant and equipment as each becomes operational and available for use. Revenue expenditure is defined as expenditure that is incurred in the maintenance and operation of the property, plant and equipment of the Group.

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

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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 Council and group and the cost of the item can be measured reliably.

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

Disposals - Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation - Depreciation on other assets (except land) is calculated using the straight line or diminishing value methods (land is not depreciated) to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

Net asset value - An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount in accordance with the requirements of PBE IPSAS 21 – Impairment of Non-Cash-Generating Assets and PBE IPSAS 26 - Impairment of Cash-Generating Assets. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date in accordance with the requirements of PBE IPSAS 17 – Property, Plant and Equipment.

Impairment - For the purpose of assessing impairment indicators and impairment testing of non-financial assets, the Council classifies non-financial assets as either cash-generating or non-cash-generating assets. The Council classifies a non-financial asset as a cash-generating asset if its primary objective is to generate a commercial return. All other assets are classified as non-cash-generating assets. Impairment losses are recognised through surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

Property, plant and equipment measured at fair value however is reviewed and tested for impairment. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The carrying amounts of the Council's other assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount.

Restrictions - Land and buildings in the "Restricted Asset" category are subject to restrictions on either use or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings acquired under a bequest or donation that restricts the purpose for which the assets can be used).

Leasing – The net carrying amount of plant and equipment held under finance leases is \$52,645 (2024: \$97,842). Note 19.2 provides further information about finance leases.

Unrecognised heritage assets

Council has a small art collection that could be considered a heritage asset. Due to uncertainty, there are no recent estimates available for these assets.

Notes to the Financial Statements

The following table highlights the useful life of property plant and equipment, confirmed through the valuation process, which drives the depreciation charge for each asset category and asset class.

Council Operation Assets	Depreciation Rates	Council Infrastructural Assets	Depreciation Rates
Building - Structure	1.11%-5% SL	Total Pavement Layers	1.07%-9.23% SL
Building - Roof	1.67% - 2.87% SL	Total Roadway Assets	1% - 2.15% SL
Building - Electrical	2.20% - 2.50% SL	Traffic Signs	1.25% - 10.33% SL
Building - Plumbing	1.43% - 4% SL	Street Lights	3.45% - 9.77% SL
Building - Internal Fit Out	2% - 20% SL	Other Asset	1.25% - 5.77% SL
Building - Plant	2% - 21.60% SL	Formation	0%
Library Books	6.85% - 10.58% SL	Stormwater	1% - 4% SL
Plant and Equipment	1% - 40% DV	Wastewater	1% - 12.15% SL
Motor Vehicles	31% DV	Water	1% - 5.57% SL
Monuments and Statues	2% SL		
Hard Surfaces and Appurtenance	1% - 21.60% SL/DV/NOND		
Furniture and Fittings	21.60% DV		
Subsidiaries			
Buildings	1%-19.2% SL	Airport Facilities	
Furniture and Fittings	9.6% - 30% DV & 6% - 67% SL	Runway, Apron & Taxiway (Base-course & sub-base)	3% SL
Plant	8% - 50% DV & 5% - 67% SL	Top Surface (Runway)	8.3% SL
Motor Vehicle	10% - 15.6% DV & 7%-25% SL	Top Surface (Apron and Taxiway)	6.7% SL
Network Assets	1% - 50% SL	Roads, carparks, fencing and stop banks	1% - 30% SL

Notes to the Financial Statements

11.1 Property, plant and equipment

2025	Cost / Revaluation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Additions and transfers \$000	Disposals / De- recognition \$000	Current year disposals accumulated depreciation \$000	Cost transfers \$000	Depreciation transfers \$000	Impairment charges \$000	Depreciation \$000	Revaluation adjustment - Cost \$000	Revaluation adjustment - Accumulated depreciation \$000	Cost / Revaluation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
	1-Jul-24	1-Jul-24	1-Jul-24										30-Jun-25	30-Jun-25	30-Jun-25
Council operational assets															
Land	25,415	-	25,415	-	-	-	-	-	-	-	(200)	-	25,215	-	25,215
Buildings	301,775	(188,496)	113,279	6,738	-	-	(3,237)	3,237	-	(6,925)	8,557	16,242	313,833	(175,942)	137,891
Library books	4,379	(398)	3,981	422	-	-	(422)	422	-	(572)	(1,923)	548	2,456	-	2,456
Plant and equipment	17,074	(13,443)	3,631	4,129	(4,501)	4,241	(27)	27	-	(1,174)	-	-	16,675	(10,349)	6,325
Motor vehicles	5,879	(3,931)	1,948	1,282	(593)	585	-	-	-	(789)	-	-	6,568	(4,135)	2,433
Furniture and fittings	1,819	(1,240)	579	92	-	-	-	-	-	(130)	-	-	1,911	(1,370)	541
Total Council operational assets	356,341	(207,508)	148,833	12,663	(5,094)	4,826	(3,686)	3,686	-	(9,590)	6,434	16,790	366,658	(191,796)	174,862
Council infrastructural assets															
Roads, bridges and footpaths	734,049	(434,851)	299,198	8,694	-	-	(6,631)	6,631	-	(13,473)	87,530	61,434	823,642	(380,259)	443,383
Stormwater systems	453,062	(241,579)	211,483	2,516	-	-	(2,516)	2,516	-	(4,824)	287	-	453,349	(243,887)	209,461
Wastewater systems - Treatment plants facilities	76,884	(45,632)	31,252	919	-	-	(919)	919	-	(1,580)	-	-	76,884	(46,293)	30,591
Wastewater systems - Other assets	446,869	(291,302)	155,567	3,314	-	-	(3,271)	3,271	-	(5,495)	299	-	447,211	(293,526)	153,685
Water systems - Treatment plants facilities	31,983	(22,190)	9,793	205	-	-	(205)	205	-	(643)	-	-	31,983	(22,628)	9,355
Water systems - Other assets	446,517	(234,028)	212,489	21,228	-	-	(7,423)	7,423	-	(5,959)	382	-	460,704	(232,564)	228,140
Land under roads	45,046	-	45,046	-	-	-	-	-	-	-	-	-	45,046	-	45,046
Total Council infrastructural assets	2,234,410	(1,269,582)	964,828	36,876	-	-	(20,965)	20,965	-	(31,974)	88,498	61,434	2,338,819	(1,219,157)	1,119,661
Council restricted assets															
Land	9,154	-	9,154	-	-	-	-	-	-	-	-	-	9,154	-	9,154
Land - Forestry	1,670	-	1,670	-	-	-	-	-	-	-	-	-	1,670	-	1,670
Monuments and statues	1,258	(88)	1,170	-	-	-	-	-	-	(25)	-	-	1,258	(113)	1,145
Hard surfaces and appurtenance	9,805	(1,885)	7,920	1,598	-	-	(6)	6	-	(240)	(150)	169	11,247	(1,950)	9,296
Total Council restricted assets	21,887	(1,973)	19,914	1,598	-	-	(6)	6	-	(265)	(150)	169	23,329	(2,063)	21,265
Total Council property, plant and equipment	2,612,638	(1,479,063)	1,133,573	51,137	(5,094)	4,826	(24,657)	24,657	-	(41,829)	94,782	78,393	2,728,806	(1,413,017)	1,315,787
Subsidiaries property, plant and equipment															
Land	2,768	-	2,768	2,721	-	-	-	-	-	(12)	-	-	5,489	(12)	5,477
Terminals	7,400	(1,976)	5,424	1,129	(21)	-	-	-	-	(226)	-	-	8,508	(2,202)	6,306
Gravel and fencing	4,526	(2,011)	2,515	407	-	-	-	-	-	(177)	-	-	4,933	(2,188)	2,745
Buildings and yards	16,072	(4,144)	11,928	1,339	-	-	-	-	-	(1,009)	1,039	-	18,450	(5,153)	13,297
Network assets	160,087	(40,824)	119,263	8,377	(145)	65	-	-	-	(4,961)	5,220	-	173,539	(45,720)	127,819
Plant and equipment	3,010	(2,527)	483	604	(305)	305	-	-	-	(131)	-	-	3,309	(2,353)	956
Motor vehicles	3,877	(2,673)	1,204	2	-	-	-	-	-	(117)	-	-	3,879	(2,790)	1,089
Furniture and fittings	5,788	(3,795)	1,993	32	-	-	-	-	-	(344)	-	-	5,820	(4,139)	1,681
Runways and taxi ways	17,391	(12,448)	4,943	658	-	-	-	-	-	(596)	-	-	18,049	(13,044)	5,005
Total subsidiaries property, plant and equipment	220,919	(70,398)	150,521	15,269	(471)	370	-	-	-	(7,573)	6,259	-	241,976	(77,601)	164,370
Total Group property, plant and equipment	2,833,557	(1,549,461)	1,284,094	66,406	(5,565)	5,196	(24,657)	24,657	-	(49,402)	101,041	78,393	2,970,782	(1,490,618)	1,480,158

Note: For Council, the carrying amount of the asset is adjusted to the revalued amount by increasing the gross carrying amount and eliminating the accumulated depreciation.
For subsidiaries, the carrying amount of the asset is adjusted to the revalued amount by increasing the proportionate change in the carrying amount.

Notes to the Financial Statements

2024	Accumulated depreciation and						Current year disposals						Revaluation adjustment -			Accumulated depreciation		
	Cost /	impairment	Carrying	Additions and	Disposals / De-	accumulated	Cost	Depreciation	Impairment	Depreciation	Revaluation	Revaluation	Cost	Accumulated	Revaluation	Cost /	and impairment	Carrying
	Revaluation	charges	amount	transfers	recognition	depreciation	transfers	transfers	charges		adjustment -	adjustment -	Cost	depreciation	charges	Revaluation	charges	amount
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	1-Jul-23	1-Jul-23	1-Jul-23													30-Jun-24	30-Jun-24	30-Jun-24
Council operational assets																		
Land	25,415	-	25,415	-	-	-	-	-	-	-	-	-	-	-	-	25,415	-	25,415
Buildings	297,741	(191,100)	106,641	13,567	(8,719)	7,084	(778)	778	1,525	(6,783)	(36)	-	-	-	-	301,775	(188,496)	113,279
Library books	4,379	(198)	4,181	372	-	-	(372)	372	-	(572)	-	-	-	-	-	4,379	(398)	3,981
Plant and equipment	16,851	(13,092)	3,759	1,037	(809)	770	(5)	5	-	(1,126)	-	-	-	-	-	17,074	(13,443)	3,631
Motor vehicles	5,262	(3,799)	1,463	1,135	(518)	469	-	-	-	(601)	-	-	-	-	-	5,879	(3,931)	1,948
Furniture and fittings	1,769	(1,088)	681	50	-	-	-	-	-	(152)	-	-	-	-	-	1,819	(1,240)	579
Total Council operational assets	351,417	(209,277)	142,140	16,161	(10,046)	8,323	(1,155)	1,155	1,525	(9,234)	(36)	-	-	-	-	356,341	(207,508)	148,833
Council infrastructural assets																		
Roads, bridges and footpaths	733,887	(431,720)	302,167	10,502	-	-	(10,340)	10,340	-	(13,471)	-	-	-	-	-	734,049	(434,851)	299,198
Stormwater systems	434,751	(229,658)	205,093	4,795	-	-	(4,795)	4,795	-	(4,609)	18,311	(12,107)	-	-	-	453,062	(241,579)	211,483
Wastewater systems - Treatment plants facilities	64,058	(33,767)	30,291	942	-	-	(942)	942	-	(2,854)	12,826	(9,953)	-	-	-	76,884	(45,632)	31,252
Wastewater systems - Other assets	401,209	(262,360)	138,849	3,096	-	-	(3,073)	3,073	-	(5,021)	45,637	(26,994)	-	-	-	446,869	(291,302)	155,567
Water systems - Treatment plants facilities	31,902	(9,208)	22,694	43	-	-	(43)	43	-	(641)	81	(12,384)	-	-	-	31,983	(22,190)	9,793
Water systems - Other assets	402,982	(243,719)	159,263	1,608	-	-	(1,569)	1,569	-	(6,185)	43,496	14,307	-	-	-	446,517	(234,028)	212,489
Land under roads	45,046	-	45,046	-	-	-	-	-	-	-	-	-	-	-	-	45,046	-	45,046
Total Council infrastructural assets	2,113,835	(1,210,432)	903,403	20,986	-	-	(20,762)	20,762	-	(32,781)	120,351	(47,131)	-	-	-	2,234,410	(1,269,582)	964,828
Council restricted assets																		
Land	8,917	-	8,917	237	-	-	-	-	-	-	-	-	-	-	-	9,154	-	9,154
Land - Forestry	1,670	-	1,670	-	-	-	-	-	-	-	-	-	-	-	-	1,670	-	1,670
Monuments and statues	1,258	(72)	1,186	9	-	-	(9)	9	-	(25)	-	-	-	-	-	1,258	(88)	1,170
Hard surfaces and appurtenance	9,226	(1,703)	7,523	632	(9)	1	(44)	44	-	(227)	-	-	-	-	-	9,805	(1,885)	7,920
Total Council restricted assets	21,071	(1,775)	19,296	878	(9)	1	(53)	53	-	(252)	-	-	-	-	-	21,887	(1,973)	19,914
Total Council property, plant and equipment	2,486,322	(1,421,485)	1,064,838	38,025	(10,055)	8,324	(21,970)	21,970	1,525	(42,267)	120,315	(47,131)	-	-	-	2,612,638	(1,479,063)	1,133,573
Subsidiaries property, plant and equipment																		
Land	2,409	-	2,409	159	-	-	-	-	-	-	200	-	-	-	-	2,768	-	2,768
Terminals	7,344	(1,727)	5,617	27	-	-	-	-	-	(220)	-	-	-	-	-	7,371	(1,947)	5,424
Gravel and fencing	4,498	(1,838)	2,660	28	-	-	-	-	-	(173)	-	-	-	-	-	4,526	(2,011)	2,515
Buildings and yards	15,407	(3,206)	12,201	17	-	-	-	-	-	(938)	648	-	-	-	-	16,072	(4,144)	11,928
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	3,909	(2,589)	1,320	2	(34)	33	-	-	-	(117)	-	-	-	-	-	3,877	(2,673)	1,204
Furniture and fittings	5,752	(3,436)	2,316	36	-	-	-	-	-	(359)	-	-	-	-	-	5,788	(3,795)	1,993
Runways and taxi ways	17,055	(11,658)	5,397	336	-	-	-	-	-	(790)	-	-	-	-	-	17,391	(12,448)	4,943
Total subsidiaries property, plant and equipment	213,355	(62,957)	150,398	6,922	(235)	131	-	-	-	(7,543)	848	-	-	-	-	220,890	(70,369)	150,521
Total Group property, plant and equipment	2,699,677	(1,484,442)	1,215,236	44,947	(10,290)	8,455	(21,970)	21,970	1,525	(49,810)	121,163	(47,131)	-	-	-	2,833,528	(1,549,432)	1,284,095

Notes to the Financial Statements

11.2 Work in progress

Accounting Policy / Kaupapahere Kaute

Work in progress includes the cost of 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 the period. Capital work in progress is not depreciated.

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Land	18	12	18	31
Buildings	25,511	10,080	27,403	14,443
Network assets	-	-	2,566	3,371
Plant and equipment	102	142	272	321
Motor vehicles	40	191	62	212
Roads, bridges and footpaths	2,930	2,218	2,930	2,218
Stormwater systems	865	448	865	448
Wastewater systems	2,177	2,283	2,177	2,283
Water systems	13,387	23,147	13,387	23,147
Restricted land	35	-	35	-
Hard surfaces and appurtenance	-	682	-	682
Runaways and taxi ways	-	-	190	533
Investment property	43	-	43	1,866
Total work in progress	45,108	39,203	49,948	49,555

Commentary / Whakaaro

Council has commenced a number of significant capital projects during 2024/2025 of which many were still in progress as at 30 June 2025. These include the Braxholme pipeline project (Water) and the Te Unua Museum of Southland. Projects completed this year include the Bluff Boat Rump Renewal, and Surrey Park Grandstand Renewal.

Notes to the Financial Statements

11.3 Core infrastructure asset disclosures

	Closing book value (\$000)	Additions: constructed by Council (\$000)	Additions: transferred to Council (\$000)	Most recent replacement cost estimate for revalued assets (\$000)
2025				
Roads, bridges and footpaths	446,313	11,624	1,316	822,441
Stormwater systems	210,326	3,381	287	453,062
Wastewater systems - Treatment plants and facilities	30,591	919	-	76,884
Wastewater systems - Other assets	155,862	5,491	299	446,869
Water systems - Treatment plants and facilities	9,355	205	-	31,983
Water systems - Other assets	241,527	34,615	382	446,517
Land under roads	45,046	-	-	45,046
	1,139,020	56,235	2,284	2,322,802
2024				
Roads, bridges and footpaths	299,136	12,720	-	733,886
Stormwater systems	211,112	5,243	-	453,062
Wastewater systems - Treatment plants and facilities	30,676	942	-	76,884
Wastewater systems - Other assets	156,892	5,379	-	446,869
Water systems - Treatment plants and facilities	9,683	43	-	31,983
Water systems - Other assets	234,452	24,755	32	446,517
Land under roads	45,046	-	-	159,972
	986,997	49,082	32	2,349,173

Commentary / Whakaaro

The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location.

Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provide further assurance over useful life estimates.

Notes to the Financial Statements

11.4 Revaluations

Accounting Policy / Kaupapahere Kaute

The carrying values of revalued classes are reviewed annually to ensure that these values are not materially different to fair value.

Infrastructural assets:**Land under Roads**

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

Roads, Bridges and Footpaths

Roads bridges and footpaths are valued at optimised depreciated replacement cost (ODRC). Valuations are completed at least every three years.

Stormwater, Wastewater and Water Systems

Assets are valued at optimised depreciated replacement cost (ODRC). Valuations are completed at least every three years.

Vested assets

Certain infrastructure assets and land have been vested in the Council as part of the subdivision consent process. The vested reserve land has been valued at deemed cost. Deemed cost is the fair value being the current valuation at 30 June 2005. This fair value is the 2005 Beca Rating Valuation.

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

Review of Asset Estimated Useful Life

The network assets of EIL were revalued as at 31 March 2025, there was no material change to the average useful lives of the assets.

Impairment and Fair Value Assessment for 2025

There were no events or circumstances identified that indicate the electricity network assets may be impaired as at 31 March 2025. 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. Network assets were revalued at 31 March 2025.

Accounting for revaluations

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

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus/deficit in the Statement of Comprehensive Revenue and Expenses.

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

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

Fair Value Assessment undertaken in 2025

Management has undertaken a fair value assessment of asset values at 30 June 2025 excluding the operational land and buildings and roading assets that have been independently valued at 30 June 2025. Management considered that the current book value of all other assets was reflective of the fair value. An independent valuation of 3 waters assets was completed at 30 June 2024.

Notes to the Financial Statements

Operational land and buildings

Operational land and buildings were valued by Quotable Value Limited (independent valuers) as at 30 June 2025. Residential and commercial properties have been valued at fair market value in relation to market-based evidence. Specialised buildings have been valued at fair value using optimised depreciated replacement cost because no reliable market data is available for such buildings. Replacement cost rates have been estimated from construction contracts of like assets, reference to publications such as QV Cost Builder, recent costings obtained from construction details and Property Institute of New Zealand's cost information. The effective age of the structures has been sourced from the records held by Quotable Value Ltd where available, otherwise based on visual inspection. This resulted in a revaluation reserve increase movement of \$24.62 million in 2025.

The Invercargill City Charitable Trust Board property, plant and equipment was valued by Quotable Value Ltd at 30 June 2025 as \$15,382,200 (2024: \$14,011,500), with fair value being determined on the basis of optimised depreciated replacement cost for property plant and equipment. The land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Council infrastructural assets

Council's water, stormwater and waste water assets were valued by Beca Limited (independent valuers) as at 30 June 2024. All assets were valued using optimised depreciated replacement cost (ORDC). Where the relevant market price data was not available (ie. no recent construction contracts) then indexing was used as part of the method to determine the fair value of assets. The indices used for this exercise were the CGPI at 30 June 2024. These indices were selected as they were considered to reflect the increases for these asset types.

Revaluation resulted in the following increases in 2024:

	\$000
Water Supply	\$45,500
Stormwater	\$6,204
Wastewater	\$21,516

Council's roads, bridges and footpaths were valued IAM Consulting Limited (independent valuer) as at 30 June 2025. Assets were valued using optimised depreciated replacement cost (ODRC). Where the relevant market price data is not available (i.e., no recent construction contract) then indexing has been used as part of the method to determine fair value of assets. This resulted in an increase of \$147 million. The valuation of roads involves key judgments and estimation when developing assumptions. The increase in the road valuation in 2025 was largely impacted the changes in the following significant assumptions:

- Increase in the useful life estimates for road surface. This change was based on the most recent condition and performance information.
- Increase in the useful life estimates for the sub-base and base layer components of the road assets. While there is limited recent market information the unit rates for these components have also driven the increase in the value. The increased unit rates are based on reference to changes in contracts rates at similar neighbouring councils.
- Improvements in the assumptions relating to formation depth and width have also resulted in an increase in the value of the formation component of the road assets.

Previously, in June 2023, roading assets were revalued at management performed the revaluation using indexation, resulting in an increase of \$5.07 million.

Optimised Depreciated Replacement Cost (ODRC)

ODRC requires the determination of quantities of assets optimised to relate to those required for current service delivery and foreseeable demand, unit rates that reflect replacement with modern engineering equivalent assets, effective lives that take into account local influences and depreciation that defines current value given a definable remaining life.

Library books

Council's library collections were valued by Council staff as at 30 June 2025. All assets were valued using depreciated replacement cost (DRC), being gross replacement cost less accumulated depreciation to date, based on the current age profile compared to useful life. This resulted in a decrease in value of \$1.37 million in 2025.

Notes to the Financial Statements

Network assets*Valuation*

The network assets of Electricity Invercargill Ltd were revalued to fair value using discounted cash flow methodology on 31 March 2025 by Deloitte, who is an independent valuer. This resulted in a favourable revaluation movement of \$5,220,000.

The primary valuation method is the discounted cash flow (DCF) method over a 10-year period, plus terminal value. The following valuation assumptions were adopted:

- The free cash flows were based on the Company's forecast of capital expenditure (capex) and operational expenditure (opex) as sourced from latest asset management plan (AMP), adjusted to exclude expenditure related to network expansion.
- Adopted the Commerce Commission's determination of regulatory average cost of capital (WACC) of 7.1% for default price-quality path four (DPP4) and assumed a regulatory WACC of 7.32% for DPP5.
- Considers the impact of Incremental Rolling Incentive Scheme (IRIS) adjustment until the end of DPP4.
- The corporate tax rate used was 28%.
- The weighted average cost of capital (WACC) used was 6.5%.
- RAB multiple range of 1.0 times for the terminal value.

11.5 Insurance of assets (Council)

The following disclosures are made in accordance with the Local Government Act 2002, Clause 31A of Schedule 10.

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)
Total value of all assets covered by insurance contracts	2,172,632	2,017,870
Maximum amount to which these assets are insured	2,263,092	2,138,087

Commentary / Whakaaro

Although Council does not have a specific self-insurance fund, Council has a number of reserves available that could be used for this purpose.

In the event of natural disaster, central government may contribute up to 60% towards the restoration of water, drainage, and sewerage assets, and provide a subsidy towards the restoration of roads.

Notes to the Financial Statements

12 Intangible assets

	Council and Group		
	Computer software (\$000)	Carbon credits (\$000)	Total (\$000)
Cost			
Balance at 1 July 2023	3,422	1,345	4,767
Additions	110	-	110
Disposals	(276)	-	(276)
Change in fair value	-	282	282
Balance at 30 June 2024	3,256	1,627	4,883
Additions	136	-	136
Disposals	-	-	-
Change in fair value	-	264	264
Balance at 30 June 2025	3,392	1,891	5,283
Amortisation and impairment charges			
Balance at 1 July 2023	2,376	-	2,376
Amortisation for the year	402	-	402
Amortisation transfer	(275)	-	(275)
Balance at 30 June 2024	2,503	-	2,503
Amortisation for the year	290	-	290
Amortisation transfer	-	-	-
Balance at 30 June 2025	2,792	-	2,792
Net book value			
Balance at 30 June 2025	600	1,891	2,491
Balance at 30 June 2024	753	1,627	2,380
Work in progress			
Balance at 30 June 2025	7,536	-	7,536
Balance at 30 June 2024	5,270	-	5,270

*Commentary / Whakaaro***Restrictions**

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Carbon credits

The Council considers that there is no impairment of carbon credits held, as they are expected to be fully utilised in satisfying carbon obligations from its landfill operations.

Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit for as long as the Emissions Trading Scheme is in place.

Notes to the Financial Statements

13 Biological assets

Accounting Policy / Kaupapahere Kaute

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the surplus/deficit in the Statement of Comprehensive Revenue and Expenses.

The costs to maintain the forestry assets are included in the surplus/deficit in the Statement of Comprehensive Revenue and Expenses.

	Council Forestry (\$000)
Balance at 1 July 2023	4,203
Forest assets logged at cost	(86)
Change in fair value less estimated point-of-sale costs	(223)
Balance at 30 June 2024	3,894
Balance at 1 July 2024	3,894
Forest assets logged at cost	(17)
Change in fair value less estimated point-of-sale costs	60
Balance at 30 June 2025	3,937

At 30 June 2025 standing timber comprised approximately 640.4 hectares (2024: 643.2 hectares) of plantations at one location, which range from newly established plantations to plantations that are 50 years old.

The forests are valued annually effective 30 June. The 202 valuation was performed by Allan Bell & Associates. The following significant assumptions have been adopted in determining the fair value of forestry assets:

- The valuation excludes funding and taxation as costs.
- The valuation method used was the compounded costs and discounted future revenues methods depending on the age of the trees.
- The discount rate is based on the implied pre-tax discount rate from actual transactions (2024: same method). The pre-tax discount rate chosen for the 2025 valuation of the Invercargill City Council's forests is 8% (2024: 8 %) and the compound rate is 3% (2024: 3%).
- The valuation excludes any increases in value due to biological transformation.
- The valuation excludes any costs associated with future activities of the Council such as those related to enhancing future biological transformation.
- The valuation excludes land as the forests are situated on reserve land.

Biological assets are categorised as Level 3 in the fair value hierarchy.

The Council and Group are exposed to a number of risks related to forestry assets. Refer to the end of this note for further details.

Emissions Trading Scheme**Pre 1990 Forests:**

Pre 1990 forests are forests that were established before 1 January 1990. NZUs cannot be earned for an increase in the carbon stock through forest growth in a pre-1990 forest, but NZUs are allocated based on the size of the forested area in three tranches. Provided that pre 1990 forests are re-established after harvesting (by replanting or regeneration) there are no liabilities or obligations under the ETS. Landowners of pre 1990 forests must surrender NZUs equivalent to the carbon emissions from any deforestation.

Notes to the Financial Statements

Post 1989 Forests:

Post 1989 forests are exotic or indigenous forests established after 31 December 1989 on land that was not forest land on 31 December 1989. These forests earn credits under the Kyoto Protocol rules. Therefore, they are also known as "Kyoto Protocol compliant" forests. Participating in the ETS is voluntary for post 1989 forest owners. If they are part of the ETS they earn NZUs for the carbon sequestered in the forest from 1 January 2008 but will need to surrender NZUs to the Crown when the carbon held in their trees decreases, either through harvest or natural causes (such as by fire or storm). Any liability for post 1989 participants is capped at the amount of NZUs previously claimed for that area of forest land.

Deforestation Liability

Council has harvested a total of 261 (2024: 261.0) hectares of pre 1990 forest. Of this harvested land, 38.57 (2024: 38.57) hectares has not yet been replanted at 30 June 2025 and carries a potential deforestation liability of \$852,970 (2024: \$592,820) if the land is not replanted. It is Council's intention that these harvested areas will be re-established to ensure that there will be no obligation to surrender units.

Supply and demand risk

Council and the Group exposed to risks arising from fluctuations in the price and sales volume of pine. Where possible these are managed by aligning its harvest volume to market supply and demand.

Council is exposed to movements in the price of NZUs to the extent that the Council has insufficient NZUs to offset a deforestation liability and has to purchase NZUs from the market.

Management performs regular industry trend analysis to ensure that the Council's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

Climate and other risks

The Council's pine plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces.

The Council has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys.

The Council also insures itself against natural disasters such as floods, fire, lightning and snow damage.

Notes to the Financial Statements

14 Capital commitments and operating leases

Accounting Policy / Kaupapahere Kaute

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

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

14.1 Commitments

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Capital expenditure - Infrastructure	5,741	12,063	5,741	12,063
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	37,781	8,690	41,346	11,897
Total commitments	43,522	20,753	47,087	23,960

*Commentary / Whakaaro*ICC

Council has a number of contracts making up the year-end balance including the Brankholme pipeline and construction of Te Unua Museum of Southland.

Associates and Joint Venture commitments ICHL Group

As at 30 June 2025 there were no capital commitments for Invercargill Central Limited (2024: Nil).

HWCP management Limited has capital commitments as at 30 June 2025 totalling Nil (2024: Nil).

Due to the sale of the shareholding in Pylon Limited, there are no capital commitments at the year-end for any of the below entities:

Lakeland Network Ltd (2024: \$3,872,898).

PowerNet Limited (2024: \$1,293,719).

OtagoNet (2024: \$6,773,100).

Roaring Forties (2024: Nil).

Other commitments ICHL Group

The Group has a conditional commitment as at 31 March 2025 of \$Nil (2024: \$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.

Commitments ICCT

ICCT has an obligation to meet Rugby Southland's lease costs until 2033. No formal lease has been signed in this regard and the value of the lease obligation is not yet known. This obligation will be transferred, with the ownership of Rugby Park stadium, once the asset has been sold or transferred to Invercargill City Council. At year end, ICCT has temporary lease obligations for the alternative premises leased until 30 June 2025 of \$35,700 (2024: \$Nil) for rental of alternate offices at 120A Leet Street.

Commitments Southland Regional Development Agency trading as Great South

As at 30 June 2025, SpaceOps NZ has committed to the completion of Phase 1 of the on-site accommodation at the Awarua Ground Station. The amount committed to complete this build is \$ 500,000 (2024: Nil).

Notes to the Financial Statements

14.2(a) Operating leases as lessor – investment property

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Non-cancellable operating leases as lessor - investment property				
Not later than one year	1,355	1,554	2,275	2,228
Later than one year and not later than five years	2,327	2,808	4,379	3,976
Later than five years	83	256	762	637
Total non-cancellable operating leases as lessor - investment property	3,765	4,618	7,416	6,841

Commentary / Whakaaro

The Council leases its investment property under 38 operating leases. There are 10 leases that have a non-cancellable term of 21 years or more, 19 leases that range between 6 and 20 years, 4 leases that range from more than 1 year to 5 years, and 5 annual leases.

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 outlined above.

No contingent rents have been recognised during the period.

Leases can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition.

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

14.2(b) Operating leases as lessor – other

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Non-cancellable operating leases as lessor - other				
Not later than one year	45	39	45	39
Later than one year and not later than five years	180	157	180	157
Later than five years	361	353	361	353
Total non-cancellable operating leases as lessor - other	586	549	586	549

Commentary / Whakaaro

The Council leases its other property under operating leases. There are two properties, of which one lease is from 5 to 20 years and the other is longer than 20 years.

The Group leases its property under operating leases. The majority of these leases are casual short-term leases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as detailed above.

No contingent rents have been recognised during the period.

Leases can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition.

There is no restriction placed on the Council by any of the leasing arrangements.

Notes to the Financial Statements

14.3 Operating leases as lessee

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Non-cancellable operating leases as lessee				
Not later than one year	600	221	600	221
Later than one year and not later than five years	1,550	149	1,550	149
Later than five years	-	-	-	-
Total non-cancellable operating leases as lessee	2,150	370	2,150	370

Commentary / Whakaaro

The Council has leased 6 properties under operating leases in the normal course of its business. There are 3 annual leases, which are less than 5 years.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are detailed above. No contingent rents have been recognised during the period.

Leases can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition. The Council does not have the option to purchase the asset at the end of the lease term.

There is no restriction placed on the Council by any of the leasing arrangements.

15 Non-current assets held for resale

Accounting Policy / Kaupapahere Kaute

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position.

16 Investment property

Accounting Policy / Kaupapahere Kaute

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or for both. Investment properties generate cash flow largely independent of other assets held by the entity.

Properties leased to third parties under operating leases are generally classified as investment property unless the occupants provide services that are integral to the operation of the Council's business and/or these services could not be provided efficiently and effectively by the lessee in another location, the property is being held for future delivery of services, the lessee uses services of the Council and those services are integral to the reasons for the lessee's occupancy of the property.

Properties that are held for a currently undetermined future use, or that are vacant but held to be leased out under one or more operating leases, are classified as investment properties.

Investment properties are stated at fair value. An external, independent valuer, values the portfolio every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Any gain or loss arising from a change in fair value is recognised through surplus or deficit.

Rental revenue from investment property is accounted for as described in the Revenue Policy.

Notes to the Financial Statements

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Balance at 1 July	27,486	26,956	35,261	32,786
Acquisitions	-	-	2,906	1,465
Disposals	(276)	(420)	(276)	(420)
Change in fair value	1,080	950	1,704	1,430
Balance at 30 June	28,290	27,486	39,595	35,261

Commentary / Whakaaro

Disposals are for the sale of 55 Crinan Street and 98 Stanley Township (2024: 14 Mersey Street and 91 Earn Street).

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

Vacant land that has been acquired via purchase, abandonment or rating sale is included as Investment Property. This land is classed as Investment Property due to the intention for the land to be sold for a profit. The preparation for the sale is undertaken by the Property department and the funds are returned to Investment Property activity to assist in offsetting the rates burden.

The Council's investment properties are valued annually at fair value effective 30 June.

The Group's investment properties are valued annually at fair value effective 30 June. Group Investment properties are held by Council and Invercargill Airport Limited. 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. The 2025 and 2024 valuations were performed by Robert Todd, an independent valuer 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 the Group.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties, or for repairs, maintenance and enhancements.

Investment property is categorised as Level 3 in the fair value hierarchy.

Reconciliation of net surplus on investment properties	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Rental revenue derived from investment properties	1,423	1,394	2,608	2,415
Direct operating expenses (including repairs and maintenance) generating rental revenue	(556)	(495)	(556)	(495)
Direct operating expenses (including repairs and maintenance) that did not generate rental revenue	(143)	(68)	(143)	(68)
Surplus/(Deficit) arising from investment properties carried at fair value	724	831	1,909	1,852

Notes to the Financial Statements

17 Investments in associates and joint arrangements

Accounting Policy / Kaupapahere Kaute

Associates are entities over which the Council has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights.

Investments in associates are accounted for in the Council's financial statements using the cost method and in the consolidated financial statements using the equity method, after initially being recognised at cost. The Council's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Council's share of its associates' post acquisition profits or losses is recognised in the surplus or deficit, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the Council's surplus or deficit, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Council's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Council does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of the deficits not recognised.

Unrealised gains on transactions between the Council and its associates are eliminated to the extent of the Council's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Council.

Joint ventures are those over whose activities the Group has joint control and established by contractual agreement. The Group's share of the assets, liabilities, revenues and expenses of any joint venture is incorporated into the Group's financial statements 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 Statement of Comprehensive Income while distributions reduce the carrying amount.

A joint operation (WasteNet Southland) is an operation that Council has joint control. The consolidated financial statements of the Council recognises in the Statement of Financial Position the Council's share of assets and liabilities. Council recognises in the Statement of Comprehensive Revenue and Expenses its share of revenue and expenses that it earns from the sale or provision of goods or services by the joint operation.

Notes to the Financial Statements

17.1 Investment in Associates

	Percentage held by Group		Balance date
	2025	2024	
Associate entities			
Emergency Management Southland	28.30%	28.30%	30-Jun
Southland Regional Heritage Committee	0.00%	63.00%	30-Jun
Lakeland Network Limited (former Electricity Southland Limited)	0.00%	24.90%	31-Mar
HWCP Management Limited	49.90%	49.90%	30-Jun
Southland Regional Development Agency Limited trading as Great South	48.70%	48.70%	30-Jun

Movement in carrying value of associates	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Balance at 1 July	8,724	8,467
Share of profit/(loss)	446	257
Revaluation gain on network assets	-	-
Adjustment for share of net surplus not recognised	22	-
Sale of Associates	(6,820)	-
Balance at 30 June	2,372	8,724

Note: The investment in Southland Regional Development Agency Limited trading as Great South is included in Investment in CCOs and other similar entities on the Statement of Financial Position.

Notes to the Financial Statements

The information below reflects the amounts presented in the financial statements of each entity and not the Group's share.

	Cash and cash equivalents (\$000)	Current assets (\$000)	Non-current assets (\$000)	Total assets (\$000)		Current liabilities (\$000)	Non-current liabilities (\$000)	Total liabilities (\$000)	Net assets (\$000)
2025									
Emergency Management Southland	-	1,005	-	1,005	-	-	-	-	1,005
Southland Regional Heritage Committee	-	-	-	-	-	-	-	-	-
Lakeland Network Limited (former Electricity Southland Limited)	-	-	-	-	-	-	-	-	-
HWCP Management Limited	5	56	2,115	2,176	1,098	4,559	5,657	(3,481)	
Southland Regional Development Agency Limited trading as Great South	3,142	1,263	2,966	7,371	2,942	88	3,030	4,341	
	3,147	2,324	5,081	10,552	4,040	4,647	8,687	1,865	
2024									
Emergency Management Southland	-	960	-	960	-	-	-	-	960
Southland Regional Heritage Committee	801	496	3	1,300	316	131	447	853	
Lakeland Network Limited (former Electricity Southland Limited)	323	637	57,610	58,570	1,879	31,460	33,339	25,231	
HWCP Management Limited	3	70	2,065	2,138	843	4,169	5,012	(2,874)	
Southland Regional Development Agency Limited trading as Great South	2,424	1,021	4,054	7,499	2,723	1,426	4,149	3,350	
	3,551	3,184	63,732	70,467	5,761	37,186	42,947	27,520	

Notes to the Financial Statements

	Operating revenue (\$000)	Interest revenue (\$000)	Interest expense (\$000)	Depreciation (\$000)	Profit before tax from continuing activities (\$000)	Income tax expense (\$000)	Profit after tax (\$000)
2025							
Emergency Management Southland	1,986	-	-	31	45	-	45
Southland Regional Heritage Committee	-	-	-	-	-	-	-
Lakeland Network Limited (former Electricity Southland Limited)	-	-	-	-	-	-	-
HWCP Management Limited	-	-	267	-	(606)	-	(606)
Southland Regional Development Agency Limited trading as Great South	9,339	37	-	216	1,316	(371)	945
	11,325	37	267	247	755	(371)	384
2024							
Emergency Management Southland	1,874	-	-	36	78	-	78
Southland Regional Heritage Committee	2,184	63	-	1	39	-	39
Lakeland Network Limited (former Electricity Southland Limited)	6,169	-	2,151	1,204	855	(583)	272
HWCP Management Limited	90	-	247	-	(602)	-	(602)
Southland Regional Development Agency Limited trading as Great South	8,578	52	87	276	421	(128)	293
	18,895	115	2,485	1,517	791	(711)	80

Notes to the Financial Statements

Commentary / Whakaaro

The initial investment in HWCP Management Limited of \$200,000 has been reduced to nil after the share of losses have been recognised. Further losses of \$605,224 (2024: \$601,631) have not been recognised as the Group's share of the losses exceeds its interest in the associate.

The HWCP Management Limited associate has contingent liabilities as at 30 June 2025 of \$nil (2024: nil).

17.2 Investment in joint ventures

	Percentage held by Group		Balance date
	2025	2024	
Joint ventures			
PowerNet Limited Group	0.00%	50.00%	31-Mar
OtagoNet Joint Venture	0.00%	24.90%	31-Mar
OtagoNet Properties Limited	0.00%	25.00%	31-Mar
Roaring Forties Energy Limited Partnership	0.00%	50.00%	31-Mar
Invercargill Central Limited	47.78%	47.78%	30-Jun

The information below reflects the amounts presented in the financial statements of each entity and not the Group's share.

The Group no longer holds an interest in OtagoNet Property Limited (2024:25%) interest in which is a shell company and has no asset, liabilities, contingent asset, contingent liabilities or commitments

Notes to the Financial Statements

	Cash and equivalents (\$000)	Current assets (\$000)	Non-current assets (\$000)	Total assets (\$000)	Current liabilities (\$000)	Non-current liabilities (\$000)	Total liabilities (\$000)	Net assets (\$000)
2025								
PowerNet Limited Group	-	-	-	-	-	-	-	-
OtagoNet Joint Venture	-	-	-	-	-	-	-	-
Roaring Forties Energy Limited Partnership	-	-	-	-	-	-	-	-
Invercargill Central Limited	528	856	83,138	84,522	12,296	46,251	58,547	25,975
	528	856	83,138	84,522	12,296	46,251	58,547	25,975
2024								
PowerNet Limited Group	430	21,942	44,251	66,623	12,135	50,460	62,595	4,028
OtagoNet Joint Venture	13	3,783	244,702	248,498	6,410	-	6,410	242,088
Roaring Forties Energy Limited Partnership	47	79,105	-	79,152	14	-	14	79,138
Invercargill Cental Limited	1,197	562	73,015	74,774	3,324	49,140	52,464	22,310
	1,687	105,392	361,968	469,047	21,883	99,600	121,483	347,564

Notes to the Financial Statements

	Operating revenue (\$000)	Interest revenue (\$000)	Interest expense (\$000)	Depreciation / Amortisation (\$000)	Profit before tax from continuing activities (\$000)	Income tax expense (\$000)	Profit after tax (\$000)
2025							
PowerNet Limited Group	-	-	-	-	-	-	-
OtagoNet Joint Venture	-	-	-	-	-	-	-
Roaring Forties Energy Limited Partnership	-	-	-	-	-	-	-
Invercargill Central Limited	8,342	50	2,247	2,391	13,612	(3,679)	9,933
	<u>8,342</u>	<u>50</u>	<u>2,247</u>	<u>2,391</u>	<u>13,612</u>	<u>(3,679)</u>	<u>9,933</u>
2024							
PowerNet Limited Group	107,814	22	3,899	4,153	2,686	(1,127)	1,559
OtagoNet Joint Venture	29,389	4	86	9,314	3,726	-	3,726
Roaring Forties Energy Limited Partnership	8,750	-	-	-	8,458	-	8,458
Invercargill Cental Limited	6,972	35	5,450	2,396	(4,556)	(6,269)	(10,825)
	<u>152,925</u>	<u>61</u>	<u>9,435</u>	<u>15,863</u>	<u>10,314</u>	<u>(7,396)</u>	<u>2,918</u>

Notes to the Financial Statements

Adjustment for share of net losses not recognised

A loss of \$Nil (2024: \$6,484 million) has been recorded in relation to the adjustment for share of net losses not recognised in regards to the group's interest in the following investments in associates:

Investment in Associate	Share of net losses not recognised for 30 June 2025	Share of net losses not recognised for 30 June 2024
Invercargill Central Limited	\$ -	\$6,333,467
HWCP Management Limited	\$ -	\$150,000
Total	\$ -	\$6,483,647

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).

As at 30 June 2024 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.

For the year ended 30 June 2025, the impairment adjustment was reversed with the group's interest in ICL adjusted to \$12.411 million. This is a result of the market revaluation of ICL's Investment property as at 30 June 2025.

Sale of the Group's interest in Southern Generation Limited partnership.

On 26 June 2024, Roaring Forties Energy Limited Partnership sold its interest in Southern Generation Limited Partnership. As a result of this transaction, the Group 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.

Notes to the Financial Statements

Movement in carrying value of joint ventures	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Balance at 1 July	124,766	100,318
Investments in joint ventures	-	19,320
Share of profit from joint ventures recognised in surplus or deficit in the statement of comprehensive income	2,217	4,325
Profit / (loss) from discontinued operations	21,539	12,824
Revaluation gain on network assets	-	-
Impairment of investment in joint venture	-	-
Adjustment for share of net losses not recognised	-	(6,483)
Distributions	(586)	(5,538)
Investments disposed	(135,525)	-
Balance at 30 June	<u>12,411</u>	<u>124,766</u>

17.3 Joint Operation

The Council has a joint arrangement with Southland District Council and Gore District Council for the collection and management of waste in the three local authority areas. The arrangement operates as a partnership with each of the local authorities utilising the centralised contracts and contributing based on the services received.

The Council's interest in WasteNet is as follows:

	Actual 2025 (\$000)	Actual 2024 (\$000)
Current assets	2,013	2,189
Current liabilities	673	927
Reserves	1,262	1,048
Profit	78	214

Notes to the Financial Statements

18 Other financial assets

Accounting Policy / Kaupapahere Kaute

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

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

Financial assets measured at amortised cost

Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortised cost.

These are non-derivative financial assets which are not quoted in an active market.

Fair value through other comprehensive revenue or expense (FVTOCRE)

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

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

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

Fair value through surplus or deficit

By default, all other financial assets not measured at amortised cost or FVTOCRE are measured at fair value through surplus or deficit.

Financial assets at fair value through surplus or deficit are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in surplus or deficit to the extent they are not part of a designated hedging relationship.

The net gain or loss recognised in surplus or deficit includes any dividend or interest earned on the financial asset.

Shares in subsidiaries (at cost)

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

Impairment of financial assets

At each balance sheet date the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

The Council recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost or at FVTOCRE. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Notes to the Financial Statements

18.1 Other financial assets

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Current financial assets				
LGFA Borrower notes	873	240	873	990
Short term deposits	24,723	19,517	24,723	19,517
Total current financial assets	25,596	19,757	25,596	20,507
Non-current financial assets				
Loans to related parties	16,250	37,140	16,250	19,140
LGFA Borrower notes	3,016	2,039	3,016	2,494
Other investments	24	24	271	271
Equity share investments	1,023	1,042	1,023	1,042
Total non-current financial assets	20,313	40,245	20,560	22,947
Total other financial assets	45,909	60,002	46,156	43,454
Investment in CCOs and other similar entities	76,569	76,569	2,087	1,632
	76,569	76,569	2,087	1,632

Commentary / Whakaaro

Short term deposits reflect the carrying amount and fair value of term deposits.

As at 30 June 2025, Council had a balance of \$16.3 million (2024: \$19.1 million) advanced to Invercargill Central Limited (ICL) in loan funding for its city centre development. During the year, ICL repaid \$3.7 million (2024: \$12.1 million), and withdrew \$0.9 million (2024: \$5.4 million). Interest is charged at market rates on the loan. The loan to ICL has a facility limit of \$31.45 million and a 27 June 2027 maturity date.

As described in Note 19.5, an impairment expense of 2.492 million was recorded in the statement of comprehensive revenue and expense for the year end 30 June 2023. The expected credit loss (ECL) was recalculated at 30 June 2024. It was determined that following the equity restructure of ICL, the ECL is now Nil and the impairment expense recognised in the 2023 year was reversed in the 2024 year.

During the 2024 financial year Council advanced Invercargill City Holdings Limited (ICHL) \$18 million in loan funding to enable ICHL the liquidity necessary to execute the purchase of shares in ICL and the completion of sales within the ICHL group investments. The loan to ICHL matured on 31 July 2024 and was repaid in full.

Notes to the Financial Statements

19 Derivatives and Borrowing

19.1. Derivatives

Accounting Policy / Kaupapahere Kaute

The Council and Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from operational, financing and investment activities. In accordance with the treasury policies of the respective Group entities, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially and subsequently at fair value. Changes in fair value are recognised immediately in surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The Council uses derivatives to hedge its exposure to interest rate risks. The derivatives are designated as either cash flow hedges (hedging highly probable future transactions (borrowing)) or fair value hedges (hedging the fair value of recognised assets or liabilities). The full fair value of a hedge- accounted derivatives are classified as non-current if the remaining maturity of the hedged item is more than 12 months and as current if the remaining maturity of the hedged item is less than 12 months.

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

If the hedging relationship no longer meets the criteria for hedge accounting, including when the hedging instrument expires or is sold, terminated, exercised, or revoked, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately recognised in equity until the forecast transactions occurs.

When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective is reclassified from equity to surplus or deficit and included in finance costs.

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. The cashflow hedges, the Council and group assesses that there is an economic relationship between the hedged item and the hedging instrument because the terms of the interest rate swaps match the terms of the fixed rate loan (that is, notional amount, maturity, and payment and reset dates).

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Current derivative financial instruments				
Interest rate swaps (cash flow hedges) - assets	-	-	-	33
	-	-	-	33
Non-current derivative financial instruments				
Interest rate swaps (cash flow hedges) - assets	-	365	-	1,163
Interest rate swaps (cash flow hedges) - liabilities	(456)	-	(456)	-
	(456)	365	(456)	1,163
Total derivative financial instruments	(456)	365	(456)	1,196

Notes to the Financial Statements

19.2 Borrowings and other financial liabilities

Accounting Policy / Kaupapahere Kaute

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in surplus or deficit over the period of the borrowings on an effective interest basis.

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

Borrower notes

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

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

Financial guarantee contracts

A financial guarantee contract requires the Council or Group to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred, discounted to present value. If the fair value of a guarantee cannot be reliably determined at initial recognition, a liability is recognised at the amount of the loss allowance determined in accordance with expected credit loss (ECL) model over the lifetime of the guarantee.

Financial guarantees are subsequently measured at the higher of:

- the amount determined in accordance with the ECL model; and
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Current				
Secured loans	2	200	2	200
LGFA Debt	67,404	63,066	67,404	141,831
Finance lease liabilities	29	24	29	24
Total Current	67,435	63,290	67,435	142,055
Non-current				
LGFA Debt	87,256	88,757	87,256	106,957
Other secured loans	-	-	-	-
Finance lease liabilities	80	99	80	99
Total Non-Current	87,336	88,856	87,336	107,056
Total Borrowings	154,771	152,146	154,771	249,111

Notes to the Financial Statements

Maturity analysis and effective interest rate (excluding finance leases)*Commentary / Whakaaro*

Secured loans of the Council are secured by a special rate over the rateable land value of the Invercargill City area provided by the LGFA.

Council also has a \$10 million multi-option facility which expires on 12 November 2025. The undrawn amount of this facility is \$10 million.

The Council's secured loans are a mixture of fixed and floating rates of interest. For the \$77 million of secured debt held at floating rate, the interest rate is reset quarterly based on the 90-day bank bill rate.

Council has issued \$153.8 million of bonds and notes (2024: \$150.9 million) with security being a charge over the rates revenue of the issuer. Terms of the bonds are between one and eight years.

The debentures are at fixed and floating interest rates. The floating interest rate is reset quarterly based on the NZD-BBR- FRA rate (from BKBM page) plus a margin for credit risk.

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Less than one year	67,435	63,290	67,435	142,055
Later than one year but no more than five years	87,336	88,856	87,336	107,056
Later than five years	-	-	-	-
	154,771	152,146	154,771	249,111

Interest rates on the Council secured loans have an effective interest rate of 3.76% (2024: 3.70%) with hedging refer to Note 19.3. Other Group loans have an effective interest rate of 0.00% with hedging in 2025 due to all group-level debt being repaid in full at year-end (2024: 4.48%). Refer to Note 19.3 for further detail.

Due to interest rates on debt resetting to the market rate every three months the carrying amounts of secured loans approximate their fair values.

Finance lease liabilities*Accounting Policy / Kaupapahere Kaute***As Lessee**

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the statement of financial position at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned.

Notes to the Financial Statements

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Not later than one year	36	33	36	33
Later than one year but no more than five years	87	113	87	113
Later than five years	-	-	-	-
Minimum lease payments				
Less: future finance charges	(15)	(23)	(15)	(23)
Present value of minimum lease payments	108	123	108	123
Minimum future lease payments				
Not later than one year	29	24	29	24
Later than one year but no more than five years	80	99	80	99
Later than five years	-	-	-	-
Total present value of minimum lease payments	109	123	109	123
Represented by:				
Current portion	29	24	29	24
non-current portion	80	99	80	99
Total finance leases	109	123	109	123

Commentary / Whakaaro

The Parent leases 30 photocopiers situated in its variance locations from Canon New Zealand Limited. The lease commenced in December 2023 and is for a term of 5 years. The annual lease payment is \$36,178 plus GST.

Notes to the Financial Statements

19.3 Hedging activities and derivatives

Council 2025

	Carrying amount (\$000)	Contractual cash flows (\$000)	Maturity dates			Total	(\$000)
			< 1 Year (\$000)	1 - 3 Years (\$000)	> 3 Years (\$000)		
Financial liabilities							
Derivative financial instruments	456	570	178	438	(46)	570	
Total financial liabilities	456	570	178	438	(46)	570	

Council 2024

	Carrying amount (\$000)	Contractual cash flows (\$000)	Maturity dates			Total	(\$000)
			< 1 Year (\$000)	1 - 3 Years (\$000)	> 3 Years (\$000)		
Financial assets							
Derivative financial instruments	365	272	218	71	(17)	272	
Total financial assets	365	272	218	71	(17)	272	

Group 2025

	Carrying amount (\$000)	Contractual cash flows (\$000)	Maturity dates			Total	(\$000)
			< 1 Year (\$000)	1 - 3 Years (\$000)	> 3 Years (\$000)		
Financial liabilities							
Derivative financial instruments	456	570	178	438	(46)	570	
Total financial liabilities	456	570	178	438	(46)	570	

Group 2024

	Carrying amount (\$000)	Contractual cash flows (\$000)	Maturity dates			Total	(\$000)
			< 1 Year (\$000)	1 - 3 Years (\$000)	> 3 Years (\$000)		
Financial assets							
Derivative financial instruments	1,196	879	782	277	(180)	879	
Total financial assets	1,196	879	782	277	(180)	879	

The notional values of interest rate swaps are summarised below:

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
	Liability	Liability	Liability	Liability
Maturity < 1 year	5,000	10,000	5,000	20,000
Maturity 1-2 years	4,000	5,000	4,000	19,000
Maturity 2-3 years	20,000	4,000	20,000	12,000
Maturity 3-4 years	10,000	-	10,000	8,000
Maturity 4-5 years	32,000	10,000	32,000	19,000
Maturity 5-6 years	7,500	12,000	7,500	12,000
Maturity 6-7 years	-	7,500	-	7,500
	78,500	48,500	78,500	97,500

Notes to the Financial Statements

Derivative financial instruments are carried at fair value based on the prevailing market rates as at valuation date. Any changes in the value of derivative instruments from inception date are included in either the surplus or deficit (for the ineffective portion of cash flow hedges, fair value hedges and any derivative instruments not designated in a hedging relationship) or in net asset / equity (for effective portion of cash flow hedges).

Derivative contracts are primarily entered into to hedge against any exposure to underlying risks associated with the hedged item. The risk management strategy of the Council and Group are discussed in note 19.5 of the financial statements.

Council and Group derivative financial instruments include the following:

Interest rate swaps

Council and Group enter into interest rate swap contracts to hedge their interest rate exposure on outstanding borrowings. The interest rate fluctuation impacts the fair value (for fixed-rated) and cash flow settlement (for floating) relating to the underlying hedged item.

Interest rate swaps contracts are carried at their fair value based on prevailing market interest rates at valuation date.

At 30 June 2025, the Council had interest rate swaps in place with a notional amount of \$78.5 million (2024: \$48.5 million) where the Council pays an average fixed interest rate of 3.66% (2024: 3.64%). This interest rate is used to determine the fair value (mark to market) of the swaps at balance date.

The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swaps are identical to the hedged risk components.

There are two types of hedge economic relationships:

- For interest rate swap contracts with the expected highly probable forecast transactions. To test the hedge effectiveness, the Group uses the forecast loan transactions that are highly probable and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks, or
- For interest rate swap contracts with variable rate loans. To test the hedge effectiveness, the Group uses a hypothetical derivative that is a proposed swap and compares the changes in the fair value of the hedging instrument against the changes in the fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument.
- Differences in the timing of the cash flows of the hedged items and the hedging instruments.
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The ineffectiveness is recognised in surplus or deficit.

19.4 Classification and fair value of financial instruments*Accounting Policy / Kaupapahere Kaute***Categories of financial assets and liabilities**

Financial instruments are classified into one of the following categories:

- Financial assets and liabilities carried at amortised cost,
- Financial assets and liabilities measured at fair value through surplus and deficit,
- Financial assets measured at fair value through other comprehensive revenue and expense.

The classification into each category depends on the nature and management's intention over the financial instruments.

Fair value of financial instruments

Financial instruments carried at fair value in the financial statements are categorised within the fair value hierarchy described below:

- Level 1: the fair value is calculated using quoted prices in active markets.
- Level 2: the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The following methods and assumptions were used to estimate fair value for each class of financial instrument for which it is practicable to estimate such value:

Notes to the Financial Statements

Interest bearing financial assets and liabilities - Fixed rated instruments with quoted market prices are based on the quoted market price as of valuation date (Level 1) and for non-quoted securities, fair values were determined using discounted cash flow based on market observable rates (Level 2). Instruments with floating interest rates approximate fair value because of recent and regular repricing based on market conditions (Level 2).

The fair values of non-interest bearing debt securities and loans are determined using discounted cash flow based on Council's effective cost of borrowing for the year (calculated based on applicable market rate plus Council's credit spread) (Level 2). Foreign-currency denominated debt instruments are valued based on discounted future cash flows using the prevailing foreign exchange rate at valuation date (Level 2).

Derivative financial instruments - The fair values were computed as the present value of estimated future cash flows using market interest rates as at valuation date. The valuation techniques consider various inputs including the credit quality of counterparties (Level 2). The fair value forward exchange rate contracts are determined based on the discounted future cash flow using the market currency exchange and interest rates between the New Zealand dollar and relevant foreign currency at valuation date.

For those financial instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the group and the council is the bid price at balance date.

Level 2 - Inputs other than quoted prices included within Level 1 using observable market inputs for the asset or liability, either directly or indirectly.

Level 3 - Inputs for the assets or liability that are not based on observable market data

Refer to Note 19.4 for the valuation techniques used to value derivative financial instruments and other financial assets, respectively.

For the purpose of measurement, the groups and council's financial assets and liabilities are classified into categories according to the purpose for which the financial assets and liabilities are held. Management determines the classification of financial assets and liabilities and recognises these at fair value at initial recognition. Subsequent measurement and the treatment of gains and losses are presented below:

Categories	Subsequent measurement	Treatment of gains and loss
Fair value through surplus or deficit	Fair value	Surplus or deficit
Fair value through other comprehensive revenue and expenditure	Fair value	Other comprehensive revenue and expenditure
Financial assets at amortised cost	Amortised cost less provision for impairment	Surplus or deficit
Financial liabilities at amortised cost	Amortised cost	Surplus or deficit

Derivatives are, by their nature, categorised as fair value through surplus or deficit unless they are designated into a hedge relationship for which hedge accounting is applied.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenses arising as a result of financial instrument earnings or fair value adjustments are recognised on a net-basis for like items.

The fair value hierarchy for the council and group are as follows:

		Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
	Level				
Financial assets at fair value through surplus or deficit					
LGFA Borrower notes	2	3,889	2,279	3,889	3,484
Loans to related parties	2	16,250	37,140	16,250	19,140
Other investments	3	24	24	271	271
Equity share investments	3	1,023	1,042	1,023	1,042
		21,186	40,485	21,433	23,937
Financial assets at fair value through other comprehensive revenue and expenditure					
Derivative assets	2	-	365	-	1,196
Total financial assets		21,186	40,850	21,433	25,133

Notes to the Financial Statements

	Council 2025		Council 2024	
	Carrying Amount (\$000)	Fair value (\$000)	Carrying Amount (\$000)	Fair value (\$000)
Assets				
Financial assets at fair value through surplus or deficit				
LGFA Borrower notes	3,889	3,889	2,279	2,279
Other investments	24	24	24	24
Equity share investments	1,023	1,023	1,042	1,042
	4,936	4,936	3,345	3,345
Financial assets at fair value through other comprehensive revenue and expenditure				
Derivative assets	-	-	365	365
Financial assets at amortised cost				
Cash & cash equivalents	11,103	11,103	12,373	12,373
Receivables (excluding GST receivables & rates debtors)	8,475	8,475	8,384	8,384
Short term deposits	24,723	24,723	19,517	19,517
Loans to related parties	16,250	16,250	37,140	37,140
	60,551	60,551	77,414	77,414
Total assets	65,487	65,487	81,124	81,124
Liabilities				
Financial assets at fair value through other comprehensive revenue and expenditure				
Derivative	456	456	-	-
Financial liabilities at amortised cost				
Borrowings	154,771	154,771	152,146	152,146
Payables & accruals (excluding income received in advance)	18,678	18,678	13,109	13,109
	173,449	173,449	165,255	165,255
Total Liabilities	173,905	173,905	165,255	165,255

Notes to the Financial Statements

	Group 2025		Group 2024	
	Carrying Amount (\$000)	Fair value (\$000)	Carrying Amount (\$000)	Fair value (\$000)
Assets				
Financial assets at fair value through surplus or deficit				
LGFA Borrower notes	3,889	3,889	3,484	3,484
Other investments	271	271	271	271
Equity share investments	1,023	1,023	1,042	1,042
	5,183	5,183	4,797	4,797
Financial assets at fair value through other comprehensive revenue and expenditure				
Derivative assets	-	-	1,196	1,196
Financial assets at amortised cost				
Cash & cash equivalents	29,620	29,620	14,054	14,054
Receivables (excluding GST receivables & rates debtors)	10,534	10,534	11,573	11,573
Short term deposits	24,723	24,723	19,517	19,517
Loans to related parties	16,250	16,250	19,140	19,140
	81,127	81,127	64,284	64,284
Total assets	86,310	86,310	70,277	70,277
Liabilities				
Financial assets at fair value through other comprehensive revenue and expenditure				
Derivative	456	456	-	-
Financial liabilities at amortised cost				
Borrowings	154,771	154,771	249,111	249,111
Payables & accruals (excluding income received in advance)	23,814	23,814	17,133	17,133
	178,585	178,585	266,244	266,244
Total Liabilities	179,041	179,041	266,244	266,244

Commentary / Whakaaro

Due to the short-term nature of the transactions, the fair value of cash and cash equivalents, short-term investments, trade and other receivables, accounts payable, accrued expenses and other current liabilities and dividends payable approximate their carrying values as at the end of the reporting period.

Notes to the Financial Statements

19.5 Financial risk management

Risk Management Policy / Kaupapahere Whakahaere Risk

Financial risk management objectives

The Council and Group have a series of policies to manage the risk associated with financial instruments.

The Council and Group do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Group's policies, which provide written principles on the use of financial derivatives.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset, financial liability and equity instrument are disclosed in the accounting policies to the financial statements.

Financial risks

The risks associated with the financial assets and liabilities of the Council and Group include market risk, liquidity risk and credit risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Council, causing the Council to incur a loss. The Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash, short term investments, trade and receivables, foreign exchange transactions and other financial instruments.

The Council only invests funds 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 Council and group are exposed to credit risk through loan investments. 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.

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 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.

For counterparties with credit ratings, the cash at bank and deposits are held in banks with credit ratings from BBB+ to AA-. Derivative financial instrument assets are held with banks with credit ratings of AA-. For counterparties without credit ratings, the community (non-subsidiary) and related party loans are with parties that have had no defaults in the past.

The carrying amount of financial assets represents the maximum credit exposure.

Impairment Gain as at 30 June 2024

As at 30 June 2024 a reversal of a prior period impairment loss was recognised in relation to a related party receivable loan. The carrying value of loan is now considered to be fully recoverable.

Impairment gain (loss) on financial assets recognised in surplus or deficit were as follows:

	2025 (\$,000)	2024 (\$,000)
Impairment Gain / (loss) on related party loan receivable	-	(2,492)

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As at 30 June 2025 impairment losses of \$Nil were recognised. (2024: Nil).

Subsequent to the 2023 balance date a refinancing proposal was put together to recapitalise ICL and restructure the ICC/HWRF loan facility. In May 2024, ICL issued \$40 million new share capital to existing shareholders. ICL then used these funds to repay the HWR loan facility in full and partially repaid ICC \$12 million. The full \$31.45 million facility provided by ICC remains in place, however this is now fully secured by a registered 1st mortgage.

The ICL land and buildings were valued by CBRE at 30 June 2024 at \$78.5 million. ICC is the sole 1st mortgage holder. At 30 June 2024 the amount drawn down on the facility was \$19.14 million. Given that only 61% of the mortgage security is currently used, and the full facility is covered more than twice the current valuation, the probability of a credit loss is now considered unlikely.

In accordance with paragraph 80 of PBE IPSAS 41 Financial Instruments, as the expected credit loss is now nil, the expected credit loss recognised at 30 June 2023 of (\$2.492 million) was reversed in the 2024 Annual Report and recognised as an impairment gain.

19.5(a) Interest rate risk management

The following tables summarise the Council's and Group's interest rate re-pricing analysis with respect to its financial assets and liabilities subject to interest rate risk:

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
Short term investments	Variable interest rates

Financial liabilities

Trade and other payables	Non-interest bearing
Dividends payable	Non-interest bearing
Borrowings - secured loans	Fixed and variable interest rates
Derivative financial instruments (interest rate swaps)	Variable interest rates

Commentary / Whakaaro

Council and Group have entered into interest rate swap contracts to hedge against the risk due to interest rate fluctuations. The notional amount and maturities of interest rate swap contracts are presented in note 19.3 of the financial statements.

Effectiveness of cash flow hedges

The matched items method is used in applying hedges. In all cases the terms of both the hedge instrument (interest rate swap derivative) and the underlying transaction are matched.

	Council 2025 %	Council 2024 %	Group 2025 %	Group 2024 %
Effectiveness	100	100	100	100
	Council 2025 %	Council 2024 %	Group 2025 %	Group 2024 %
Effectiveness	100	100	100	100

Notes to the Financial Statements

Sensitivity analysis on financial instrumentsInvestments:

If interest rates on investments at 30 June 2025 had fluctuated by plus or minus 1%, (2023: 1%) the effect would have been to decrease/increase the surplus after tax by \$397,314 (2024: \$552,020).

Borrowings:

If interest rates on borrowings at 30 June 2025 had fluctuated by plus or minus 1%, (2024: 1%) the effect would have been to decrease/increase the surplus after tax. This is as a result of higher/lower interest expense on floating rate borrowings for Council by \$421,370 (2024: \$193,699) and for Invercargill City Holdings Limited \$Nil (2024: \$270,332).

Cash and cash equivalents:

Cash and cash equivalents included deposits at call which are at floating interest rates. Sensitivity to a 1% (2023: 1%) movement 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 1% (2024: 1%) movement in rates is as follows and affects the equity balance of the Group Interest rate sensitivity analysis

Interest rate swaps	Carrying amount	Equity change	
	Year 2025	1%	-1%
	(\$000)	(\$000)	(\$000)
Council	456	2,362	(2,476)

Interest rate swaps	Carrying amount	Equity change	
	Year 2024	1%	-1%
	(\$000)	(\$000)	(\$000)
Council	(365)	1,024	(1,095)
Invercargill City Holdings Limited	830	764	(793)
	465	1,788	(1,888)

All ICHL borrowings were repaid and interest rate swaps were settled during the year.

19.5(b) Liquidity risk management

Liquidity risk is the risk that the Council and Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

In meeting its liquidity requirements, the Council and Group manages its investments and borrowings in accordance with its written investment policies. In general, the Council and Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has funding arrangements in place to cover potential shortfalls.

The Council and Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Notes to the Financial Statements

Commentary / Whakaaro

The Council is exposed to liquidity risk as a guarantor of all of LGFA borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. The exposure relating to the guarantee is classified as a contingent liability by the Council and is explained further in note 23.

The table below summarises the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments.

Council 2025			Maturity dates			Total	(\$000)
	Carrying amount (\$000)	Contractual cash flows (\$000)	< 1 Year (\$000)	1 - 3 Years (\$000)	> 3 Years (\$000)		
Financial assets							
Cash, cash equivalents and bank overdrafts	11,103	11,103	11,103	-	-	11,103	
Receivables	16,000	16,000	16,000	-	-	16,000	
Equity share investments	1,023	1,023	-	-	1,023	1,023	
Short term investments	24,723	24,723	24,723	-	-	24,723	
Other investments	20,163	22,826	7,252	13,746	1,828	22,826	
Total financial assets	73,012	75,675	59,078	13,746	2,851	75,675	
Financial liabilities							
Trade and other payables	21,050	21,050	21,050	-	-	21,050	
Borrowings - secured loans	154,771	168,300	32,798	88,515	46,987	168,300	
Total financial liabilities	175,821	189,350	53,848	88,515	46,987	189,350	
Council 2024							
			Maturity dates			Total	(\$000)
	Carrying amount (\$000)	Contractual cash flows (\$000)	< 1 Year (\$000)	1 - 3 Years (\$000)	> 3 Years (\$000)		
Financial assets							
Cash, cash equivalents and bank overdrafts	12,373	12,373	12,373	-	-	12,373	
Receivables	13,428	13,428	13,428	-	-	13,428	
Equity share investments	1,042	1,042	-	-	1,042	1,042	
Short term investments	19,517	19,517	19,517	-	-	19,517	
Other investments	39,443	45,738	3,092	20,664	21,982	45,738	
Total financial assets	85,803	92,098	48,410	20,664	23,024	92,098	
Financial liabilities							
Trade and other payables	15,586	15,586	15,586	-	-	15,586	
Borrowings - secured loans	152,146	164,478	68,397	72,522	23,559	164,478	
Total financial liabilities	167,732	180,064	83,983	72,522	23,559	180,064	

Notes to the Financial Statements

Group 2025			Maturity dates			Total	(\$000)
	Carrying amount (\$000)	Contractual cash flows (\$000)	< 1 Year (\$000)	1 - 3 Years (\$000)	> 3 Years (\$000)		
Financial assets							
Cash, cash equivalents and bank overdrafts	29,620	29,620	29,620	-	-	29,620	
Receivables	18,110	18,110	18,110	-	-	18,110	
Equity share investments	1,023	1,023	-	-	1,023	1,023	
Short term investments	24,723	24,723	24,723	-	-	24,723	
Other investments	20,410	23,073	7,499	13,746	1,828	23,073	
Total financial assets	93,886	96,549	79,952	13,746	2,851	96,549	
Financial liabilities							
Trade and other payables	26,326	26,326	26,326	-	-	26,326	
Advances	-	-	-	-	-	-	
Borrowings - secured loans	154,771	168,300	32,798	88,515	46,987	168,300	
Total financial liabilities	181,097	194,626	59,124	88,515	46,987	194,626	
Group 2024							
			Maturity dates			Total	(\$000)
	Carrying amount (\$000)	Contractual cash flows (\$000)	< 1 Year (\$000)	1 - 3 Years (\$000)	> 3 Years (\$000)		
Financial assets							
Cash, cash equivalents and bank overdrafts	14,054	14,054	14,054	-	-	14,054	
Receivables	16,817	16,817	16,817	-	-	16,817	
Equity share investments	1,042	1,042	-	-	1,042	1,042	
Short term investments	19,517	19,517	19,517	-	-	19,517	
Other investments	22,895	28,543	3,016	2,592	22,935	28,543	
Total financial assets	74,325	79,973	53,404	2,592	23,977	79,973	
Financial liabilities							
Trade and other payables	19,980	19,980	19,980	-	-	19,980	
Borrowings - secured loans	249,111	284,214	150,520	101,540	32,154	284,214	
Total financial liabilities	269,091	304,194	170,500	101,540	32,154	304,194	

Notes to the Financial Statements

20 Provisions

*Accounting Policy / Kaupapahere Kaute***Provisions**

The Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Landfill Post Closure Costs

The Council has a legal obligation under the Resource Consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. The discount rate applied is 7% which represents the risk-free discount rate.

Parking Refund Provision

Council needs to be careful and precise in its bylaw and revenue raising policies. It is the approval process and clarity of the parking bylaw content that enables the collection of the parking fines and charges. The Court hearing on 21 February 2024 determined that the current Council Parking Bylaw did not empower the issue of \$40 infringements that required the activation of the parking meter by registering a number plate.

A provision for parking refunds was recognised as a liability for the revenue collected from the date the new parking meters were installed on 1 July 2022 to the date the \$40 fines were no longer issued on 29 February 2024. The provision was measured based on the cost of all fines issued and paid between those dates, including the \$30 court administration cost if incurred. Since the provision was created \$0.1 million has been refunded to users incorrectly fined. This represents 15% of the total population of incorrectly collected fines. While Council still has an obligation to refund, the likelihood of having to refund the full amount is unlikely. It is for this reason that the provision has been reduced by \$264,000.

Lessee Improvements Settlement Provision

The Company has recognised a provision for the estimated cost of settlement in respect of compensation payable for improvements made to Invercargill Airport land by a former lessee, in accordance with Section 14 of the Public Bodies Leases Act 1969. The provision has been determined based on an independent market valuation of the lessee's improvements. The lessee has declined the compensation offer, and the matter has been referred to arbitration. As at balance date, the arbitration process remains ongoing. Any further financial exposure arising from the outcome of arbitration is currently uncertain and has not been recognised.

Notes to the Financial Statements

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Landfill aftercare provision				
Balance 1 July	928	928	928	928
Balance at 30 June	928	928	928	928
Parking ticket refund provision				
Balance 1 July	501	-	501	-
Creation of provision	-	535	-	535
Partial release of provision	(264)	-	(264)	-
Amounts refunded	(49)	(34)	(49)	(34)
Balance at 30 June	188	501	188	501
Lessee improvements settlement provision				
Balance 1 July	-	-	3,885	-
Creation of provision	-	-	10	3,885
Balance at 30 June	-	-	3,895	3,885
	1,116	1,429	5,011	5,314
Current	300	613	4,195	4,498
Non-current	816	816	816	816
Total Provisions	1,116	1,429	5,011	5,314

Commentary / Whakaaro

Landfill Provision

The Council's current resource consent for the operation of its landfill expired in 2006. The Council has responsibility under the resource consent to provide maintenance and monitoring of the landfill after the site is closed. There are closure and post-closure responsibilities including the following:

Closure responsibilities

- Site
- Planting and maintenance of vegetation; and
- Development of roading and walking tracks.

Post-closure responsibilities

- Ongoing maintenance of roading and walking tracks
- Treatment and monitoring of leachate; and
- Maintenance of vegetation.

The management of the closed landfill has been in line with the resource consent conditions established at the time of closure.

The conditions were established based on good practice guidelines known at the time. Recent regulatory changes aimed at improving the conditions of waterways and estuaries across the country have heightened awareness regarding the closed landfill.

Maintaining the provision at current levels is appropriate given the uncertainty around future consent requirements.

Parking Refund Provision

The parking refund provision is the total of all fines issued and paid from 1 July 2022 to 29 February 2024, including the \$30 court administration cost, that are eligible to be refunded. The provision is affected by the number of people who decide to contact the Council and claim the refund. Most of the liability is expected to be incurred over the first year. As a result of the low uptake of refunds, \$264,000 of the provision has been released at 30 June 2025.

Notes to the Financial Statements

21 Employee benefit liabilities

*Accounting Policy / Kaupapahere Kaute***Short-term benefits**

Employee benefits that the Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Long-term benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in the surplus/deficit in the Statement of Comprehensive Revenue and Expenses in the period in which they arise.

Superannuation schemes

Defined contribution schemes:

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Revenue and Expenses as incurred.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Accrued pay	1,645	1,528	1,645	1,528
Annual leave	2,233	2,124	2,473	2,294
Long service leave	278	252	278	252
Retirement gratuities	570	529	570	529
	4,726	4,433	4,966	4,603
Current	4,726	4,433	4,966	4,603
Non-current	-	-	-	-
Total employee benefit liabilities	4,726	4,433	4,966	4,603

*Commentary / Whakaaro***Employee Entitlements**

Annual leave, long service and some retirement gratuities are classified as current liability. Non-vested retirement and long service leave expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as a non-current liability.

Non-Current Entitlements

The provision for retirement gratuities is an assessment of entitlements that may become due to employees in the future. The provision is affected by a number of estimates, including the expected length of service of employees and the timing of benefits being taken. Most of the liability is expected to be incurred over the next ten years.

Notes to the Financial Statements

22 Equity

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Retained earnings				
As at 1 July	363,502	378,519	403,510	416,681
Transfers to:				
Restricted and non-restricted reserves	(7,740)	(6,598)	(7,740)	(6,598)
Transfers from:				
Restricted and non-restricted reserves	1,378	1,083	1,378	1,083
Transfer of revaluation reserve to retained earnings	-	-	16,330	91
Surplus/(Deficit) for the year	(269)	(9,503)	12,425	(7,748)
As at 30 June	356,871	363,502	425,903	403,510
Restricted and non-restricted reserves				
As at 1 July	44,199	38,684	44,199	38,684
Transfers to retained earnings	(1,378)	(1,083)	(1,378)	(1,083)
Transfers from retained earnings	7,740	6,598	7,740	6,598
As at 30 June	50,561	44,199	50,561	44,199
Hedging reserve				
As at 1 July	365	751	962	1,818
Other comprehensive revenue and expenses:				
Effective portion of changes in fair value of cash flow hedges	(821)	(386)	(1,419)	(856)
As at 30 June	(456)	365	(457)	962
Carbon credit revaluation reserve				
As at 1 July	1,408	1,126	1,408	1,126
Other comprehensive revenue and expenses:				
Change in fair value of carbon credits	264	282	264	282
As at 30 June	1,672	1,408	1,672	1,408
Asset revaluation reserve				
As at 1 July	793,561	720,378	843,882	769,944
Other comprehensive revenue and expenses:				
Revaluation gains/(losses)	170,892	73,183	175,691	74,030
Transfer of revaluation reserve to retained earnings due to asset disposal	-	-	(16,330)	(91)
As at 30 June	964,453	793,561	1,003,243	843,882
Asset revaluation reserves consist of:				
Land and buildings	133,961	109,343	137,106	111,448
Library books	8,250	9,624	8,250	9,624
Infrastructural assets	822,242	674,594	857,887	722,810
Total asset revaluation reserve	964,453	793,561	1,003,243	843,882
Total other reserves	1,016,229	839,532	1,055,019	890,451

Notes to the Financial Statements

Council Actual 2025				
	Opening Balance (\$000)	Transfers In (\$000)	Transfers Out (\$000)	Closing Balance (\$000)
Restricted reserves				
The reserves can only be used for designated purposes.				
<u>Category A (Legal restriction)</u>	435	16	-	451
The restriction is designated from a statute or legal document.				
These reserves restrictions include the capital and interest or				
This reserve is related to the Parks activity and is to maintain the				
<u>Category B (Capital-only restriction)</u>	13,304	495	-	13,799
These reserves are invested in property that provides a return to				
(Investment property, library and infrastructure activities)				
<u>Category C (Specific purpose)</u>	13,473	928	(33)	14,368
These reserves are to maintain and provide for improvements to				
(Parks, crematorium and cemetery, community centres, waste				
Non-restricted reserves				
The reserves can be used for purposes other than the purpose				
Council created reserves	16,987	6,301	(1,345)	21,943
To provide funding for the ongoing operations and replacement				
(All activities)				
	44,199	7,740	(1,378)	50,561

Council Actual 2024				
	Opening Balance (\$000)	Transfers In (\$000)	Transfers Out (\$000)	Closing Balance (\$000)
Restricted reserves				
The reserves can only be used for designated purposes.				
<u>Category A (Legal restriction)</u>	422	13	-	435
The restriction is designated from a statute or legal document.				
These reserves restrictions include the capital and interest or				
This reserve is related to the Parks activity and is to maintain the				
<u>Category B (Capital-only restriction)</u>	12,580	724	-	13,304
These reserves are invested in property that provides a return to				
(Investment property, library and infrastructure activities)				
<u>Category C (Specific purpose)</u>	13,075	416	(18)	13,473
These reserves are to maintain and provide for improvements to				
(Parks, crematorium and cemetery, community centres, waste				
Non-restricted reserves				
The reserves can be used for purposes other than the purpose				
Council created reserves	12,607	5,445	(1,065)	16,987
To provide funding for the ongoing operations and replacement				
(All activities)				
	38,684	6,598	(1,083)	44,199

Notes to the Financial Statements

23 Contingent liabilities and assets

23.1 Contingent liabilities

New Zealand Local Government Funding Agency

Council is a borrower and guarantor (not shareholder) of the New Zealand Local Government Funding Agency Limited (LGFA). LGFA was incorporated in December 2011 for the purpose of providing debt funding to local authorities in New Zealand, LGFA has a current credit rating from Standard and Poor's of AAA as at 30 June 2025.

Council is one of 72 (2024: 72) local authority guarantors of the LGFA. The New Zealand Government has a 20% shareholding in the LGFA. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Invercargill City Council is a guarantor of all LGFA's borrowings. The LGFA's loans to local authorities are \$22.7 billion (2024: \$23.03 billion), of which Council has borrowed \$154.6 million. As a result, Council and Group's cross guarantee to other local authorities is \$26.3 billion (2024: \$22.88 billion).

PBE Accounting Standards require Council and Group to initially recognise the guarantee liability by applying the 12-month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. At the end of the financial year, the Council and Group have assessed the 12 month expected credit losses of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12 month expected credit losses are immaterial due to the extremely low probability of default by the LGFA in the next 12 months, and therefore, the Council and group have not recognised a liability.

The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt default events in New Zealand: and
- local government legislation would enable local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required

Ongoing obligation relating to New Zealand Mutual Liability Riskpool Scheme

Invercargill City Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance or where reinsurance is delayed), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, following the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds trustee limited*, which addressed the treatment of claims against Riskpool that involved a mixture of non-weathertightness and weathertightness defects (mixed claims), a number of proceedings against Riskpool, which were stayed pending the Supreme Court's decision in 2023, have since recommenced.

Several member Councils have brought proceedings against Riskpool related to mixed claims. Two of these claims are currently listed for trial in September 2025. These cases are important in clarifying the scope of Riskpool's historical obligations and the interpretation of past Scheme terms. At this point the total potential liability of the outstanding claims against Riskpool is unable to be quantified."

In the previous financial year, the Board resolved to make a call on Members to pay a contribution to fund the deficits for Fund years 7, 10, 11 and 12, being: -

- Fund Year 7 - \$6.166 million
- Fund Year 10 - \$3.051 million
- Fund Year 11 - \$1.126 million
- Fund Year 12 - \$2.541 million

The amount of the call for Invercargill City Council was \$123,323 (excl. GST). which was paid in the previous year Riskpool made a further call on 7 August 2025 of \$59,356.93 (excl GST) which has been paid since balance date.

Forestry

Council has harvested a total of 262.0 hectares (2024: 262.0 hectares) of pre 1990 forest. Of this harvested land, 38.57 (2024: 38.57) hectares has not yet been replanted at 30 June 2025 and carries a potential deforestation liability of \$852,970 (2024: \$592,820) if the land is not replanted. It is Council's intention that these harvested areas will be re-established to ensure that there will be no obligation to surrender units.

Notes to the Financial Statements

Property and other legal proceedings

Council has ten ongoing disputes and proceedings in relation to property, its role as a building consent authority and other matters. A number of these relate to leases and other property matters which are being progressed. Settlement costs are estimated at approximately to \$200,000.

Group contingent liabilities**Invercargill Airport Limited**

During 2020 Invercargill Airport Limited received a \$500,000 grant from the Provincial Growth Fund. The grant was in recognition that Air New Zealand was to commence a 12-month pilot of scheduled jet services from Auckland to Invercargill on 25 August 2019 and Invercargill Airport Limited needed to rapidly deliver urgent airside and non-airside upgrades to handle the scheduled jet services. A contingency for repayment exists for a 10-year term from 31 October 2019 if the Company either:

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

The Company has recognised a provision for the estimated cost of settlement in respect of compensation payable for improvements made to Invercargill Airport land by a former lessee, in accordance with Section 14 of the Public Bodies Leases Act 1969. The provision has been determined based on an independent market valuation of the lessee's improvements. The lessee has declined the compensation offer, and the matter has been referred to arbitration. As at balance date, the arbitration process remains ongoing. Any further financial exposure arising from the outcome of arbitration is currently uncertain and has not been recognised.

There are no other contingent liabilities or assets at 30 June 2025 (2024: Nil).

Invercargill Central Limited

The Invercargill Central Limited Shareholders Agreement provides that if acting reasonably the Company determines that it requires further funding it may call on O'Donnell CBD Limited and Invercargill City Holdings Limited to fund a further \$16.5m.

The Invercargill City Holdings Limited subscription agreement with Invercargill Central Limited provides that, on similar terms to the Shareholders Agreement, Invercargill Central Limited may call on Invercargill City Holdings Limited to purchase a further \$4m in shares from Invercargill Central Limited.

Rugby Park Stadium

The Invercargill City Charitable Trust Board which owns Rugby Park Stadium has an in principal agreement to transfer the asset to the Council. Council through the Invercargill City Charitable Trust Board has received a report identifying the west-end stand as being unsafe and seismic strengthening work is required, also identified is 75% of the seats in this section of the stadium have suffered UV light deterioration and require immediate replacement. The Council in the Long-term Plan has agreed to provide \$4,900,000 to make Rugby Park a structurally sound and flexible use facility. Council and the Invercargill City Charitable Trust Board are negotiating terms of settlement.

HWCP Management Limited

The HWCP Management Limited associate has no contingent liabilities as at 30 June 2025 (2024: nil).

Lakeland Network Limited

Lakeland Network Limited has no contingent liabilities as at 31 March 2025 (2024: nil).

23.2 Contingent assets**Share of reserves in the Southland Regional Heritage Committee (SRHC)**

The Council has withdrawn from the SRHC effective 30 September 2024. The Council's share in the reserves of SRHC are \$0.5 million. Council will be seeking to recover these reserves in the 2025/2026 financial year.

There were no contingent assets as at 30 June 2024.

Notes to the Financial Statements

24. Cash flow reconciliations

24.1. Reconciliation of surplus for the period to net cash flows from operating activities

	Council Actual 2025 (\$000)	Council Actual 2024 (\$000)	Group Actual 2025 (\$000)	Group Actual 2024 (\$000)
Net surplus/(deficit) after taxation	(269)	(9,503)	12,425	(7,748)
Add non-cash items:				
Depreciation and amortisation of intangibles	42,119	42,669	49,682	50,210
(Gain)/Loss on sale of assets	10	(7)	107	74
Tax arising on sale of investments	-	-	-	2,418
Change in fair value of biological assets	(60)	223	(60)	223
Change in fair value of investment property	(1,080)	(950)	(1,704)	(1,430)
Vested Assets Recognised	(2,284)	-	(2,284)	-
Changes in advances to associates and joint ventures	-	-	-	17
Adjustment for share of net losses not recognised	-	-	-	6,483
Impairment of other financial assets	-	(2,492)	537	(2,492)
Gain on sale of investments in associates	-	-	-	-
Increase/(Decrease) in deferred taxation	-	-	(14)	(244)
Biological assets - Cost of goods sold	17	86	17	86
Associate and Joint Venture post-acquisition profits	-	-	(468)	(4,582)
(Profit) / loss from discontinued operations	-	-	(21,683)	(12,824)
Impairment of advance to associate	-	-	(2,640)	-
Non-cash movements in associates and joint ventures	-	-	270	-
Net (profit) / loss on derivatives	-	-	510	-
	38,453	30,026	34,695	30,191
Add/(Less) movements in other working capital items:				
(Increase)/Decrease in stock, receivables and WIP	(1,487)	2,842	(1,671)	2,353
Increase/(Decrease) in sundry creditors	5,448	(2,174)	5,814	(2,308)
(Increase)/Decrease in GST and taxation	(1,371)	(331)	(1,353)	167
	2,590	337	2,790	212
Net cash from operating activities	41,043	30,363	37,485	30,403

Notes to the Financial Statements

24.2 Reconciliation of movement in financial liabilities to net cash flows from financing activities

	borrowings from external parties (\$000)	Council Finance lease liabilities (\$000)	Derivative Instruments - liability (\$000)	borrowings from external parties (\$000)	Group Finance lease liabilities (\$000)	Derivative Instruments - liability (\$000)
Balance as at 1 July 2023	124,499	-	(751)	215,718	-	(2,232)
Add/(less) cash items liabilities arising from financing activities:						
Proceeds	127,397	136	-	133,144	136	-
Repayments	(99,670)	(13)	-	(99,670)	(13)	-
Add/(less) non-cash items:						
Movement in year end accrued interest	(203)	-	-	(203)	-	-
Cash Flow hedges	-	-	386	-	-	1,036
Balance as at 30 June 2024	152,023	123	(365)	248,988	123	(1,196)
Add/(less) cash items liabilities arising from financing activities:						
Proceeds	125,000	11	-	125,001	11	-
Repayments	(122,338)	(26)	-	(219,303)	(26)	-
Add/(less) non-cash items:						
Movement in year end accrued interest	(22)	-	-	(22)	-	-
Cash Flow hedges	-	-	821	-	-	1,652
Balance as at 30 June 2025	154,663	108	456	154,663	108	456

25 Related parties

Accounting Policy / Kaupapahere Kaute

Council is the ultimate parent of the Group. Details of subsidiaries, and associates over which Council has significant influence, are set out on in the Group structure on page 112. Joint ventures are set out in the Council Structure on page 11.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

The Council provides grants and operational funding to a number of group entities and entities or organisations where the Mayor, Councillors or Executive Leadership Team are members of the organisations or their governing bodies. Such funding is agreed by Council on the same basis as other organisations with no such direct links.

Related Party Transactions required to be disclosed include provision of services, grants, non-standard commercial contracts and intercompany taxation activity.

Notes to the Financial Statements

25.1 Related party transactions

Council provided accounting, administrative, financial and IT services and wage subsidies to the related entities listed below. Council does not provide such services to non-related entities. Council provides related party loans to Invercargill Central Limited. This is disclosed under Note 18.1 Other financial assets.

	2025		2024	
	Related Party Transactions	30 June Balance	Related Party Transactions	30 June Balance
	(\$000)	(\$000)	(\$000)	(\$000)
Invercargill City Holdings Limited	670	3	772	18,154
Invercargill Airport Limited	158	2	138	-
Invercargill City Charitable Trust	23	23	22	22
Te Kupeka Tiaki Taoka - Southland Regional Collections Trust	405	1	1,239	5
Invercargill Central Limited	1,730	16,370	8,996	19,678
Invercargill Public Art Gallery Inc	7	10	111	-
Southland Regional Development Agency Limited trading as Great South	3	-	5	-
Invercargill Venue & Events Management	-	-	272	-
Southland Regional Heritage Committee	198	-	265	72

Council also provides accounting and administrative services for its joint operation, WasteNet Southland. The cost of the services provided for the year were \$331,985 (2024: \$313,037).

25.2 Grants

Council has provided a number of grants to related parties, and some of these are considered non-arm's length transactions. These grants are outlined in the table below:

	Actual 2025	Actual 2024	
	(\$000)	(\$000)	Reason for non-arm's length
Bluff Maritime Museum	40	20	Non-contestable funding
Emergency Management Southland	454	440	Non-contestable funding
Southland Indoor Leisure Centre Charitable Trust	700	700	Non-contestable funding
Te Kupeka Tiaki Taoka - Southland Regional Collections Trust	70	20	Non-contestable funding
Southland Regional Heritage Committee	358	1,048	Non-contestable funding
Southland Regional Development Agency Limited trading as Great South	2,055	1,857	Non-contestable funding
Invercargill Public Art Gallery Inc	613	314	Non-contestable funding
Invercargill City Charitable Trust	22	-	Non-contestable funding

25.3 Other commercial contracts

Council has a contract with the WasteNet Joint Committee for waste collection and management. In 2024/2025 Council paid \$8.6 million (2024: \$8.3 million) to WasteNet and at year end \$1.1 million (2024: \$0.7 million) was outstanding.

Council has provided Invercargill Central Limited \$16.25 million of funding as at 30 June 2025 (2024: \$19.14 million) at commercial rate of interest.

25.4 Subventions

In the 2025 financial year, Council transferred losses of \$Nil (2024: \$74,779) as a result of the final Council tax position for the 2024 tax year (2023: \$74,779). This comprised a loss offset of \$Nil (2024: \$53,841) and a subvention payment of \$Nil (2024: 20,938) to other group companies.

25.5 Key management personnel

Details of transactions between Council and key management personnel are disclosed as part of Note 27 Remuneration.

Notes to the Financial Statements

26 Major budget variations (Council only)

Statement of Comprehensive Revenue and Expense - Council				Variance to	Variance to	
		Actual	Budget	Actual		
		2025	2025	2024	Budget	
		(\$000)	(\$000)	(\$000)	2025	
					Actual	
					2024	
					(\$000)	
					(\$000)	
Revenue						
Rates revenue	1	78,860	78,861	71,292	(1)	7,568
Fines	2	1,827	1,519	648	308	1,179
Subsidies and grants	3	13,811	19,730	16,148	(5,919)	(2,337)
Direct charges revenue	4	30,132	35,206	29,869	(5,074)	263
Rental revenue		3,514	3,699	3,327	(185)	187
Finance revenue	5	3,216	3,643	4,275	(427)	(1,059)
Dividend income	6	14,457	9,457	5,478	5,000	8,979
Subvention payments received		-	-	21	-	(21)
Other revenue		-	-	-	-	-
Vested assets	7	2,284	-	32	2,284	2,252
Expenditure						
Employee expenses	8	37,398	36,019	34,522	1,379	2,876
Depreciation and amortisation	9	42,109	47,038	42,669	(4,929)	(560)
General expenses	10	64,021	65,856	61,431	(1,835)	2,590
Finance expenses	11	5,896	6,268	5,077	(372)	819
Other gains/(losses)	12	1,026	1,062	3,108	(36)	(2,082)
Income tax expense		(29)	-	2	(29)	(31)
Other comprehensive revenue						
Property, plant and equipment revaluation gains/(losses)	13	170,892	62,785	73,183	108,107	97,709
Carbon credit revaluation gains/(losses)		264	-	282	264	(18)
Cash flow hedges		(821)	-	(386)	(821)	(435)
Total Comprehensive Revenue and Expense		170,066	60,781	63,576	109,286	106,491

2025 Variance analysis against 2025 Budget

- 2 Fine revenue is higher than budget due to a reduction to the parking infringement refund provision created 2024 for all parking tickets between 1 July 2022 and 29 February 2024 that were incorrectly issued under the current Parking Control Bylaw. This is to reflect a lower level of refund requests being received.
- 3 Subsidies and grant revenue is lower than budget due to timing variances for funding from the government to subsidise capital projects, including the new Housing Care unit builds, Bluff Boat Ramp renewals, Te Unua Museum of Southland and Bluff Hill recreation development. Lower NZTA subsidy claims were also received due to lower roading expenditure incurred.
- 4 Direct charges revenue is lower than budget due to the following being below the assumption included when setting the budget: A) Wet weather contributing to lower water sales and lower water demand by commercials as businesses become more aware of economic factors; B) Aquatic revenue is down due to economic conditions encouraging frequent visitors to purchase memberships instead of general admissions revenue to reduce their costs; C) Cemeteries, crematorium and sportsground revenue is lower due to reduced demand during the year.
- 5 Finance revenue is lower than budget due to A) differences in the movements of interest rates on term deposits compared to assumptions; B) the short-term advance of \$18 million to Invercargill City Holdings Limited was repaid in July 2024, 4 months earlier than planned; C) the average balance of the Invercargill Central advance is lower than planned due to repayments received.
- 6 Dividend income is higher than budget due to a \$5 million additional dividend from Invercargill City Holdings Limited being received during the year.
- 7 No vested assets were included in the budget for 2024/2025.
- 8 Employee expenses are higher than budget due to timing differences between projected staffing levels, movements and actuals. It is noted that the recovery of employee expenses to projects is included within General expenses.

Notes to the Financial Statements

- 9 Depreciation expenses are lower than budget due to lower capital works being completed in 2025 and 2024 than anticipated within the budget assumptions.
- 10 General expenses are lower than budget due to lower Council payments for external services including consultancy and repairs and maintenance than planned at the time of setting the budget.
- 11 Finance expenses are lower than budget due to lower average level of Council borrowing and interest rates on borrowings compared to budget assumptions.
- 13 In 2025, property, plant and equipment revaluation were undertaken in the Roding and Property activities compared to budget where the property activity assets was revalued.

2025 Variance analysis against 2024 Actuals

- 1 Rates revenue is higher than 2024 due to an overall rates increase of 9.88% on existing ratepayers plus a greater than expected growth above the projected rating base.
- 2 Fines revenue is higher than 2024 due to in 2024 a parking infringement refund provision was created for all parking tickets between 1 July 2022 and 29 February 2024 that were incorrectly issued under the current Parking Control Bylaw. In 2025, this provision was reduced to reflect the lower level of refund requests being received.
- 3 Subsidies and grant revenue is lower than 2024 due to timing variances for funding from the government to subsidise capital projects. 2025 included new Housing Care unit builds, Bluff Boat Ramp renewals, Te Unua Museum of Southland and Bluff Hill recreation development. 2024 included the above as well as Tisbury Storage Facility. Lower NZTA subsidy claims were also received due to lower roading expenditure incurred.
- 4 Direct charges revenue is higher than 2024 due to a higher share of WasteNet joint operations revenue, higher user fees income from water consumption and regulatory fees.
- 5 Finance revenue is lower than 2024 due to A) lower interest rates on term deposits; B) the short-term advance of \$18 million to Invercargill City Holdings Limited was repaid in July 2024; C) the average balance of the Invercargill Central advance is lower than 2024 due to repayments received.
- 6 Dividend income is higher than 2024 due to two additional dividends from Invercargill City Holdings Limited being received during the year.
- 7 Vested assets are higher than 2024 due to a number of infrastructure elements of properties being vested to Council.
- 8 Employee expenses are higher than 2024 due to timing differences between projected staffing levels, movements and actuals.
- 9 Depreciation expenses are higher than 2024 due to the 3 waters activities asset revaluation carried out in 2024 being higher than anticipated within the budget assumptions.
- 10 General expenses are higher than 2024 due to higher Council payments for external services, insurance and utilities have been higher due to inflation pressures within the economy.
- 11 Finance expenses are higher than 2024 due to the average level of Council borrowing and interest rates in 2025 being higher than in 2024.
- 12 Other gains/(losses) are lower than 2024 due to the reversal of the impairment of the Invercargill Central Limited advance investment in 2024
- 13 In 2025, property, plant and equipment revaluation were undertaken in the Roding and Property activities compared to in 2024 where the 3 water activities assets were revalued.

Notes to the Financial Statements

Statement of Financial Position - Council				Variance to	Variance to	
		Actual 2025 (\$000)	Budget 2025 (\$000)	Actual 2024 (\$000)	Budget 2025 (\$000)	Actual 2024 (\$000)
Current assets						
Cash and cash equivalents	1	11,103	2,311	12,373	8,792	(1,270)
Receivables	2	16,000	17,025	13,428	(1,025)	2,572
Prepayments	3	2,267	1,372	1,721	895	546
Inventories		222	619	366	(397)	(144)
Other financial assets	4	25,595	24,676	19,757	919	5,838
Non-current assets						
Work in progress	5	52,645	-	44,474	52,645	8,171
Property, plant and equipment	6	1,315,787	1,261,291	1,133,573	54,496	182,214
Intangible assets	7	2,491	9,932	2,380	(7,441)	111
Biological assets	8	3,937	4,502	3,894	(565)	43
Investment property	9	28,290	26,815	27,486	1,475	804
Investment in CCOs and other similar entities		76,569	76,569	76,569	-	-
Other financial assets	4	20,314	19,641	40,245	673	(19,931)
Derivative financial instruments	10	-	751	365	(751)	(365)
Current liabilities						
Trade and other payables	11	21,050	19,225	15,586	1,825	5,464
Provisions	12	300	79	613	221	(313)
Employee benefit liabilities	13	4,725	3,893	4,434	832	291
Borrowings and other financial liabilities	14	67,435	36,282	63,290	31,153	4,145
Non-current liabilities						
Provisions		816	798	816	18	-
Employee benefit liabilities		-	28	-	(28)	-
Borrowings and other financial liabilities	14	87,336	145,327	88,856	(57,991)	(1,520)
Derivative financial instruments	10	456	-	-	456	456
Equity						
Retained earnings	15	356,871	361,211	363,502	(4,340)	(6,631)
Other reserves	15	1,016,229	878,661	839,532	137,568	176,697
Total equity		1,373,100	1,239,872	1,203,034	133,228	170,066

2025 Variance against 2025 Budget

- Cash and cash equivalents are higher than budget due to differences in cashflow movements of Council for the year.
- Trade and other receivables are lower than budget due to rates and invoice collection balances being lower than planned at the time of setting the budget.
- Prepayments are higher than budget due to prepaid software license balances being higher than planned at the time of setting the budget.
- Other financial assets are higher than budget due additional borrower notes taken out during the year compared to the assumption at the time of setting the budget.
- Work in progress budget is included within the Property, plant and equipment.
- Intangible Assets are lower than budget due to some software projects remaining within the Work in Progress balance as they were not completed by balance date.
- Biological assets are lower than budget due to the 2025 annual revaluation being lower than anticipated.
- Investment property is higher than budget due to property values being revalued higher than expected.
- Derivative financial instruments are lower than budget due to changes to the value of the contractual undiscounted cash flows of the financial instruments.
- Trade and other payables are higher than budget due to timing differences of larger contractor payments which have been accrued in June 2024 & 2025.
- Provisions are higher than budget due to a provision created in 2024 for the refunding of parking infringements for all parking tickets between 1 July 2022 and 29 February 2024 that were incorrectly issued under the current Parking Control Bylaw.

Notes to the Financial Statements

- 13 Employee benefit liabilities are higher than budget due to higher accrued leave balances as at 30 June.
- 14 Total borrowings are lower than budget due to the Council deferring and reappportioning parts of the capital programme to a later year. This includes Te Unua Museum of Southland and Branhholme pipeline work.
- 15 Retained earnings are lower than budget due to the transfers to reserves being more than expected. Other reserves are higher than budget due to revaluation of the Roding and Property assets being higher than planned at the time of setting the budget.

2025 Variance against 2024 Actuals

- 1 Cash and cash equivalents are lower than 2024 due to differences in cashflow movements of Council for the year.
- 2 Trade and other receivables are higher than 2024 due to timing differences of rates and invoice collection as at 30 June 2024 & 2025.
- 3 Prepayments are higher than 2024 due to prepaid software license balances being higher than last year.
- 4 Other financial assets are lower than 2024 due to a short-term loan advance to Invercargill City Holdings Limited being repaid.
- 5 Work in Progress is higher than 2024 due to projects in progress, namely Branhholme pipeline and Te Unua building, not completed at balance date.
- 6 Property, plant and equipment is higher than 2024 due to Council's spending on capital works was more than the depreciation for the year, together with the revaluation of Roding and Property assets.
- 7 Intangible Assets is higher than 2024 due to Council's spending on capital works was more than the depreciation for the year.
- 9 Investment Property is higher than 2024 due to property values being revalued higher.
- 10 Derivative financial instruments are lower than 2024 due to changes to the value of the contractual undiscounted cash flows of the financial instruments.
- 11 Trade and other payables are higher than 2024 due to timing differences of larger contractor payments which have been accrued in June 2024 & 2025.
- 12 Provisions are lower than 2024 due to the provision for the refunding of parking infringements for all parking tickets between 1 July 2022 and 29 February 2024 that were incorrectly issued under the current Parking Control Bylaw has been revised to reflect the lower level of refund requests being received.
- 13 Employee benefit liabilities are higher than 2024 due to higher accrued leave balances as at 30 June.
- 15 Retained earnings are lower than 2024 due to the transfers to reserves being more than last year. Other reserves are higher than 2024 due to revaluation of the Roding and Property assets.

The above comments have only focused on major variances.

Notes to the Financial Statements

27 Remuneration

Accounting Policy / Kaupapahere Kaute

Section 32 of Schedule 10 of the Local Government Act 2002 requires the disclosure of the remuneration of the mayor, chairpersons, members and chief executive of local authorities. The Chief Executive Officer of the Council is appointed in accordance with section 42 of the Local Government Act 2002.

27.1 Key management personnel

Accounting Policy / Kaupapahere Kaute

Key management personnel of the Council include, the Chief Executive, Elected members and Executive Leadership Team.

	Council Actual 2025 \$	Council Actual 2024 \$
Short-term employee benefits	2,645,154	2,516,328
Vehicle (market value plus FBT)	39,902	34,857
Retirement benefits	53,782	49,838
	2,738,838	2,601,023
	Council Actual 2025	Council Actual 2024
Number of persons recognised as key management personnel		
Elected members or directors	20	20
Executive Leadership Team (including the Chief Executive)	7	7
Total key management personnel	27	27

Commentary / Whakaaro

Key management personnel of the Council include: The Chief Executive, Councillors and Executive Leadership Team.

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel (2024: \$Nil).

The Council did not provide any compensation at non-arm's length terms to close family members of key management personnel during the year (2024: \$Nil).

The Council did not provide any loans to key management personnel or their close family members (2024: \$Nil).

Notes to the Financial Statements

27.2 Chief Executive

Accounting Policy / Kaupapahere Kaute

The Chief Executive Officer of the Council is appointed in accordance with section 42 of the Local Government Act 2002.

The total cost to the Council of the remuneration package paid or payable to the Chief Executive, as per the above, for the year to 30 June 2025 was:

	Council Actual 2025 \$	Council Actual 2024 \$
M Day - Chief Executive (appointed 19 March 2023)		
Short-term employee benefits	373,910	337,457
Vehicle (market value plus FBT)	8,815	9,329
Retirement benefits	11,217	10,096
	<u>393,942</u>	<u>356,882</u>

27.3 Executive Leadership Team

	Council Actual 2025 \$	Council Actual 2024 \$
Short-term employee benefits	1,418,843	1,357,502
Vehicle (market value plus FBT)	19,589	13,997
Retirement benefits	42,565	39,742
	<u>1,480,997</u>	<u>1,411,241</u>

Notes to the Financial Statements

27.4 Elected members and Mana Whenua representatives – Council

Accounting Policy / Kaupapahere Kaute

The Remuneration Authority determines the remuneration, allowances and expenses payable to mayors, deputy mayors, members of local authorities plus chairpersons and members of community boards. Refer Schedule 7 of the Local Government Act 2002. The remuneration of Mana Whenua representatives is determined by Council.

	Council Actual 2025 \$	Council Actual 2024 \$
W S Clark (Mayor)		
Short-term employee benefits	149,882	145,006
Vehicle (market value plus FBT)	11,498	11,531
	161,380	156,537

Commentary / Whakaaro

Mayor Clark has utilised existing pool vehicles as his mayoral vehicle. As at 30 June 2025, the vehicle value for the purpose of determining Mayor Clark's remuneration totals \$60,165 (2024: \$60,165).

The Mayors have had during the year full private use of the vehicles.

	Council Actual 2025 \$	Council Actual 2024 \$
Councillors and Mana Whenua representatives		
A J Arnold	44,042	42,534
R I D Bond	44,145	42,643
P M Boyle	44,043	42,643
T Campbell	65,820	63,701
E A Cook	37,193	37,295
P T Coote	37,193	37,295
A H Crackett	44,043	42,528
G M Dermody	62,294	59,564
P W Kett	44,298	42,534
D J Ludlow	61,244	59,051
I R Pottinger	44,043	55,162
N D Skelt	-	392
L F Soper	57,467	42,534
B R Stewart	44,043	42,643
S Broad (appointed 4 August 2023)	44,043	38,149
	673,911	648,668

Notes to the Financial Statements

	Council Actual 2025 \$	Council Actual 2024 \$
Bluff Community Board		
R J C Fife	9,536	9,219
S S Graham	4,768	4,622
T M Stockwell	4,768	4,622
J M Sutherland	4,768	4,622
T M Topi	4,768	4,610
	<u>28,608</u>	<u>27,695</u>
Total elected representatives' remuneration	<u>863,899</u>	<u>832,900</u>

Commentary / Whakaaro

See Note 25 Related Parties for detail on transactions between Council and elected members and key management personnel that were not at arm's length.

27.5 Council employees

Total Remuneration by band for employees at 30 June:

	<u>Actual 2025</u>
< \$60,000	204
\$60,000 - \$79,999	135
\$80,000 - \$99,999	72
\$100,000 - \$119,999	30
\$120,000 - \$139,999	31
\$140,000 - \$159,999	10
\$160,000 - \$199,999	7
\$200,000 - \$299,999	6
\$300,000 - \$399,999	1
	<u>496</u>
	<u>Actual 2024</u>
< \$60,000	219
\$60,000 - \$79,999	137
\$80,000 - \$99,999	58
\$100,000 - \$119,999	27
\$120,000 - \$139,999	25
\$140,000 - \$159,999	11
\$160,000 - \$199,999	9
\$200,000 - \$379,999	6
	<u>492</u>

Commentary / Whakaaro

At balance date, the Council employed 325 (2024: 333) full time employees with the balance of employees representing 57 (2024: 46) full-time equivalent employees. An employee is a full-time employee if they normally work 40 hours or more per working week.

Total remuneration includes non-financial benefits to employees.

Notes to the Financial Statements

28 Capital management

The Council's capital (equity or ratepayer's funds), comprises retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

Intergenerational equity

The Council's objective is to manage the balance between rating (for funds) and borrowing to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but does not expect them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for the renewal and maintenance programmes of major classes of assets to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its LTP and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and level of funding are set out in the funding and financial policies of the Long-term Plan.

29 Subsequent events

Severe weather event

A severe wind storm occurred on 23 October 2025 resulting in a state of emergency being declared for Invercargill and surrounding areas. The storm caused widespread disruptions and power outages across the Southland region. There has been major damage sustained to buildings and significant tree damage in Council's parks and reserves. There has also been major windfall within Council forestry assets. The cost of the damage is unable to be quantified at this point in time.

Notes to the Financial Statements

30 Critical judgements, estimates and assumptions in applying Council's accounting policies

*Accounting Policy / Kaupapahere Kaute***Council**

Preparing financial statements to conform to PBE IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions have been based on historical experience and other factors that are believed to be reasonable under the circumstances. These estimates and assumptions have formed the basis for making judgements about the carrying values of assets and liabilities, where these are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the period if the change affects only that period, or in future periods if it also affects future periods.

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

Classification of non-financial assets as cash-generating assets or non-cash-generating assets

For the purpose of assessing impairment indicators and impairment testing, the Group classifies nonfinancial assets as either cash-generating or noncash-generating assets. The Group classifies a nonfinancial asset if the primary objective of the asset is to generate a commercial return. All other assets are classified as non-cash generating assets.

All property, plant and equipment and intangible assets (excluding goodwill) held by Council are classified as non-cash-generating assets, except for rental properties that are earning a market rental. This includes assets that generate fee revenue or other cash flows for Council as these cash flows are generally not sufficient to represent commercial return on the assets.

All property, plant and equipment held by Invercargill City Holdings Limited are classified as cash-generating assets as it is a for-profit entity and the primary objective of its assets is to generate commercial return.

Properties

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of Invercargill City Council's social housing policy. These properties are accounted for as property, plant and equipment.

Landfill Aftercare Provision

Council's current resource consent for the operation of its landfill expired in 2006. The Council has responsibility under the resource consent to provide maintenance and monitoring of the landfill after the site is closed and a provision has been established for this purpose. Maintaining the provision at current levels is appropriate given the uncertainty around future consent requirements.

Infrastructural Assets

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates. Experienced independent valuers review the Council's infrastructural asset revaluations. There has been a change in approach for the valuation of roading assets for the 2025 financial year resulting in a valuation gain of \$147 million. The valuation was previously conducted inhouse and then peer reviewed and this year an independent valuer was engaged. The reasons for the valuation increase are:
 - a. Better information coming to light for the depth assumption for formation assets.
 - b. An uplift in unit rates based on recent contracts and comparable information to other territorial authorities.
 - c. Change in the useful lives based on evidence of some assets lasting longer than their standard lives.

Land and Buildings

There are a number of assumptions and estimates used when valuing the assets on a fair value basis in accordance with PBE IPSAS 17. Where relevant fair value was determined under a highest and best use scenario.

Three approaches were used to provide fair value parameters; direct sales comparison approach, income approach or in the situation where the asset is specialised and no market evidence exists the optimised depreciated replacement cost (ODRC) approach.

Notes to the Financial Statements

- The Direct Sales Comparison approach is an estimate of value based on a comparison of the asset to similar assets that have recently sold. Adjustments are made to allow for factors such as; age of sale, size, location, quality, condition, marketability, shape of site, access, contour, aspect and tenure.
- The Income approach is a market value-based valuation approach. It reflects what a prudent investor would pay for an asset, given an expected return with consideration of the risks involved in the investment.
- The ODRC approach is only used when the fair value of an asset cannot be determined by reference to the price in an active market for the same asset or a similar asset. Under these circumstances, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.

ODRC begins with assessing the replacement cost of the assets as at the date of valuation less an allowance for any physical and economic obsolescence to date and for any over-design. The balance of the replacement cost less all forms of obsolescence and over design represents the fair value of the asset. The replacement cost rates are derived from recent costings obtained from construction details and other published cost information. Where possible, buildings have received an internal inspection.

Estimating retirement and long service leave obligations

These included retiring gratuities and long-service leave liabilities are assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on (i) likely future entitlements accruing to employees, based on years of service, years to entitlement, (ii) the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and (iii) the present value of the estimated future cash flows

Other

Management is required to exercise judgement in calculating provisions, assessing the level of unrecoverable work in progress, assessing expected credit loss and calculating provisions for employee benefits.

The determination of whether entities which the Council has an interest in are controlled for accounting purposes requires management to exercise judgement to determine whether the nature of the interest and the benefits, rights and obligations which accrue are sufficient for Council to control the entity.

Subsidiary critical accounting estimates and assumptions

Invercargill Airport Limited - determination of the recoverable amount of assets

For 2025, due to the impact of decreasing passenger volumes, airline capacity reductions and the New Zealand recessionary environment, 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 Charges Review.
- Expected revenues reflect expected passenger numbers and other contractual revenues.
- The weighted average cost of capital (WACC) used ranges from 6.79% to 8.58% (2024: 7.12% to 8.64%) 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 would have arisen if the WACC for all asset classes is increased by any amount more than 0.27% (resulting in an average WACC of 7.58%).

As disclosed at note 33, 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.

Sale of Pylon Ltd

The sale of Pylon Ltd was approved on 26 September 2024 by Invercargill City Council. On 29 November 2024, the ownership of this entity was transferred to Last Tango Limited.

31 Water services reform programme

The Local Government (Water Services Preliminary Arrangements) Act 2024 established the Local Water Done Well framework and the preliminary arrangements for the new water services system.

The legislation was enacted on 2 September 2024. The water services legislation (namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023), were repealed on 17 February 2024. As a result, the water services reform assets and operations as disclosed in the 30 June 2023 financial statements will no longer be transferred to a publicly owned water services entity.

The new Act required territorial local authorities (councils) to submit water services delivery plans (WSDP) to the Secretary of Local Government, by 3 September 2025 (see subpart 1 of Part 2 of the Act for more information). In broad terms, a

Notes to the Financial Statements

WSDP must identify the current state of the council's water services, and show how the council will deliver those services in a way that:

- meets relevant regulatory quality standards for stormwater, wastewater and water supply networks;
- is financially sustainable;
- ensures compliance with drinking water quality standards; and
- supports the council's housing growth and urban development objectives

At the Council Meeting on 27 May 2025, Council adopted the in-house model as their preferred method of delivery. The final stage of the legislation was completed through the enactment of new legislation on 26 August 2025 comprising the following:

- Local Government (Water Services) Act 2025
- Local Government (Water Services) (Repeals and Amendments) Act 2025

These two Acts include the amendment of the Commerce Act 1986 to set up an economic regulation regime for water services, including amendments to water quality monitoring and other consequential amendments to the Local Government Act 2002.

Council is now bound by new legal requirements as a result of this legislation. This will involve additional reporting of both financial and non-financial measures to meet the legislated timeframes. The Council submitted its WSDP to the Department of Internal Affairs on 27 August 2025, and it was subsequently accepted on 10 October 2025.

32 Legislative Breach

The 2024/25 Annual Report of Invercargill City Council and Group was not completed by 31 October 2025, as required by section 98(7)(b) of the Local Government Act 2002. It was mutually agreed by Audit NZ and Council that the completion date would be extended due to a number of factors outside the control of both parties. The same breach occurred for the 2023/2024 Annual Report.

Notes to the Financial Statements

33 Discontinued operations

The sale of Pylon 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 \$105.80 million and a gain on sale of \$26.728 million.

Given the ICHL Group held a 50% interest in Roaring Forties Energy Limited Partnership, the Group 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 had 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 was reported as a discontinued operation. The comparative Statement of Comprehensive Income and respective notes have been re-presented to show the discontinued operations.

On 19 November 2024 Pylon Limited was sold to the Power Company Ltd effective 1 December 2024 which has been reported in the current period as a discontinued operation.

As a result of the transaction Electricity Invercargill Limited received net cash proceeds of \$78.16 million and recorded a gain on sale of \$21.80 million after tax from the transaction. After accounting for minor differences between the 2024 and 2025 sale transactions, the ICHL Group has disclosed \$21.539 million as its share of profits after tax from discontinued operations.

Profit/(loss) after tax from discontinued operations

	Group 2025 \$000	Group 2024 \$000
Revenue	1,096	8,750
Expense	-	291
Net profit before income tax	1,096	8,459
Income tax expense*	212	-
Net profit after income tax	883	8,459
Share of Roaring Forties Surplus/ (Deficit) (at 50% interest)	442	4,229
Dividends received	586	4,770
Share of Roaring Forties Surplus/ (Deficit) to be accounted through equity accounting in the Statement of Comprehensive Income	(144)	(541)
Change in tax temporary differences	-	-
Share of gain on disposal before income tax	22,096	13,365
Tax on gain on sale of investments	(413)	(122)
Share of gain on disposal after income tax	21,683	13,243
Profit/(loss) after tax from discontinued operations	21,539	12,702
Tax expenses relating to discontinued operation	519	(122)

*Roaring Forties Energy is a limited partnership, and income and expenses flowing through the partnership is not taxed at the partnership level.

Notes to the Financial Statements

Cashflows from Roaring Forties Energy Limited Partnership

The below table illustrates cash received by the Group from Roaring Forties Energy Limited Partnership

	Group 2025 \$000	Group 2024 \$000
Interest – Net	63	-
Dividends received	586	4,770
Proceeds from Disposal of Subsidiary/Joint Venture	132,144	-
	<u>132,793</u>	<u>4,770</u>

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.

Other information

Te tāpiri pārongo

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Collaboration across councils and mana whenua

Council participates in relevant shared service arrangements via the Southland Triennial Agreement and a Memorandum of Understanding with the other local authorities locally and nationally. There are a variety of other collaborative arrangements in place with local councils and mana whenua.

The following are examples of some of those collaborations.

Building Control

Eleven building control authorities (BCAs) – Southland District Council, Invercargill City Council, Gore District Council, Clutha District Council, Dunedin City Council, Central Otago District Council, Mackenzie District Council, Queenstown Lakes District Council, Timaru District Council, Waimate District Council and Waitaki District Council – continue to work closely together on building control matters under the Southern Cluster Building Group, sharing information and exchanging staff to support each other at busy times.

These BCAs meet regularly both as a BCA managers' group and a quality assurance leaders' group under the Southern Building Controls Group. They have developed a collaborative environment for consistency in processes as well as shared regulation forms and continuous improvement ideas.

The networking and engagement of these collaboration groups helps to standardise the consent processing methodology and quality assurance processes, improving the communities' experiences when working with a variety of councils in the South Island.

Emergency Management

Emergency Management Southland (EMS) is a shared service provided by Invercargill City Council, Southland District Council, Gore District Council, and Environment Southland. EMS plays a vital role in building community resilience by strengthening preparedness, response, and recovery capabilities across the region. This includes public education initiatives, emergency response planning, and the delivery of targeted training to ensure a well-prepared pool of personnel across councils and partner agencies.

In 2024/2025, Southland did not experience any major emergencies that required full activation of the Emergency Coordination Centre (ECC). However, EMS responded to several smaller events, including a magnitude 6.8 earthquake and tsunami, as well as flood monitoring.

To support emergency readiness across councils and partner agencies, EMS delivered over 40 training sessions, including CIMS4, foundation, and induction courses during the year. Collaboration remained a key focus, with EMS facilitating 20 stakeholder engagement sessions throughout the year. These included meetings

with the Emergency Services Coordination Committees, Fiordland Hazard Working Group, and Welfare Coordination Group. A significant development was the continued success of the Mana Whenua Emergency Facilitator role, piloted in partnership with Ngāi Tahu and Te Ao Mārama. The facilitator has enhanced cultural responsiveness and supported marae-based emergency planning, contributing to several inter-agency events including the Awarua Peninsula fire, the Southland earthquake and tsunami, and Otago flooding.

Regional Climate Change Working Group

Following a Regional Climate Change Hui 4 July 2022; Environment Southland, Te Ao Mārama, Gore District Council, Invercargill City Council and Southland District Council have established a regional climate change inter-agency working group (RCCWG). This governance-level group has been meeting regularly since February 2023. The purpose of this working group is to effectively and collaboratively progress and communicate a joined-up approach to developing and executing a regional climate change strategy and framework for action for Murihiku Southland. This is a key step towards Murihiku Southland mitigating and adapting to the regional impacts of climate change.

The development of the Regional Climate Change Strategy by the RCCWG was approved by all agencies between August and October 2024. Subsequent to this, the RCCWG have been developing the first Regional Framework for Action which has aggregated all of the planned individual climate change actions from across the agencies and identified leading agencies on various projects.

While this working group is not a formal joint committee and does not have formal delegations; as the work progresses, it is expected to feed into the regionally co-ordinated approach to climate adaptation and spatial planning for the region.

Information Technology

The IT Shared Services Operations Sub-Committee has undertaken activity during the past 12 months to align the operations of member councils and provide a more collaborative and connected platform moving forward.

Collaboration and communication between all participating councils remain strong, with each member freely sharing their council's technology journey,

Other Information

upcoming projects, and opportunities to align services. The councils continue to support each other with information on emerging trends, risks, and resolutions to new issues.

- One Shared Services initiative during the past year was the SouthMaps project. This work is partially a replacement for Environment Southland's Public Beacon platform, SouthMaps also incorporates information and shared maps that aggregate data from all the Southland Councils to give a combined dataset for users. SouthMaps has been designed to complement Great South's DISH site, but for Geospatial data. It is intended to host more shared maps/data as time progresses. This project is looking to be released publicly in September 2025.

Te Rōpu Taiao

The Southland councils have a long-standing and highly valued relationship with Ngāi Tahu ki Murihiku through the four Southland papatipu rūnanga, Te Ao Mārama Inc (the entity representing Southland rūnanga for resource management and local government matters) and Te Rūnanga o Ngāi Tahu (the iwi authority).

The Councils continued to fund and support Te Ao Mārama Inc during the 2024-25 year in order to meet statutory obligations and also ensure that Mana Whenua perspectives are incorporated into workstreams. The four papatipu rūnanga and the participant councils also continued to meet through Te Rōpu Taiao hui, which allow for exchange of information and identification of opportunities to work together.

The Charter of Understanding is the primary document that sets out how the relationship functions between Te Ao Mārama Incorporated and the four councils. It was first signed in 1997 and has recently been reviewed and is in the process of being re-signed.

SouthLib Library Consortium

In 2009, all eight councils in Otago and Southland (Central Otago District Council, Clutha District Council, Dunedin City Council, Gore District Council, Invercargill City Council, Southland District Council, Queenstown Lakes District Council and Waitaki District Council) signed a historic memorandum of understanding to collaborate in the delivery of public library services across the two regions.

The SouthLib consortium provides free reciprocal membership of any public library in the Otago and Southland regions to permanent residents living anywhere in the regions. This means that the more than 356,000 people living in Otago and Southland have free access to 42 public library branches, mobile services and a collection of more than 1.5 million items.

All libraries in the consortium are mostly fine-free largely due to a Public Libraries of New Zealand (PLNZ) campaign in 2022 to help all public libraries remove late fees. Fine Free Aotearoa is a step-by-step guide to help library managers, council members, and communities build a better and brighter future through engagement with their local library. Public libraries are a valuable part of our social infrastructure, a place to be connected, to learn, to access trusted information, and a platform to ensure our communities get the best out of life. Going fine-free opens doors for everyone, not just those who can afford it.

A range of opportunities and collaborations between the districts regularly take place, including integrated holiday and reading programmes, while requests and holds are able to be placed across boundaries. Authors' visits are co-ordinated to minimise costs, travel and accommodation.

Councils continue to subscribe to the shared library management and resources discovery service of the Kōtui consortium. As part of the Kōtui consortium, library managers and staff benefit from access to reliable future-proofed systems, and the ability to easily build resource-sharing networks with other Kōtui public libraries for their physical resources. Other benefits of Kōtui membership include training opportunities, seven-day service desk support from a specialist team, and an active and supportive membership community.

Communities that have access to Kōtui libraries benefit from resource discovery tools at their fingertips, making it easy to find what they want in their library's physical and electronic collections. Library users can search these resources in the library, at home or on their smartphone devices, making the service convenient and adaptable to the wide variety of needs of the community.

Regional Development

At the end of June 2023, Great South (the Southland Regional Development Agency) launched the Beyond 2025 Southland Regional Long-term Plan which outlines a regional vision for Southland creating a shared future vision and pathway for the region. In October 2023, the Plan was recognised at the Economic Development New Zealand Best Practice Awards being awarded Best Practice for Integrated Strategy.

During 2024-25 Great South continued implementing the recommendations within Beyond 2025 specifically, the housing forum, Digital Insights Southland Hub (DISH) and the Southland Aquaculture Strategy were all progressed.

Regional Planning

The Southland councils have continued collaborating on regional planning processes through the Second Tier Environmental Group and Regional Planning Managers Group (comprising staff from Environment Southland,

Other Information

Invercargill City Council, Southland District Council, Gore District Council, Te Ao Mārama Inc. and Great South). These groups have met to identify, collaborate and co-ordinate on planning risks and opportunities that are likely to impact on the region. The work has primarily focused on meeting legislative requirements and aligning RMA planning processes.

With a host of government reform occurring the last 12 months the group has not been meeting regularly. However, now that there is more clarity about the direction of the reform there are renewed opportunities to collaborate on environmental management opportunities.

A co-ordinated approach to regional spatial planning in the region was explored in 2023-24 year but did not progress. Regional spatial planning has been identified as being one of the key elements of the new planning system and it is necessary to look at all options to delivery this work in an integrated way.

Future challenges

- Council accommodation options and potential shared services.
- Legislative reform (Resource Management, Local Water Done Well, Fast Track Approvals, local government review etc).
- Natural hazard risks, climate change adaptation and ensuring a resilient community.
- Community aspirations for freshwater and estuary health.
- Urban growth and expansion.
- Unlocking economic growth within the region.

Other Information

Glossary

BCA	Building Consent Authority
CCOs	Council Controlled Organisations
CCTOs	Council Controlled Trading Organisations
CGU	Cash Generating Unit
Council	Invercargill City Council
COVID-19	2019 Novel Coronavirus Global pandemic
Cr	Councillor
DIA	Department of Internal Affairs
DRC	Depreciated replacement cost
ECL	Expected credit loss
EIL	Electricity Invercargill Limited
EOC	Emergency operations centre
EMS	Emergency Management Southland
ERL	
ETS	Emissions trading scheme
Exchange revenue	Revenue from providing goods and services to another entity and directly receiving approximately equal value in exchange
FAP	Financial assistance package
FDA	Financial delegation authority
FRS	Financial reporting standard
FVOCRE	Fair value through other comprehensive revenue or expenses
Group	As outlined in Group Structure section of the Annual Report
GST	Goods and services tax
IANZ	International Accreditation New Zealand
IAL	Invercargill Airport Limited
ICC	Invercargill City Council
ICL	Invercargill Central Limited
ICHL	Invercargill City Holdings Limited
ICPL	Invercargill City Property Limited
IPSAS	International Public Sector Accounting Standards
ISP	Internal service providers
ILT	Invercargill Licencing Trust
LGFA	New Zealand Local Government Funding Agency Limited
LIMs	Land Information Memorandums
LOS	Level of service
LTP	Long Term Plan
KPI	Key Performance Indicators
MBIE	Ministry of Business, Innovation and Employment
MLT	Mataura Licencing Trust
MOU	Memorandum of Understanding
NABERSNZ	National Australian Built Environment Rating System New Zealand
NBS	New building standard
Non exchange revenue	Revenue from transactions that are not exchange transactions
NPS	National policy statement
NZ GAAP	General accepted accounting practice in New Zealand
NZ IAS	New Zealand equivalent to International Accounting Standard
NZ IFRS	New Zealand equivalents to International Financial Reporting Standards
NZLGIC	New Zealand Local Government Insurance Corporation
NZTA	New Zealand Transport Agency
NZTE	New Zealand Trade and Enterprise
NZU	New Zealand Emissions Units
NZX	New Zealand Stock Exchange
ORDC	Optimised depreciated replacement cost

Other Information

PBE	Public benefit entity
PIM	Project Information Memorandum
RFID	Radio frequency identification
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SOI	Statement of Intent
SoRDS	Southland Regional Development Strategy
Vested assets	Assets received by Council for no consideration
WIP	Work in progress
WINZ	Water Information New Zealand
XRB	External Reporting Board





11 November 2025

Councillors
Invercargill City Council
101 Esk Street
Invercargill 9840

Dear Councillors

Representation Letter from Management to Council for the year ended 30 June 2025

This representation letter is provided by Council management in connection with the Annual Report audit of the Council Group, carried out on behalf of the Auditor-General, including the financial statements of Council and group and statement of service performance for the year ended 30 June 2025. The purpose of this letter is to provide additional assurance to Councillors to support the letter of representation from the Mayor and Chief Executive to Audit New Zealand for the purpose of expressing an independent opinion about whether:

- the financial statements:
 - present fairly, in all material respects:
 - the financial position as at 30 June 2025; and
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City's annual plan.
- the statement of service performance:
 - presents fairly, in all material respects, the City Council and group's levels of service for each group of activities for the year ended 30 June 2025, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand.
- The statement about capital expenditure for each group of activities presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long-term plan.
- the funding impact statement for each group of activities presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds

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were applied as compared to the information included in the City Council's Long-term plan.

We understand that the audit was carried out 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.

We understand that, because Audit New Zealand will be issuing a non-standard audit report, the Auditor-General has the responsibility to refer to that audit report in a report to Parliament in accordance with section 20 of the Public Audit Act 2001.

General Responsibilities

To the best of our knowledge and belief:

- the resources, activities, and entities under our control have been operating effectively and efficiently;
- Council has complied with our statutory obligations including laws, regulations, and contractual requirements;
- Council has carried out our decisions and actions with due regard to minimising waste;
- Council has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

It is also acknowledged that management have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the City Council and group) to prevent and detect fraud or error, and which enables the preparation of the financial statements and the statement of performance that are free from material misstatement whether due to fraud or error.

Representations on the Financial Statements and the Statement of Service Performance

With the exception of the matter in the audit opinion for which Audit New Zealand intends to qualify, we confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements and statement of service performance, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements and the statement of service performance as required by the Local Government Act 2002 and, in particular, that:
 - the financial statements:
 - present fairly, in all material respects:
 - the financial position of the City Council and group as at 30 June 2025; and
 - the financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
 - the statement of service performance:

- presents fairly, in all material respects, the City Council and group's levels of service for each group of activities for the year ended 30 June 2025, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand.
- the funding impact statement presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan;
- the statement about capital expenditure for each group of activities presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long-term plan;
- the funding impact statement for each group of activities presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan;
- Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report;
- Council have made the disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations) 2014;
- we believe the methods, significant assumptions, and data used in making and supporting accounting estimates and the related disclosures in the financial statements and statement of service performance are appropriate to achieve recognition, measurement, or disclosure that is in accordance with Public Benefit Entity Reporting Standards;
- Council have appropriately accounted for and disclosed related party relationships and transactions in the financial statements;
- Council have adjusted or disclosed all events subsequent to 30 June 2025 that require adjustment or disclosure;
- we believe the effects of uncorrected misstatements are immaterial, both individually or in the aggregate, to the financial statements and statement of service performance as a whole (a list of the uncorrected misstatements is attached as Appendix 1 to this representation letter);
- we believe the effects of uncorrected disclosure deficiencies, including both omitted and incomplete disclosures, are quantitatively and qualitatively immaterial, both individually or in aggregate, to the financial statements as a whole. (A list of uncorrected disclosure deficiencies is attached as Appendix 2 to this representation letter);
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Benefit Entity Reporting Standards.

Representations about the Provision of Information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- Council has provided Audit New Zealand with:
 - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements and the statement of service performance; and
 - unrestricted access to persons within the City Council and group from whom Audit New Zealand determined it necessary to obtain audit evidence;
- we have disclosed to Audit New Zealand the results of our assessment of the risk that the financial statements and statement of service performance may be materially misstated as a result of fraud;
- we have disclosed to Audit New Zealand all information in relation to fraud or suspected fraud that we are aware of and that affects the City Council and group and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements and statement of service performance;
- we have disclosed to Audit New Zealand all information in relation to allegations of fraud, or suspected fraud, affecting the City Council and group's financial statements and statement of service performance communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to Audit New Zealand all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements and the statement of service performance, including possible non-compliance with laws for setting rates;
- we have provided Audit New Zealand with all the other documents ("other information") which will accompany the financial statements and the statement of service performance which are consistent with one another, and the other information does not contain any material misstatements; and
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware.

Publication of the Financial Statements and Statement of Service Performance and Related Audit Report on a Website

The Council accepts that it is responsible for the electronic presentation of the audited financial statements and statement of service performance.

The electronic version of the audited financial statements and statement of service performance and the related audit report presented on the website are the same as the final signed version of the audited financial statements and statement of service performance and audit report.

We have clearly differentiated between audited and unaudited information on the website and understand the risk of potential misrepresentation without appropriate controls.

We have assessed the security controls over audited financial and statement of service performance and the related audit report and are satisfied those procedures are adequate to ensure the integrity of the information provided.

Where the audit report on the full financial statements and statement of service performance is provided on a website, the financial statements and statement of service performance are also provided in full.

Going Concern

We confirm that, to the best of our knowledge and belief, the City Council and group has adequate resources to continue operations at their current level for the foreseeable future. For this reason, the Council continues to adopt the going concern basis of accounting in preparing the financial statements and the statement of service performance for the year ended 30 June 2025. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the City Council and group during the period of one year from 11 November 2025, and to circumstances that we know will occur after that date which could affect the validity of the going concern assumption.

We consider that the financial statements and the statement of service performance adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the City Council and group.

Sign-off on these Representations

These representations are made at the request of Audit New Zealand, and to supplement information obtained by Audit New Zealand from the records of the City Council and group and to confirm information given to Audit New Zealand orally.

Yours Sincerely



Patricia Christie
Group Manager – Finance and Assurance



11 November 2025

Athol Graham
Appointed Auditor
Audit New Zealand
PO Box 2
Christchurch

Dear Athol

Representation letter for the year ended 30 June 2025

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Invercargill City Council and group and statement of service performance for the year ended 30 June 2025 for the purpose of expressing an independent opinion about whether:

- the financial statements¹ of the Council:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the Council's statement of service performance for the year ended 30 June 2025:
 - provides an appropriate and meaningful basis to enable readers to assess the Council's actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand;
 - fairly presents, in all material respects, the Council's actual levels of service for each group of activities, including:

¹ Prepared under clause 29 of Schedule 10 to the Act and required to be audited.

- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities of the Council for the year ended 30 June 2025, has been prepared, in all material respects, in accordance with clause 24 of Schedule 10 to the Act;
- the funding impact statement for each group of activities of the Council for the year ended 30 June 2025 has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act;
- the funding impact statement of the Council for the year ended 30 June 2025, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10 to the Act.

We understand that you are also required to report on:

- whether the Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We understand that your audit was carried out 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.

We understand that, because you will be issuing a non-standard audit report, the Auditor-General has the responsibility to refer to that audit report in a report to Parliament in accordance with section 20 of the Public Audit Act 2001.

General responsibilities

To the best of our knowledge and belief:

- the resources, activities, and entities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations, and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;

- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the City Council and group to prevent and detect fraud or error, and which enables the preparation of the financial statements and the statement of performance that are free from material misstatement whether due to fraud or error.

Representations on the financial statements and the statement of service performance

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements and statement of service performance, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements and the statement of service performance as required by the Local Government Act 2002 and, in particular, that:
- the financial statements of the Council:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the Council's statement of service performance for the year ended 30 June 2025:
 - provides an appropriate and meaningful basis to enable readers to assess the Council's actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand;
 - fairly presents, in all material respects, the Council's actual levels of service for each group of activities, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and

- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards;
- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities of the Council for the year ended 30 June 2025, has been prepared, in all material respects, in accordance with clause 24 of Schedule 10 to the Act;
- the funding impact statement for each group of activities of the Council for the year ended 30 June 2025 has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act;
- the funding impact statement of the Council for the year ended 30 June 2025, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10 to the Act.
- Council has complied with the information disclosure requirements of Schedule 10 of the Act that apply to the annual report;
- Council disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations) 2014 are complete and accurate;
- we believe the methods, significant assumptions, and data used in making and supporting accounting estimates and the related disclosures in the financial statements and the statement of service performance are appropriate to achieve recognition, measurement, or disclosure that is in accordance with Public Benefit Entity Reporting Standards;
- we have appropriately accounted for and disclosed related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to 30 June 2025 that require adjustment or disclosure;
- we are aware that you have not identified any misstatements to the financial statements and the statement of service performance during the course of your audit that have not been adjusted;
- we believe the effects of uncorrected disclosure deficiencies, including both omitted and incomplete disclosures, are quantitatively and qualitatively immaterial, both individually or in aggregate, to the financial statements as a whole; and
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Benefit Entity Reporting Standards.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
 - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements and the statement of service performance; and
 - unrestricted access to persons within the City Council and group from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements and the statement of service performance may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the City Council and group and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements and the statement of service performance;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the City Council and group's financial statements and statement of service performance communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements and the statement of service performance, including possible non-compliance with laws for setting rates;
- we have provided you with all the other documents ("other information") which will accompany the financial statements and the statement of service performance which are consistent with one another, and the other information does not contain any material misstatements; and
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware.

Publication of the financial statements and the statement of service performance and related audit report on a website

The Council accepts that it is responsible for the electronic presentation of the audited financial statements and the statement of service performance.

The electronic version of the audited financial statements and the statement of service performance and the related audit report presented on the website are the same as the final signed version of the audited financial statements and the statement of service performance and audit report.

We have clearly differentiated between audited and unaudited information on the website and understand the risk of potential misrepresentation without appropriate controls.

We have assessed the security controls over audited financial and the statement of service performance and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.

Where the audit report on the full financial statements and the statement of service performance is provided on a website, the financial statements and are also provided in full.

Going concern

We confirm that, to the best of our knowledge and belief, the City Council and group has adequate resources to continue operations at their current level for the foreseeable future. For this reason, the Council continues to adopt the going concern basis of accounting in preparing the financial statements and the statement of service performance for the year ended 30 June 2025. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the City Council and group during the period of one year from 11 November 2025, and to circumstances that we know will occur after that date which could affect the validity of the going concern assumption.

We consider that the financial statements and the statement of service performance adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the City Council and group.

Sign-off on these representations

These representations are made at your request, and to supplement information obtained by you from the records of the City Council and group and to confirm information given to you orally.

Yours sincerely

Tom Campbell
Mayor

Michael Day
Chief Executive

Independent Auditor's Report

To the readers of the annual report of Invercargill City Council for the year ended 30 June 2025

The Auditor-General is the auditor of Invercargill City Council (the Council) and its subsidiaries and controlled entities (together referred to as the Group). The Auditor-General has appointed me, Athol Graham, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf.

We have audited the information in the annual report of the Council and the Group that we are required to audit in accordance with the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We refer to this information as "the disclosure requirements" in our report.

Opinion on the audited information

Unmodified opinion on the audited information, excluding the statement of service performance

In our opinion:

- the financial statements on pages 129 to 217:
 - present fairly, in all material respects:
 - the Council and the Group's financial position as at 30 June 2025;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;

- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2025 on pages 42 to 101, has been prepared, in all material respects, in accordance with clause 24 of Schedule 10 to the Act;
- the funding impact statement for each group of activities for the year ended 30 June 2025 on pages 50 to 88 has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act; and
- the funding impact statement for the year ended 30 June 2025 on page 44, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10 to the Act.

Qualified opinion on the statement of service performance

In our opinion, except for the possible effects of the matters described in the “*Basis for our opinion on the audited information and disclosure requirements*” section of our report, the statement of service performance for the year ended 30 June 2025 on pages 39 to 101:

- provides an appropriate and meaningful basis to enable readers to assess the actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand; and
- fairly presents, in all material respects, the actual levels of service for each group of activities, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 to the Act for the year ended 30 June 2025; and
- the Council’s disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2025 are complete and accurate.

Date

We completed our work on 11 November 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

Basis for our opinion on the audited information and the disclosure requirements

Statement of service performance: Our work was limited in the prior year with respect to the performance measure on the average quality of ride on the sealed local road network measured by smooth travel exposure

The City Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2024 (the Rules) made by the Secretary for Local Government. These mandatory performance measures include the average quality of ride on the sealed local road network measured by smooth travel exposure. This performance measure is important because road smoothness is indicative of the quality of service provided to the community.

For the 30 June 2024 performance year, we were unable to obtain assurance over the accuracy of traffic estimate data used to calculate the performance measure, because the data was not sufficiently up to date. The actual average quality of ride on the sealed local road network in the prior year may therefore differ materially from the result reported.

As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the accuracy of reported performance for this performance measure for the year ended 30 June 2024, reported as comparative information. Our audit opinion on the statement of service performance for the year ended 30 June 2024 was modified accordingly.

This issue has been resolved for the 30 June 2025 performance year. As the limitation on our work cannot be resolved for the 30 June 2024 year, the Council's reported performance for this performance measure for the 30 June 2025 year may not be directly comparable with the 30 June 2024 performance information.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor for the audited information and the disclosure requirements 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 on the audited information and our report on the disclosure requirements.

Responsibilities of the Council for the audited information and the disclosure requirements

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing the Council and the Group's ability to continue as a going concern.

Responsibilities of the auditor for the audited information and the disclosure requirements

Responsibilities for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue a 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 this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's Long-term Plan.

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

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 audited information, 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 Council and 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 Council.

- We evaluate whether the statement of service provision includes all groups of activities that we consider are likely to be material to the readers of the annual report.
- We evaluate whether the measures selected and included in the statement of service provision for groups of activities present an appropriate and meaningful basis that will enable readers to assess the Council's actual performance. We make our evaluation by reference to generally accepted accounting practice in New Zealand.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council 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 during our audit.

Responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do 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 audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, 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 that fact. We have nothing to report in this regard.

Independence

We are independent of the Council and Group in accordance with 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)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit and our report on the disclosure requirements, we have carried out a limited assurance engagement related to the Council's debenture trust deed, which is compatible with the independence requirements.

Other than these engagements, we have no relationship with, or interests in, the Council or Group.

Athol Graham
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand