



NOTICE OF MEETING

**Notice is hereby given of the Meeting
of the Finance and Policy Committee
to be held in the Council Chamber, First Floor,
Civic Theatre, 88 Tay Street, Invercargill
on Tuesday 20 October 2026 at 2.00 pm**

Cr P M Boyle (Chair)
Mayor T Campbell
Cr A J Arnold
Cr A L de Vries
Cr G M Dermody
Cr D J Ludlow
Cr L Tou-McNaughton

MICHAEL DAY
CHIEF EXECUTIVE

Finance and Policy Committee - Public

20 October 2026 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.	
3. Public Forum	
4. Minutes of the Finance and Policy Committee Meeting held on Tuesday 18 August 2026	4
5. Rates Postponement and Remission Policy	15
5.1 Appendix 1 - Draft Rates Postponement and Remission Policy	21
6. Electronic Access Acceptable Use Policy	32
6.1 Appendix 1 - Draft Electronic Access and Acceptable Use Policy	36
6.2 Appendix 2 - Draft Electronic Access and Acceptable Use Guidelines	49
7. Acquisitions, Donations and Disposals Policy	57
7.1 Appendix 1 - Draft Acquisitions, Donations and Disposals Policy	63
8. Financial Update as at 30 September 2026	85
8.1 Appendix 1 - Fitch Affirms Invercargill City Council at 'AA+'; Outlook Negative - 06 Oct 2026	94
9. Information Services Asset Management Strategy Key Principles and Approach	103
9.1 Appendix 1 - Information Services Asset Management Strategy - Key Principles and Approach 2026	106
10. Our Council Programme Update	109
11. 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 Public Excluded Session of the Finance and Policy Committee Meeting held on Tuesday 18 August 2026
- b) Financial Update – as at 30 September 2026

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
a) Minutes of the Public Excluded Session of the Finance and Policy Committee Meeting held on Tuesday 18 August 2026	Section 7(2)(a) Protect the privacy of natural persons, including that of deceased natural persons Section 7(2)(h) Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities 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) Financial Update – as at 30 September 2026	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

**MINUTES OF FINANCE AND POLICY COMMITTEE, HELD IN THE COUNCIL CHAMBERS,
FIRST FLOOR, CIVIC THEATRE, 88 TAY STREET, INVERCARGILL ON TUESDAY 18 AUGUST
2026 AT 2.00 PM**

Present: Cr P M Boyle (Chair)
Mayor T Campbell
Cr A J Arnold
Cr A L de Vries
Cr G M Dermody
Cr D J Ludlow
Cr L Tou-McNaughton

In Attendance: Cr A H Crackett
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 M Morris – Manager – Governance and Legal
Ms R Suter – Manager – Strategy and Policy
Mr J Botting - Manager - Financial Planning
Mr B Staunton - Chief Financial Officer
Ms L Knight – Manager – Communications and Marketing
Ms A Dixon – Senior Communications Advisor
Ms R Clarke - Manager - Information Management
Mr R Hutton – Manager – Information Systems
Ms A McDowell – Corporate Planner
Ms M Tupara – Executive Support

1. Apologies

Cr R I D Bond, Cr Stewart.

Moved Cr Dermody, seconded Cr Tou-McNaughton and **RESOLVED** that the apologies be accepted.

2. Declaration of Interest

Cr Ludlow advised that he had one declaration to make during the Public Excluded session, would raise it during Public Excluded, and would leave the room while the topic was being discussed.

3. Public Forum

Nil.

4. Minutes of the Finance and Policy Committee Meeting held on Tuesday 19 May 2026

A6453442

Moved Mayor Cambell, seconded Cr Ludlow and **RESOLVED** that the Minutes of the Finance and Policy Committee held on Tuesday 19 May 2026 be confirmed.

5. Financial Update as to 30 June 2026

A6554371

Mr Bryan Staunton provided an overview of the report. He clarified the position in relation to the rates debtors total of 4.7 million as at 30 June 2026. He advised that, due to the timing of the report, the figures had been extracted in early July. He explained that once the system was rolled over at year end, any rates debts unpaid as at 30 June from the previous financial year would then show as arrears. This explained why the figure had significantly increased from the amount reported in May, and he noted that this trend had been reflected in previous years where similar figures were reported.

He also advised that the significant rates increase of approximately 7% had inflated the dollar value of rates arrears. He noted that this was important to consider when reviewing prior periods.

It was noted that there was a correction required in the sensitive expenditure section of the report noting Cr Ludlow travelled to the Zone 5 and 6 Conference. Mr Staunton's team had been advised and confirmed that that was incorrect and that those expenses were in relation to the Mayoral Task Force.

A question was raised regarding rates arrears and whether there had been an upward trend. It was advised that a graph at the bottom of page 21 demonstrated a slight upward trend over the past five years, though caution was recommended when interpreting this due to the compounding effect of the 7% rates increase. It was further advised that another graph on page 7 covered only the past three years. It was noted a slight increase over time and reiterated the impact of the recent rates increase on the dollar value of arrears.

A question was raised about understanding recent trends in rates arrears. It was advised that the red line in the graph represented the number of ratepayers in arrears. It was noted that the data had been extended back to early 2021 to provide a more complete view, and that this information would be brought back as part of the Long-term Plan.

Moved Cr de Vries, Cr Tou-McNaughton, seconded and **RESOLVED** that the Finance and Policy Committee:

1. Received the report "Financial Update as to 30 June 2026".
2. Notes the current debt and treasury position.

3. Notes the current state of Council's overall financial position.

6. Performance Report of the Year Ended 30 June 2026

A6545037

Ms Adina McDowell spoke to the Service Performance section, and Mr Jaimee Botting spoke to the Financial Performance section of the report. Ms McDowell noted that the results were still provisional and that they might change when working through the audit process in September.

It was advised that for the Solid Waste Management Activity there had been a slight improvement on the 2024/2025 performance. A correction was noted where the report stated that 50% of performance measures had been met; it should have been 40%.

A question was raised and it was advised that comments had been made when reading the report regarding performance standards not being achieved. It was noted that the storm event had impacted Council's ability to meet some targets, and that performance should also be considered in relation to areas within Council's control.

It was advised that for Splash Palace, satisfaction for 2024–2025 had landed at 65%, which was just under the target of 75%. Feedback from the survey generally praised the facility and praised staff. In terms of improvements, it was noted that the commentary reflected matters already known to Council, including upcoming changing-room upgrade work scheduled to begin shortly. It was noted that there were a significant number of comments relating to the changing-room facilities.

Moved Cr Dermody, seconded Cr de Vries and **RESOLVED** that the Finance and Policy Committee:

1. Received the report "Performance Report of the Year Ended 30 June 2026".
2. Notes that 82 of 116 (71%) of the performance measures have been achieved. This compares to 66% in Quarter Three of 2025/2026 and 71% for 2024/2025.
3. Notes that five of the 17 activities have a year-ended net operating financial performance variance lower than budget by more than 5%. This is lower than the seven reported 2024/2025.
4. Notes the performance report contains provisional results for the year and is not the draft Annual Report. Year-ended review and adjustments including selected annual asset revaluations, the inclusion of Council's share of WasteNet and various balance sheet adjustments are still to be reflected.

7. Invercargill Airport Limited and Invercargill City Holdings Limited Statement of Intents 2026/2027

A6575559

Ms Patricia Christie spoke to the report and advised that the Statements of Intent were up on the websites for both Holdings and Airport.

Moved Mayor Campbell, seconded Cr Dermody and **RESOLVED** that the Finance and Policy Committee:

1. Receives the report "Invercargill Airport Limited and Invercargill City Holdings Limited Statement of Intents 2026/2027".
2. Confirms receipt of the Invercargill Airport Limited Statement of Intent year ended 30 June 2027 and Invercargill City Holdings Limited Statement of Intent for the financial year 2027.

8. Governance, Planning and Reporting, Corporate Services, Marketing and Communications, Investments, Commercial Property and International Relations – 2027-2037 LTP Activity Planning Direction

A6559554

Ms Adina McDowell, Mr Richard Hutton, Ms Rebecca Clarke spoke to the report.

A question was raised and it was advised that item 18, relating to recording Public Excluded sessions, did not require additional operational expenditure. It was advised that if Council had chosen not to proceed, savings could have been made. It was noted that many proposals added cost, and that there had been limited discussion about what activities might stop in order to offset increases.

It was advised that while costs would be incurred, efficiencies would also have been made, and these will likely balance out over time. It was noted that Council already had the technology in meeting rooms and that recording Public Excluded minutes would not be a high-cost activity. It was further advised it was proposed that this would allow a change to non-narrative.

It was noted that there were clear additional costs associated with either undertaking or not undertaking certain activities.

Comments were made that the budgeting process was iterative, and that the next step will be reviewing non-rates revenue to understand the full picture before decisions regarding changes to levels of service are made.

It was noted that staff cannot stop activities without direction from Council through levels of service decisions.

A question was raised regarding why the process was undertaken iteratively. It was advised that this approach had been easier for both staff and councillors, given the significant time investment required.

A question was raised regarding whether Council could have taken a different approach. It was advised that the Local Government Act did not allow for that.

A question was raised regarding the Planning and Reporting Activity. It was advised that this referred to discussions during the workshop about the absence of a specific Community Development Plan. Examples such as the Bluff Tourism Plan were noted, and it was advised that Council had not resourced or undertaken such plans, particularly in light of recent reforms and local government decisions.

A question was raised regarding cumulative totals in the paper. It was advised that these had not been compiled, as some items were not rates-funded. Once revenue was included, the required rates impact could have been seen.

A question was raised regarding undertaking a Community Plan and what activities might have needed to stop. It was advised that this stage had not yet been reached.

It was noted that once recommendations had been made to Council and approved, it would have been helpful for managers to identify what could be stopped when proposing increases. It was suggested that staff consider this discipline when bringing forward proposals.

It was advised that decisions would have been made through the Long-term Plan process, and that initial drafts can be adjusted. Workshops provided direction, and once the full picture was assembled, reductions would have been made as required. Internal work on this will occur October.

Concerns were raised about the process, noting discomfort with staff presenting drafts that might later have been reduced due to affordability. It was noted that proposals tended to be additive, and that lists of activities to stop were not commonly provided.

It was advised that staff did take feedback from Council and incorporated it into their work. It was noted that staff considered whether items could have been absorbed and that this would have been addressed in the next phase of the annual budget. It was advised that efficiencies and service changes were being worked on and that managers had undertaken exercises to identify these.

A question was raised regarding Corporate Services operational expenditure and whether the additional \$120,000 related to licensing costs for the Our Council programme. It was advised that the items were separate, with software licensing sitting outside the Our Council programme. Additional licensing was not part of the programme. It was advised that reducing reliance referred to removing licences for systems such as Pay Global, document management, and enterprise asset management, consolidating into a single system. It was noted that additional software requests were emerging, including AI-related tools, which carried licensing costs, as well as increases across the Microsoft stack. A breakdown of these costs was requested for future consideration.

A question was raised regarding CCTV centralisation and whether it had been struck off the prioritisation list. It was advised that this related to CCTV in Council facilities, not city-wide CCTV.

It was noted that additional funding for Te Unua was necessary and that this was appropriate for Venues and Facilities.

Comments were made regarding the need to understand where savings could have been made. It was noted that items in the paper were critical to organisational functioning rather than discretionary. Concerns were raised about digital transformation, with a desire for confidence in the programme. A question was raised regarding document storage timeframes and disposal. It was advised that retention requirements were set by legislation, with financial and building records having different requirements. A disposal schedule existed that mapped records to retention classes.

It was noted that councils had to hold some documents in perpetuity and that digitisation carried costs for residents. It was advised that some records were rarely requested but were required by law to be retained under the Public Records Act.

Comments were made regarding the additional communications budget for Te Unua. It was noted that significant capital investment had been made over the last two Long-term Plans and that it would have been a lost opportunity not to leverage this. It was noted that the communications team had not previously needed to budget for this level of expenditure. It was also noted that other matters posed challenges from the auditor when considering reductions in service, and that decisions would have needed to be made at a governance level.

It was decided that recommendations 1–7 were moved and seconded together, and that the remaining options were considered as a Committee.

Moved Cr Ludlow, seconded Cr Tou-McNaughton and **RESOLVED** that the Finance and Policy Committee:

1. Receives the report "Governance, Planning and Reporting, Corporate Services, Marketing and Communications, Investments, Commercial Property and International Relations – 2027-2037 LTP Activity Planning Direction".
2. Notes the background appended information on planning for the Governance, Planning and Reporting, Corporate Services, Marketing and Communications, Investments, Commercial Property and International Relations Activities, including proposed changes to direct operational expenditure.
3. Notes no changes proposed to direct operational expenditure to the Planning and Reporting Activity.
4. Notes the report outlining the benefits relating to the Our Council Programme will be brought to the Committee later in 2026.
5. Notes no changes proposed to direct operational expenditure to the Investments-Treasury Activity.
6. Notes no changes proposed to direct operational expenditure to the Commercial Property Activity.
7. Notes no changes proposed to direct operational expenditure to the International Relations Activity.

Moved Mayor Campbell, seconded Cr Tou-McNaughton and **RESOLVED** that the Finance and Policy Committee:

Recommend to Council:

8. Consideration of the following items as part of the activity planning budgeting process.
 - a. Governance Activity – Agrees with the recording of public excluded meetings, to be funded from existing operational budget. Further operational savings can also be made with a move to non-narrative minutes to reduce staff time post Committee and Council meetings.

Moved Cr Tou-McNaughton, seconded Cr de Vries and **RESOLVED** that the Finance and Policy Committee:

- b. Planning and Reporting Activity - Reconsider the need for a standalone community development plan as part of the review and development of the next LTP.

Discussion took place on Recommendation 8 (C) and 8 (D), and a question was raised as to when the Committee would receive a report relating to the benefits received via the Our Council Programme. It was advised that a Benefits Realisation Report would be returned to the Committee in September/October.

Cr Boyle requested a break to discuss wording for resolutions 8 (C) and 8 (D).

Note: The Committee Meeting was paused at 3.05 pm and reconvened at 3.10 pm

Resolutions 8 (c) and 8 (d) were subject to the Chief Executive providing to Council a report on the Our Council Benefits Realisation to the September 2026 Council Meeting.

Moved Cr Dermody, seconded Cr de Vries **RESOLVED** that the Finance and Policy Committee:

- c. Corporate Services Activity – Continue the optimisation of systems, processes and information, to the end of Our Council Programme, additional \$150,000 operational expenditure per annum for 2027/2028, 2028/2029 and 2029/2030.
 - d. Corporate Services Activity – New operational expenditure required beyond the completion of Our Council programme to reduce reliance on applications outside of the core business platform, streamline systems, and enable Council to respond to changing digital needs, \$1 million operational expenditure per annum from 2030/2031 onwards.

Note: Cr Crackett left the room at 3.12 pm, returning at 3.13 pm.

Moved Cr Tou-McNaughton, seconded Cr Dermody and **RESOLVED** that the Finance and Policy Committee:

- e. Corporate Services Activity – Software licensing costs – Additional \$120,000 operational expenditure per annum.

Moved Cr Dermody, seconded Cr Tou-McNaughton and **RESOLVED** that the Finance and Policy Committee:

- f. Corporate Services Activity – CCTV centralisation – Additional \$70,500 operational expenditure per annum from 2027/2028.

A question was raised about whether it was possible to see how much these were used within the Corporate Services activity.

It was outlined that there were two significant differences between option one and option two. It was advised that the highest risk related to community-collected records; if Council was not able to hold those records, the question was where they would end up. It was noted that when people came in, Council was also looking after care records, and if Council was not doing this, the risk was who would. A supplementary question was raised regarding how the National Library might take them and what their criteria were, noting that the National Library focused on published material.

Option one was described as the base minimum, with option two providing a higher level of service.

Note: Cr Tou-McNaughton and Cr de Vries voted against this recommendation, and the matter was to be discussed further at Council.

Moved Cr Dermody, Seconded Cr Ludlow and **RESOLVED** that the Finance and Policy Committee:

- g. Corporate Service Activity – Archive and off-site records storage
 - i. **Option 1** - Minimum volume moved, additional operational expenditure of \$18,000 (2029/2030), \$105,000 (2030/2031), \$72,000 per annum thereafter.

Moved Cr Ludlow, seconded Cr de Vries that the Finance and Policy Committee:

- h. Marketing and Communications Activity - marketing and communications support for Te Unua Museum of Southland:
 - i. **Option 1** - Increase direct operational expenditure to support Te Unua Museum of Southland communications and marketing, additional \$150,000 operational expenditure per annum.

A question was raised regarding whether communications and marketing costs included staffing or were additional to staffing. It was clarified that the costs related to the delivery of communications and marketing activity, not advertising spend, which might or might not be required. It was noted that the funding was essentially for staffing or contractor support to undertake the work, and that any media spend would come through the facility budget.

A question was raised about whether a figure could be set to indicate how much was allowed. It was advised that there were two different components: staffing and an additional allocation.

Further clarification was provided on how the estimate of \$150,000 had been developed. It was noted that the figure was based on general salary spend and was not committed to a single salary, as communications and marketing roles were required across multiple specialities. Contractor support would likely be needed for marketing and social media functions.

It was noted that determining the exact requirement was difficult, as some aspects were unknown. It was suggested that identifying what was needed before requesting funding would be preferable.

It was advised that an estimate was still required for long-term planning purposes, as Council needed indicative figures for the 10-year plan. The estimate had been developed in collaboration with the museum team to determine what level of support would be required.

It was commented that the estimate appeared conservative, noting that a multi-million-dollar museum facility would require significant communications and marketing support. It was observed that the proposed funding could equate to approximately one FTE, depending on the quality of the hire, and that additional changes might be required to implement the full scope of work, including storytelling and related disciplines. This view was supported.

It was noted that the museum would be a destination facility and that it would be important to promote it rather than keep it quiet. It was further observed that the costs were intended to cover a 10-year period, although a shorter timeframe such as three to five years might be more appropriate.

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

Note: Cr Arnold voted against this recommendation.

Moved Cr Dermody, seconded Cr de Vries **RESOLVED** that the Finance and Policy Committee:

9. Resolutions 8 (c) and 8(d) are subject to the Chief Executive providing to Council a report on the Our Council Benefits Realisation to the September 2026 Council Meeting.

10. Public Excluded Session

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

- a) Minutes of the Public Excluded Session of the Finance and Policy Committee Meeting held on Tuesday 21 April 2026
- b) Financial Update – as at 30 June 2026
- c) ICHL Performance Report for Year Ended 30 June 2026
- d) Grace Street Project: Update of Underwrite Agreement

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
a) Minutes of the Public Excluded Session of the Finance and Policy Committee Meeting held on Tuesday 17 February 2026	Section 7(2)(a) Protect the privacy of natural persons, including that of deceased natural persons Section 7(2)(h) Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities 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) Financial Update – as at 30 June 2026	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	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

	carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations	
c) ICHL Performance Report for Year Ended 30 June 2026	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
d) Grace Street Project: Update of Underwrite Agreement	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 3.45 pm.

RATES POSTPONEMENT AND REMISSION POLICY

To:	Finance and Policy Committee
Meeting Date:	Tuesday 20 October 2026
From:	Bryan Staunton – Chief Financial Officer Rhiannon Suter – Manager – Strategy, Policy and Engagement
Approved:	Patricia Christie – Group Manager – Corporate Services
Approved Date:	Thursday 15 October 2026
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

This report presents a draft updated Rates Postponement and Remission Policy for approval and for recommendation to Council that it be adopted for consultation.

Recommendations

That the Finance and Policy Committee:

1. Receives the report "Rates Postponement and Remission Policy".
2. Notes that consultation is proposed to take place between 2 November and 4 December 2026.
3. Agrees, in relation to the draft Rates Postponement and Remission Policy, not to exercise its delegated powers and refer the hearings, deliberations and decisions on this Policy to Council.
4. Notes that Council will hold hearings and deliberate on this policy at Council on 26 January 2027.

Recommend to Council:

That Council:

5. Adopts the draft Rates Postponement and Remission Policy for consultation.
6. Holds the hearings and deliberations on the Policy at the meeting of Council on 26 January 2027.

Background

In accordance with s102(3) of the Local Government Act 2002, Council may adopt either or both a rates remission policy and a rates postponement policy. It is not a legal requirement to have either policy, nor are there particular restrictions on the requirements which Council may impose in order for ratepayers to qualify for such schemes, though the policy must state the objectives sought to be achieved and the conditions and criteria to be met.

However, under the Local Government (Rating) Act 2002 (LGRA), Council may only remit or postpone rates in accordance with its policy, and it is unlawful to forego rates in other circumstances, except under Sections 90A and 90B where the Chief Executive may write off outstanding rates in exceptional rare circumstances where the amount is considered unrecoverable.

Council currently has a combined policy covering both the postponement and remission of rates, last updated in 2020. These policies are required to be reviewed every six years.

Rates remission refers to the forgiveness of a ratepayer's debt. Our current policy has schemes for the remission of penalties charged for the late payment of rates, remission of rates (except certain targeted rates) for community, sporting and other organisations, remission of rates to support economic development, and remission of rates on land protected for natural, cultural or historic conservation purposes.

Rates postponement does not forgive the rates debt but instead defers the date on which rates are to be paid. A statutory land charge is registered on the property, which ensures Council gets priority payment when the property is sold. Council currently provides rates postponement for residential ratepayers experiencing extreme financial hardship, and for any ratepayer experiencing extreme financial hardship as a result of a pandemic, an epidemic or a natural disaster.

Issues and Options

Analysis – Research and Context

This policy has been reviewed against other Councils' approaches and takes into account the extent to which the various schemes have been used to date by ratepayers, as well as our particular context as a Council.

Use of the Postponement and Remission Schemes to Date

Applications for the postponement of rates have historically been and continue to be rare, with none having been completed in recent years. The conditions and criteria of the policies for rates postponement have been reviewed against those of other Councils and are not dissimilar.

Applications for remissions of penalties are more common with 69 penalty remissions being approved between 1 July 2026 to the time of writing this report, totalling approximately \$14,000. Penalty remissions are considered when there has been an administrative error (such as a rates payment allocated to the incorrect rates assessment), or when a ratepayer makes payment for the full year as set out in the Rates Remission and Postponement Policy.

Rates remissions for general rates were granted under the schemes for community, sporting and other recreational organisations, and for land protected for natural, cultural or historic purposes, to a total value of \$87,000 for the 2025/2026 financial year¹. Where applicable, these properties may be subject to targeted rates in respect of sewerage, water, refuse and sanitation.

Council also provides the option for people to be considered for a payment plan whereby they can pay off an agreed amount weekly towards their rates bill. This prevents the ratepayer incurring penalties on the unpaid amount. The number of ratepayers currently using a payment plan agreed with Council is not officially reported on but is estimated to be around 50 – 100.

Under Section 62 of the LGRA, Council has the ability to recover unpaid rates debt from the first mortgagee (commonly known as a mortgage demand). This approach requires that the mortgagee is given at least three months of notice beforehand, a period during which ratepayers have the ability to make repayments or enter into a suitable debt repayment arrangement. Council utilises this method to collect unpaid rates debt where ratepayers have not entered into a suitable debt repayment plan.

As a last resort, Council has powers under the LGRA to commence legal proceedings to recover unpaid rates, meaning if rates remain unpaid after a Court judgment is obtained, the judgment can be enforced through collection from the mortgage provider or by sale of the rating unit. This does happen from time to time, with 11 such sales having taken place since 2018. All of these were residential units, but the majority did not have people living at the property when they were sold. Every effort is made to avoid rates sales of people's residences. Additionally, under Sections 90A and 90B of the LGRA, the Chief Executive has the ability to write-off rates arrears where these are considered to be unrecoverable. This is rare, with no write-offs in the 2024/25 financial year, and \$93.40 for the 2023/2024 financial year.

Rates Affordability

Of relevance and as part of the wider rates context, it may be helpful to consider rates affordability. This is a key and significant factor for any Council, and particularly so considering the current cost of living challenges. For ICC residential ratepayers, average (mean) rates for 2026/2027 were \$3,262². Data provided by Infometrics³ shows that the average (mean) household income for Invercargill in 2026 was \$129,500. This means the average rates bill for our residential ratepayers is approximately 2.5% of household income.

Research conducted for Wellington City Council in March 2026 showed a range of rates affordability across 10 cities (though this included regional Council rates as well) from 3.5% in Auckland to 4.8% in Tauranga and Dunedin.

Additionally, the KiwiSaver provider and investment company Simplicity published research earlier this year showing that Invercargill ratepayers have one of the two cheapest local government costs per dwelling in the country, when including Council rates, regional council rates, water, and user charges.

¹ Annual Report 2025/2026

² Per Annual Plan 2026/2027 rates database

³ Infometrics, Long-term Plan forecast assumptions for Invercargill City Council, September 2026

Rates Rebate Scheme

A related matter and one useful to consider as part of the rates context is the government funded rates rebate scheme. This scheme is administered by local authorities and grants a partial discount on the rates bill for eligible ratepayers, to a maximum of \$830 per year. At this Council, we processed 2,129 rates rebates in the 2025/2026 financial year.

Eligibility criteria apply, and broadly speaking the scheme is available to residential ratepayers for the home they live in. There is an income threshold, which is increased based on how many dependents the ratepayer has living with them. Ratepayers can obtain an application form from Council or online, and provided they meet the criteria and have supplied all the required information, a rebate is provided.

Of note, the law was changed in July 2025 so that SuperGold Cardholders now have a higher income threshold for eligibility, currently \$46,400 which is about the amount received by a couple whose only income is superannuation. Those with household income above \$46,400 may also be entitled to a smaller rebate. This law change means that many more people on a pension who were not previously eligible for the rebate may now be, potentially including people who have previously enquired or applied. Members of the public are encouraged to contact Council's rates team to find out more.

Analysis - Recommended Amendments

The policy has been found to be, overall, still fit for purpose, and only minor changes are suggested.

The policy has been restructured slightly and some parts rewritten for clarity and consistency, without changing the substance of the schemes themselves. The more significant proposed changes are as follows.

Requirement to Apply for Rates Rebate

It is recommended to add a requirement that ratepayers who are eligible for the government's rates rebate scheme should apply for this first, before applying to Council to postpone their rates. In part, this is suggested as a reasonable and equitable condition to reduce the amount of rates which are owing, thereby reducing the risk to Council if a postponement were approved. It is also hoped that referring to the rates rebate scheme in this policy will be another means by which public awareness may be raised about its existence, including the changed income eligibility threshold for SuperGold Cardholders, as detailed above.

Interest Charged on Postponed Rates

The current policy states that interest will be charged on the amount postponed, calculated using the average interest rate incurred by Council on its overdraft. This is recommended to be changed to state that interest will be "based upon Council's average cost of debt per annum". Under the LGRA, Council may charge a fee on postponed rates, but this is limited to the administrative and financial costs incurred as a result of the postponement. The average cost of debt is a fairer reflection of the financial cost to Council.

Remission of Penalties

The current policy allows Council to consider remitting penalties charged for non-payment of rates. It is recommended to make two changes to the conditions of this scheme. First, additional wording has been added to clarify that, in relation to non-payment as a result of matters outside the control of the ratepayer, where Council has met its legal obligations to notify and deliver a rates assessment, it is for the ratepayer to prove that the notice or invoice was not in fact received, and that this was not through any fault on their part. In other words, a ratepayer who didn't receive their rates assessment because they forgot to update their postal or email address will not be able to apply for a penalty remission. This is in line with the LGRA and has been added to provide clarity for ratepayers.

The second recommended addition is criteria for the remission of penalties which have been incorrectly applied, including through administrative errors. For example, if a payment was allocated to the wrong property because the wrong reference number was used. The ratepayer must have made the payment on time, but it is recommended that simple mistakes are a reasonable ground to allow penalties to be remitted. It should be noted that this process is currently already in place and managed by the Senior Rates Officer, however it is not formally documented in Council's Rates Postponement and Remission Policy.

Significance

The recommended changes to the policy are of low significance. However, the law requires these policies to be publicly consulted on, and this is recommended.

Options

This Committee can approve the draft policy as presented, can suggest any amendments, or can choose to revoke the policy. As noted, without an adopted policy on these matters, it is not open to Council to remit or postpone rates for any reason. Full revocation of the policy is therefore not recommended. Further changes to the policy may require additional work from staff.

Community Views

As noted, Council is required to consult on this policy, including if it were to make no changes to the existing policy, or if it were to propose to revoke it. Given the required review period, consultation is recommended to take place between 2 November and 4 December. It is recommended to promote awareness of the rates rebate scheme alongside the consultation, as well as to promote the upcoming Long-term plan consultation.

Implications and Risks

Strategic Consistency

No inconsistencies have been identified with wider Council strategy.

Financial Implications

The value of remissions as reported in the Annual Report is set out above. Given the low uptake of these policies to date, it is not anticipated that continuation of the policies as drafted will have any significant financial implications.

Legal Implications

As noted, Council may not remit or postpone rates unless it has adopted policies on this.

Climate Change

There are no particular climate change implications.

Risk

Source of risk	Mitigations	Residual risk
Potential to receive a large volume of applications for postponement or remission of rates.	Conditions and criteria must be satisfied before postponement or remission is approved. Historic trends suggest this risk is already very low.	Very low and acceptable
Cost of living pressures could lead to greater numbers of people defaulting on rates, without sufficient options if policy settings are too strict.	Policy conditions and criteria have been reviewed against other Council approaches. Alternatives also exist to assist ratepayers, such as the rates rebate scheme and payment plans.	Low and acceptable
Reputational risk if public sentiment is negative towards enforcement action on unpaid rates.	A range of options exist to prevent enforcement action being needed. Staff provide advice and assistance to ratepayers experiencing financial pressures.	Low and acceptable

Next Steps

If approved by this Committee and adopted by Council, this policy will be consulted on between 2 November and 4 December 2026, with hearings and deliberations to be conducted by Council at its meeting on 26 January 2027.

Attachments

1. Draft Rates Postponement and Remission Policy – ID 2688920



Rates Postponement and Remission Policy

DRAFT – OCTOBER 2026



Purpose and Overview

The objective of this policy is to:

- Provide ratepayers with some financial or other assistance where they might otherwise have difficulty meeting their obligations
- Address circumstances where the rating system results in anomalies in the incidence of rates
- Support the achievement of broader Council policy objectives

Council's postponement and remission policy is set out in two parts each containing a number of schemes.

Part 1. Postponement of rates for extreme financial hardship

- a. Residential properties
- b. Natural disaster or unexpected event

Part 2. Remission of rates and penalties

- a. Penalties including residential rating units
- b. Community, sporting and other organisations
- c. Economic development
- d. Land protected for natural, cultural or historic conservation purposes

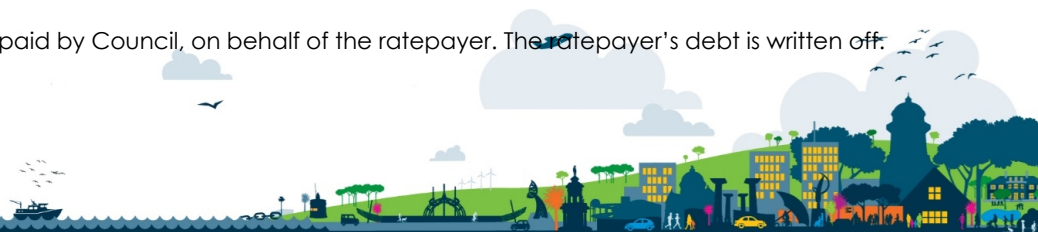
Policy Background

Section 102(3) of the Local Government Act 2002 provides that a council may have a rates postponement policy and a remission policy. This policy combines Council policies on postponement and remission.

For clarity:

Rates postponement is a mechanism which allows the ratepayer to defer the date on which the rates will be paid, but the rates still remain and continue to be a priority charge against the property.

Remission means that the rate is not paid by the ratepayer, but is paid by Council, on behalf of the ratepayer. The ratepayer's debt is written off. Remission can apply to both rates and also rates penalties.



Applications

The ratepayer or ratepayer's agent must apply to Council on the prescribed postponement or remission form. The application should show how the postponement or remission will support the objectives of the corresponding postponement or remission scheme (as outlined below), and how the property fits within the conditions and criteria.

For the rates to be postponed or remitted, Council may require evidence each year, by way of declaration or statutory declaration, to confirm that the rating unit still complies with the conditions and criteria of the scheme. Council can apply for the postponement or remission on behalf of the ratepayer, provided Council is certain that the property meets all the criteria of the scheme. Council reserves the right to seek further information if it deems it necessary.

All applications which meet the conditions and/or criteria of the relevant scheme will be considered on a case-by-case basis.

Delegation of decision-making

Decisions relating to the postponement or remission of rates payments will be made by Council officers as recorded in the Delegations Register – Chief Executive, with the exception of the remission of rates for economic development, which must be approved by the Finance and Policy Committee (or its successor).

Part 1. Postponement of Rates for Extreme Financial Hardship

General

Ratepayers who are eligible for the government's rates rebate scheme should apply for this first before applying for rates postponement.

Residential Properties

Objectives





The objective of this scheme is to assist residential ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

Conditions and Criteria

1. Only rating units used solely for residential purposes (as defined by Council) will be eligible for consideration for rates postponement for extreme financial circumstances under this scheme.
2. Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement under this scheme. The ratepayer must be the current owner of, and have owned for not less than five years, the rating unit which is the subject of the application. The ratepayer must not own any other rating units or investment properties (whether in the district or in another district).

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

Before approving an application, Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of their home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

Where Council decides to postpone rates, the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:

- The death of the ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date specified by Council.

Any postponement will apply from the beginning of the rating period in which the application is approved and will not be backdated to prior periods. Each ratepayer who has successfully applied for postponement will be the subject of review every three years.





Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative costs. The rates postponed will be charged an interest rate based upon Council's average cost of debt as published in Council's quarterly treasury report calculated on a daily basis for the period of the postponement.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy. If an applicant is to take up this option, Council will recalculate the interest charge owing on the remaining balance of postponed rates.

Postponed rates will be registered as a statutory land charge on the rating unit title. This will include any interest charged during the period of postponement. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Natural Disaster or Unexpected Event

Objectives

The objective of this scheme is to assist ratepayers who are financially disadvantaged by a natural disaster or unexpected event such as a pandemic or epidemic (hereafter referred to as the "event"). Such events have a sudden and potentially long term impact on property owners who may lose income for a period of time.

Conditions and Criteria

1. The ratepayer must be the current owner of the rating unit.
2. The ratepayer must have suffered a 20% loss of income as a result of the event.

The postponement may apply from the first rates instalment following the start of the event and extend for the following three instalments (one twelve month period in total), at the ratepayer's request. All or part of the postponed rates may be paid at any time. The applicant can choose to postpone the payment of a lesser amount of rates than the full amount that they would be entitled to postpone under this policy. The rates postponed will be charged an interest rate based upon Council's average cost of debt as published in Council's treasury report calculated on a daily basis for the period of the postponement.





A ratepayer may elect to have the postponed rate converted to a targeted rate for the repayment of the postponed rates to assist in paying postponed rates at the end of the postponement period. If a ratepayer elects to have the postponed rate converted to a targeted rate the targeted rate will be set on the basis of the amount of the rates postponed plus accrued interest at the time of the election. The targeted rate will be in place for three years, or until the property is sold. The targeted rate will be applied to reduce the postponed rates. If the ratepayer chooses not to convert to a targeted rate at the end of the postponement period the postponed rates and interest must be paid in full to Council.

The ratepayer may choose to pay off the postponed rate at an earlier time than the full postponement period.

Any postponed rates will be postponed until:

- The death of the ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date specified by Council;

At which point the postponed rates and interest must be paid in full to Council.

Part 2. Remission of Rates and Penalties

Rates Penalties

Objective

The objective of this scheme is to enable Council to act fairly and reasonably in its consideration of rates which have not been received by Council by the penalty date due to circumstances outside the ratepayer's control.

Conditions and Criteria

Council will consider remission of penalties in the following circumstances:

- Automatic remission of the penalties incurred on instalment one will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the second instalment.





- Remission of one penalty will be considered in any one rating year where payment has been late due to significant personal or family disruption. Remission will also be considered in the case of death, illness, or accident of a family member.
- Remission of a penalty will be granted if the ratepayer is able to provide evidence that their non-payment has resulted from matters outside their control. Where a rates assessment has been delivered to the ratepayer by Council in accordance with the Section 44(1) of the Local Government (Rating) Act 2002, the ratepayer must prove that it was not in fact received, and that this was not through any fault on their part.
- Remission of a penalty will be considered where a penalty is raised incorrectly on a property, including as a result of administrative errors, provided the relevant rates payment has been received by Council.

Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Community, Sporting and Other Organisations

Objective

The objective of this scheme is to facilitate the ongoing provision of not for profit community services, sporting and recreational opportunities for the residents of the district. 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.

Conditions and Criteria

This scheme applies to land owned and occupied by a community, sporting or charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.

The policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction.





The remission is set at 50% of all rates with the exception of targeted rates for water supply, sewage disposal or refuse collection. The remission for properties used for community residential purposes will be set at 100% with the exception of targeted rates for water supply, sewage disposal or refuse collection. Council will, however, decide the amount of rates to be remitted on a case by case basis.

The application for rates remission must be made to Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

Organisations making application should include the following documents in support of their applications:

- Statement of objectives; and
- Financial accounts; and
- Information on activities and programmes; and
- Details of membership or clients.

In granting remissions under this scheme Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

Economic Development

Objective

The objective of this scheme is intended to support economic development. Rates relief is tangible evidence of this commitment.

Conditions and Criteria

Council favours developments that directly or indirectly have the potential to boost employment opportunities in the district in the long term. This can be new building developments or the alteration of existing buildings. Residential development is not included in this scheme.

Specifics

- (i) The development cost should be at least \$100,000 for the following industries:
 - a. Downstream industries (e.g. forest products, aluminium, and fishing).
 - b. Industries unaffected (largely) by freight costs (e.g. high tech, information collection and distribution and education).



c. Tourism related activities.

Council also has discretion to consider applications under \$100,000 in special circumstances.

- (ii) The development cost for all other activities must be at least \$250,000.
- (iii) Rates may be remitted for up to three years and Council may impose conditions as to the completion of the development.
- (iv) Developments which in Council's opinion are in direct competition with other operational businesses will not be eligible, however relief may be granted during the construction period.

Consideration of Other Matters

Each application will be treated on its merits and Council will have regard to:

- (i) The financial advantage to the district, including job creation.
- (ii) The extent to which the viability of the development is reliant on rates relief and whether such relief would expedite the development.
- (iii) The provision of any free public amenities or public facilities (other than those required by another Act), such as public viewing areas and restrooms, landscaping and environmental improvement, fountains and outdoor sculptures.
- (iv) Other issues specific to the application including:
 - The ability of the applicant to pursue sound business practices.
 - The better utilisation of the city's infrastructural assets.
 - Promotional factors of benefit to the city.

Applications for the remission for economic development should be made at the planning stage and will be considered by the Finance and Policy Committee of Council (or its successor). In considering applications Council may decide to seek independent verification of any information provided on an application.

Council will decide what amount of rates will be remitted on a case by case basis. For the purposes of this part of the policy, a project will be viewed as having commenced when a building consent is issued.

In granting remissions under this scheme Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.



Land Protected for Natural, Cultural or Historic Conservation Purposes

Objective

The objective of this scheme is to preserve and promote natural resources and heritage to encourage the protection of land for natural, cultural or historic purposes.

Conditions and Criteria

Ratepayers who own rating units which have some feature of natural, cultural or historic heritage which is voluntarily protected may qualify for remission of rates under this scheme.

This scheme applies only to property over which a protection order or covenant has been issued under the following Acts:

Section 6	Historic Places Act 1993
Section 39	Heritage New Zealand Pouhere Taonga Act 2014
Section 22	Queen Elizabeth the Second National Trust Act 1977
Sections 76 and 77	Reserves Act 1977
Section 27	Conservation Act 1987

Land that is non-rateable under Section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, sewage disposal or refuse collection will not qualify for remission under this scheme.

Applications should be supported by documentary evidence of the protected status of the rating unit (e.g. a copy of the covenant or other legal mechanism).

Remissions may be granted subject to conditions. Applicants will be required to agree in writing to any conditions and to pay any remitted rates if the conditions are violated.



Document Control

Revision History:

Effective Date:

Review Period:

This Policy will be reviewed every six (6) years, unless earlier review is required due to legislative changes, or is warranted by another reason requested by Council.

New Review Date:

Associated Documents / References:

Supersedes:

Rates Remission and Postponement Policy (A2987167)

Reference Number:

2688920

Policy Owner:

Chief Financial Officer

Policy Training:

Financial Management Team
Rates Officers

DRAFT



ELECTRONIC ACCESS ACCEPTABLE USE POLICY

To:	Finance and Policy Committee
Meeting Date:	Tuesday 20 October 2026
From:	Richard Hutton – Manager – Information Services Rhiannon Suter – Manager – Strategy, Policy and Engagement
Approved:	Patricia Christie – Group Manager – Corporate Services
Approved Date:	Wednesday 7 October 2026
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

This report presents a draft Electronic Access Acceptable Use Policy for approval, and recommendation to Council for adoption.

Recommendations

That the Finance and Policy Committee:

1. Receives the report “Electronic Access Acceptable Use Policy”.
2. Approves the draft Electronic Access Acceptable Use Policy as presented.

Recommend to Council:

3. To adopt the Electronic Access Acceptable Use Policy.

Background

The Electronic Access Acceptable Use Policy was last reviewed in 2023. Since then, Council's digital operating environment has undergone significant changes that are not addressed in the current policy, especially relating to cyber security measures.

It is essential that employees, Elected Members, Mana whenua representatives, contractors, and temporary staff who have access to Council's electronic systems (referred to as “users”) are kept up to date about their responsibilities for the correct and secure use of Council's digital systems, applications, services and software.

Issues and Options

Analysis

Local government is increasingly using digital technologies to manage and deliver services to the public. Such reliance involves significant risk if the integrity and security of systems are not maintained, including service disruption, personal data breaches, erosion of public trust and reputational damage.

Like other public organisations, Council is not exempt from cyber threats. Council continues to regularly encounter common threats such as phishing emails, attempts to steal or misuse staff credentials, malicious links and attachments, and automated attempts to gain unauthorised access to internet-facing systems. Security controls, monitoring and staff vigilance have helped to detect, and block attempted compromises before they could result in a breach. These threats demonstrate the continuing need for strong safeguards and responsible user behaviour.

Since 2023, Council has introduced new measures to mitigate potential cyber security threats in line with good practice identified by the National Cyber Security Centre. New measures include strengthened user access controls, enhanced user identity authentication, and use of multi factor authentication. The required use of these measures is described in the draft policy.

Further, the current policy does not address new approved digital resources that users may now routinely use such as collaboration platforms (e.g. Microsoft Teams), cloud storage services, and Software as a Service (SaaS) where applications are delivered through a cloud service provider. The draft policy outlines the new approved digital resources and their correct use.

A key vulnerability in any digital system are the users themselves who may inadvertently expose Council's technology resources to external security threat. It is therefore essential that users understand and are accountable for ensuring they use systems and approved technologies responsibly and securely. Accordingly, the draft policy requires users to sign an acknowledgement that they have read, understood and agree to comply with the policy and guidelines.

The draft policy will be supported by a set of guidelines for users which provide detailed digital risk mitigation measures, and further detailed examples and explanations. A copy of the guidelines is provided for information. A training plan is in development to support implementation of the policy. Training will focus on users' responsibilities when using Council information and technology, including protecting sensitive information, recognising cyber security threats, using Council systems appropriately, and understanding how to report security incidents. Practical examples and real-world scenarios will be used to help users understand how these responsibilities apply in their day-to-day role.

The draft policy is also to be read in conjunction with a number of existing Council policies, including the Artificial Intelligence (AI) Use Policy, Information Management Policy, and Privacy Policy. The draft Electronic Access Acceptable Use Policy does not supersede or replace those policies but is to apply alongside them. As part of this review, potential minor amendments to other policies have been identified and these will be explored and actioned where needed.

Significance

This is an internal, procedural policy. The policy is not considered significant under the Significance and Engagement Policy. It is presented to Council because it affects Councillors and Mana whenua representatives.

Options

This committee can choose to approve and recommend the draft policy as presented, or it may suggest changes. Any specific changes may require further work by staff.

Community Views

As noted, this policy is not considered significant and consultation is not recommended.

Implications and Risks

Strategic Consistency

There are no identified areas of inconsistency with existing Council strategy or policy. This policy supports the efficient and secure delivery of services. Generative AI was used as part of the initial drafting and research for this policy, and all outputs have been thoroughly reviewed by staff in line with the Artificial Intelligence (AI) Use Policy.

Financial Implications

There are no particular financial implications. The various systems described in the draft policy are maintained within existing budgets.

Legal Implications

There are no particular legal implications. There are legal issues relating to privacy and public records and this policy supports ongoing compliance with those legal obligations, and the management of risk in relation to the same.

Climate Change

There are no particular implications for climate change.

Risk

This policy is a significant tool to manage and mitigate the risks associated with the use of Council's systems and technology resources by authorised users.

Next Steps

If the policy is approved and ultimately adopted by Council, an implementation plan, including internal training for staff, will be finalised and actioned.

Attachments

1. Draft Electronic Access and Acceptable Use Policy – ID 11294262
2. Draft Electronic Access and Acceptable Use Guidelines – ID 11294275



Electronic Access Acceptable Use Policy

DRAFT – OCTOBER 2026



Purpose

This policy governs the appropriate access to, and use of, Council's information technology resources, electronic systems, digital platforms and information assets.

This includes, but is not limited to:

- Council networks and internet access
- Email and electronic communications
- Microsoft 365, Teams, SharePoint and collaboration platforms
- TechnologyOne and other business systems
- Cloud services and Software as a Service applications
- Artificial Intelligence (AI) and generative AI tools
- Mobile phones, laptops, devices, and tablets
- Remote access services
- Printers, photocopiers and other electronic equipment
- Social media and online services used for Council business
- Operational technology systems, including SCADA, telemetry and process control systems

The purpose of this policy is to ensure Council's technology and information resources are used securely, responsibly, and lawfully to reduce cyber security, privacy, legal, operational and reputational risk; protects Council information, supports effective service delivery, and maintains public trust.





Scope

This policy applies to all Council employees, Elected Members, contractors, temporary staff and third parties who are authorised to access or use Council systems, information, devices, networks or digital services, referred to individually as "user".

This policy must be read in conjunction with the supporting **Electronic Access Acceptable Use Guidelines**, and all other relevant Council policies, including but not limited to:

- Artificial Intelligence (AI) Use Policy
- Information Management Policy
- Privacy Policy
- Media and Social Media Policy
- Procurement Policy

Users must also refer to relevant documents for their position, including employment agreements, the Code of Conduct for Elected Members, and contracts for service.

Definitions

Cloud services - services delivered over the internet that store, process, or provide access to applications and data hosted by a third-party provider. These include online applications and platforms accessed through a web browser or mobile app, such as Trello and Miro.

Council - Invercargill City Council.

Council information - any information created, received, stored, processed or transmitted by Council, regardless of format or location.

Elected Member – per the Invercargill City Council Code of Conduct, this includes all elected and appointed members of Council, the Bluff Community Board, committees, sub-committees, and Mana Whenua representatives.

LGOIMA - the Local Government Official Information and Meetings Act 1987.





MFA - Multi-Factor Authentication, a security measure that requires two or more forms of identification, such as a password and a verification code, to access a system or service.

Network - a connected system of devices, equipment, and communication services that enables the transmission, sharing, and access of data, applications, and information.

Personal information - has the meaning given in the Privacy Act 2020.

Personal device – a mobile phone, tablet, laptop, or other similar device that is owned by an individual and not owned, leased, issued, or managed by Council.

SaaS - Software as a Service, software provided and accessed online through a third-party service provider rather than installed and managed on Council systems.

Operational Technology – electronic systems, equipment, devices and networks used to monitor, control or operate physical infrastructure, facilities, plant, equipment or service-delivery process. This includes SCADA, telemetry and process-control systems.

User Key Requirements

Council technology resources are provided to support Council business, service delivery and statutory functions. Below are the key requirements of users to ensure the integrity and security of Council technology resources, and to mitigate operational, financial, legal and reputational risk. Each key requirement is explained further in the corresponding sections. Additional guidance and examples can be found in the Electronic Access and Acceptable Use Guidelines.

Users must:

- Use Council systems and information responsibly, securely, professionally and lawfully.
- Use only approved technologies, accounts, services, integrations and use cases for Council business.
- Store, process and share Council information using approved Council systems and services to protect from unauthorised access, loss, misuse, disclosure or destruction.
- Ensure all electronic communications are professional, accurate and appropriate.
- Access only the systems, information and functions required for an authorised purpose and for no longer than required.
- Use and keep confidential controls to ensure user authentication and system security including passwords/phrases, PINs, encryption, MFA, biometrics, and other controls.
- Immediately report suspected cyber security or technology incidents to Information Services, privacy incidents to the Privacy Officer, and information management incidents to Information Management.
- Be accountable for actions taken using their account, device, approval or delegated authority.





Electronic Communications and Internet Access

Council's email, electronic communication systems, and internet access are provided primarily for Council business.

Limited personal use is permitted, provided it is reasonable, appropriate, lawful and does not interfere with work responsibilities, impact system performance or consume excessive Council resource, involve personal commercial activity, or bring Council into disrepute.

Users must exercise caution with downloads, browser prompts, external links, websites and online forms; and must not register for online services, free trials or subscriptions using Council credentials unless approved.

Users must not access, download, upload, view or distribute content that is unlawful, offensive, harmful, or otherwise inappropriate for a workplace.

Users must take reasonable precautions when accessing Council systems remotely, including when using public or shared networks, and must comply with Council remote access and security requirements.

Access, Identity and Authentication

Access control

Access to Council systems and information is based on documented business need, least privilege access, and separation of duties. Users must access only the systems, functions and information they are authorised to use. Users must not attempt to access or interfere with any Council system outside of their authority, by any means.

Access must be changed or removed promptly when a user's role, contract, duties or business need changes. Temporary, contractor and guest access must have an accountable sponsor, an expiry date, and periodic review.

Approved shared mailboxes, functional accounts, and service accounts may be used only where there is an accountable owner, named authorised users, appropriate logging, secure credential management, and periodic review.





Council may suspend, restrict, disable or remove user access to systems, devices or information where required to protect Council systems, information or operations.

Passwords, authentication and MFA

All confidential information such as passwords, codes, security keys and similar must be kept confidential and must not be shared with anyone, including managers, colleagues, contractors or Information Services staff. Council passwords must not be reused on personal or third-party services.

Users must enrol in and use Council-required MFA. MFA is mandatory for remote access, externally accessible and cloud services, privileged access, and any other system designated by Information Services.

Phishing-resistant authentication, including passkeys or security keys, must be used where assigned or required. Users must not approve an MFA request they did not initiate, and must report unexpected prompts or suspected compromise immediately.

Privileged users must use separate named administrative accounts and must not use elevated privileges for routine email, web browsing or general office activity.

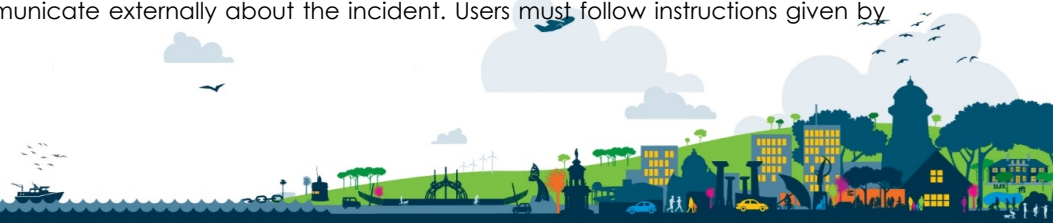
Cyber Security and Incident Reporting

Protecting Council's systems, information and digital services is a shared responsibility for all users. Users must not attempt to bypass or disable any security measures, connect any unauthorised devices, equipment or services to Council systems or networks, or introduce malware, ransomware, viruses or harmful code to Council systems or networks.

Immediate reporting requirement

Users must immediately report any suspected or actual cyber security, privacy, information-management or technology incident, including where the user is uncertain whether an incident has occurred.

Users must not delay reporting while trying to determine the cause or seriousness of an event. Unless directed by Information Services, users must not investigate, delete evidence, alter affected systems or communicate externally about the incident. Users must follow instructions given by Information Services to preserve evidence and contain harm.

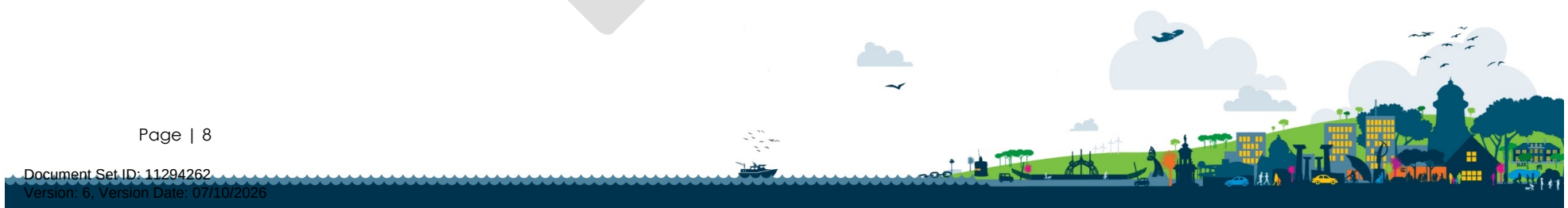




Unexpected, unusual or suspicious correspondence, links, attachments, QR codes, files and requests must be verified through a trusted channel or reported for safe review.

External notifications to affected persons and required parties are managed by authorised Council roles under the applicable incident and privacy breach procedures.

DRAFT





Software, Cloud Services and SaaS Applications

All software, SaaS applications, integrations, subscriptions or cloud services, of any description, must be licensed, reviewed, approved and authorised through Information Services and any applicable Council governance process before being used for Council business.

Software must be used strictly in accordance with supplier licence terms and Council policy. Users may only use approved software, and shall not share, install, copy or download any software unless authorised. Users must not circumvent licensing, security or access controls.

All software purchases, subscriptions and renewals must be made through approved Council procurement and Information Services processes.

Council Equipment and Devices

All Council electronic equipment and devices must be used responsibly, securely and primarily for Council business.

Users must take reasonable care of Council equipment and take steps to protect equipment and devices from loss, theft, damage or unauthorised access. Users must not lend Council equipment to family members, friends or unauthorised persons.

Users must not use removable media or external storage devices unless authorised and approved by Information Services.



Personal Devices

Personal devices must not be connected to Council networks or used to access Council systems unless approved by Information Services.

Where Council permits the use of personal devices, users must comply with all applicable security, monitoring, access and device management requirements.

Information created, received, or stored in the course of Council business on a personal device remains Council information. Such information may be subject to requests under LGOIMA, privacy law, and other legal disclosure obligations.

Users must ensure Council information is transferred to approved Council systems as soon as practicable and is not retained on personal devices longer than necessary.

Council reserves the right to remove Council access from any personal device where there is a security, operational or compliance risk.

Collaboration Platforms

Council-approved collaboration platforms, including Microsoft Teams, SharePoint and similar services, are subject to the same standards as email and other Council systems. This includes in relation to public records, information management, privacy, and LGOIMA requests.

Users must ensure collaboration spaces are used appropriately and that information is stored, shared and retained in accordance with Council and legal requirements.

External guests must only be added to collaboration platforms where there is a valid business reason and appropriate access controls are in place. Sharing permissions must be as restrictive as possible to avoid shared links (e.g. in emails and chats) being accessed by unauthorised users.

Termination, Contract End or End of Authorised Access

At the end of employment, contract, appointment, representative term or authorised access, users must return all Council equipment, information and access items, and may not retain, copy, reuse or disclose any Council information.





Council information and intellectual property created, received or accessed during the period of employment, contract, appointment or authorised access remains the property of Council.

Monitoring, Audit and Investigation

Council monitors and audits the use of its technology resources, systems, networks, devices and information. Council may investigate suspected breaches of this policy, cyber security incidents, privacy breaches, misuse of Council systems, unauthorised access, inappropriate conduct or other matters where there is a valid business, legal, operational or security reason.

Investigations will be conducted in accordance with applicable legislation, Council policies and procedural fairness requirements. Breaches of this policy may result in action being taken, depending on the nature and seriousness of the breach. For employees, this may include action under the Code of Conduct, employment agreement, disciplinary procedures or other relevant Council policies. For contractors, consultants and third parties, this may include action under contract terms, removal of access, termination of engagement or other appropriate remedies. For elected members, this may include action under applicable codes of conduct, terms of appointment, governance processes or other relevant requirements.

Council Expectations

Users are responsible for understanding and complying with this policy. Users must seek advice from Information Services, People and Capability, their manager or the relevant policy owner if they are unsure about any aspect of this policy.

Managers are responsible for supporting compliance within their teams and ensuring users understand their obligations.

Any user who becomes aware of a suspected breach of this policy must report it promptly.



Acknowledgement

Access to Council systems will require users to sign an acknowledgement that they have read, understood and agree to comply with this policy and its supporting Electronic Access and Acceptable Use Guidelines on commencement of employment, contract or appointment.

Council may also require signed acknowledgement:

- Before access is first granted.
- Following policy updates.
- As part of cyber security or compliance training.
- At any other time determined by Council.

Document Control

Revision History:**Effective Date:**

[tbc 2026]

Review Period:

This Policy will be reviewed every six (6) years, unless earlier review is required due to legislative changes, or is warranted by another reason requested by Council.

New Review Date:

[tbc 2032]

**Associated Documents /
References:**

Electronic Access Acceptable Use Guidelines, Privacy Policy, Artificial Intelligence (AI) Use Policy, Media and Social Media Policy, Information Management (IM) Policy, Flexible Working Policy, Remote Working Policy, Code of Conduct, Disciplinary Procedures

Supersedes:

Electronic Access Acceptable Use Policy 2023

Reference Number:

11294262

Policy Owner:

Manager – Information Services





Electronic Access Acceptable Use GUIDELINES

DRAFT - OCTOBER 2026



Introduction

These guidelines support and should be read alongside Invercargill City Council's (Council's) Electronic Access Acceptable Use Policy (the Policy).

The Policy sets out the requirements for users of Council's information technology resources, electronic systems, digital platforms, and information assets.

This guide has been written to provide additional explanations, examples and guidance to users, to improve understanding of the appropriate use of Council equipment and systems.

The main headings used in these guidelines are the same as those in the Policy. Refer to the Policy for definitions of particular terms.

Electronic Communications and Internet Access

Inappropriate content

Examples of content (such as emails, messages, or websites) which is unlawful, offensive, harmful, or otherwise inappropriate for the workplace include content which:

- Is abusive, threatening or offensive.
- Is discriminatory, defamatory or amounts to harassment.
- Amounts to bullying or is intimidating.
- Is sexually explicit or otherwise inappropriate for the workplace.
- Is misleading or knowingly inaccurate.
- Is unlawful or in breach of Council policy.
- Represents a threat to the security or operation of any computer system or network.
- Is or could be a breach of copyright or licensing requirements.

Access, Identity and Authentication

Access control – prohibited activities

Actions which amount to attempting to access or interfere with Council systems include the following:

- Attempting to access information or systems without authority
- Using another person's account or credentials
- Permitting another person to use their account
- Attempting to bypass security controls
- Interfering with Council networks, systems or services
- Connecting unauthorised devices or services to Council networks
- Attempting to monitor, intercept or tamper with another user's communications or files.

Confidential information

In the context of access, identity and authentication, confidential information includes the following:

- Passwords
- Passphrases
- PINs
- MFA codes
- Recovery information
- Security keys
- Authentication tokens
- Certificates

Cyber Security and Incident Reporting

Reportable events

Reportable events include:

- Phishing, suspicious messages, unexpected MFA requests or suspected social engineering.





- Malware, ransomware, virus alerts, unusual device or system behaviour, or suspected data exfiltration.
- Lost, stolen, damaged or misplaced devices, access cards, security keys or storage media.
- Unauthorised access attempts, compromised credentials or access granted to the wrong person.
- Information sent, shared, uploaded, published or stored in the wrong location or with the wrong recipient.
- Use of an unapproved application, cloud service, AI tool, integration, browser extension or device.
- Failure, outage or integrity issue affecting Council systems, records or services.
- Any event that may affect confidentiality, integrity, availability, privacy, authenticity or lawful recordkeeping.

Users are likely to receive correspondence from senders who are unknown to them. Users must assess the context and use Council's approved reporting process where authenticity is uncertain.

External notifications

Depending on the circumstances, external notifications may be made to:

- Individuals or organisations affected by the incident
- Regulators
- Law enforcement
- National Cyber Security Centre.

Software, Cloud Services and SaaS Applications

Unauthorised services

These include but are not limited to:

- Cloud storage
- Personal email accounts
- File sharing platforms
- Messaging services



- Collaboration tools
- AI tools
- Software applications
- Data processing services
- File conversion tools
- Browser extensions
- Add-ins
- Open Authorisation applications
- Integrations
- Bots
- Agents
- Automation
- Online services.

Prohibited activities

Users must not:

- Use non-approved software including SaaS services
- Share Council software or licences with unauthorised persons
- Install software without approval
- Use unlicensed software
- Copy Council software for personal use
- Download software from unauthorised sources
- Use personal software for Council business without approval.

Council Equipment and Devices

Equipment and devices

Electronic equipment and devices include the following:

- Desktop computers
- Laptops
- Tablets
- Mobile phones
- Printers and photocopiers

- Storage media
- Network equipment
- Any other Council-owned or Council-managed device.

Protecting equipment and devices

The Policy requires users to take “reasonable care” of Council equipment and to take “reasonable steps” to protect equipment and devices from loss, theft, damage, or unauthorised access.

This may include the following:

- Not leaving devices unattended in public places.
- Not leaving devices visible in vehicles.
- Carrying laptops and mobile devices as hand luggage when travelling.
- Using passwords, PINs, biometrics, encryption or other controls where provided.
- Returning devices when requested or at the end of employment, contract, or term of office.

Collaboration Platforms

To meet information management, LGOIMA, privacy, and other obligations in relation to collaboration platforms such as Microsoft Teams or SharePoint, users must:

- Use appropriate permissions
- Avoid sharing information inappropriately
- Store official records in approved locations
- Avoid creating duplicate or unmanaged repositories
- Ensure external sharing is approved and appropriate.

Termination, Contract End or End of Authorised Access

All Council equipment, information and access items must be returned when a user stops working for Council, comes to the end of their contract, or leaves office. This includes:

- Laptops
- Mobile phones
- Tablets

- Access cards
- Storage devices
- Documents
- Records
- Security tokens
- Any other Council property or information.

Monitoring, Audit and Investigation

Council monitoring may extend to the following:

- Email and messaging activity
- Internet usage
- System access
- File access
- Application use
- Device compliance
- Security events
- Data transfers
- Cloud service usage
- Device Location

Document Control

Revision History:

Effective Date: [tbc]

Associated Policy: Electronic Access Acceptable Use Policy
(11294262)

Reference Number: 11294275

Owner: Manager – Information Services

DRAFT

ACQUISITIONS, DONATIONS AND DISPOSALS POLICY

To:	Finance and Policy Committee
Meeting Date:	Tuesday 20 October 2026
From:	Bryan Staunton – Chief Financial Officer Rhiannon Suter – Manager – Strategy, Policy and Engagement
Approved:	Patricia Christie – Group Manager – Corporate Services
Approved Date:	Wednesday 14 October 2026
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

This report presents a draft Acquisitions, Donations and Disposals Policy to this Committee for approval, and for recommendation to Council for adoption.

Recommendations

That the Finance and Policy Committee:

1. Receives the report "Acquisitions, Donations and Disposals Policy".
2. Approves the draft Acquisitions, Donations and Disposals Policy as presented.

Recommend to Council:

3. To adopt the Acquisitions, Donations and Disposals Policy.

Background

Council owns and manages a large number of assets of all descriptions. This policy addresses issues relating to specific circumstances regarding assets, namely the acquisition of land, the management of donations, and the disposal of assets. Council currently has a Procurement Policy (which covers the acquisition of most non-land assets), Donations Guidelines (last updated in 2020 and not adopted as a policy), a Parks and Reserves Disposal Policy (last updated in 2015), and some relevant wording in the Investment Policy (regarding the acquisition and disposal of property, meaning land), the Financial Risk Management Policy (regarding aspects of asset disposals), and the Revenue and Financing Policy (regarding financial aspects of acquisitions and disposals).

Council also has an internal Motor Vehicle Policy relating to the acquisition and disposal of fleet vehicles, and there are standalone policies on certain specific types of assets. Council has also previously adopted a strategic framework which sets out criteria for assessing the suitability of Council-owned land for disposal.

This draft new policy is an opportunity to gather, affirm, and develop comprehensive policy statements on all aspects of acquisitions of land, management of donations, and disposals of assets, where these are not adequately covered by existing policies. The intention is to improve transparency and provide clear direction on Council's position in relation to all of these matters. If adopted, this policy will supersede and replace the existing Parks and Reserves Disposal Policy and Donations Guidelines, and supplement and be read in conjunction with other relevant policies including the Investment Policy, Financial Risk Management Policy, and the internal Motor Vehicle Policy.

Issues and Options

Analysis

The draft policy is separated into three parts and will be analysed accordingly. Part one covers the acquisition of land, part two covers donations, and part three covers asset disposals.

Part One: Acquisitions of Land

While Council has a Procurement Policy, this explicitly excludes land acquisition. Aspects of commercial land acquisition are currently covered by the Investment Policy.

This section has been drafted based on the relevant provisions of the Investment Policy, as well as the criteria covered in Council's adopted strategic framework for assessing land suitable for disposal. Accordingly, whilst this is a new policy, it is firmly based on existing practice. The section details the relevant principles for land acquisition, recognising matters such as Council's overarching objectives, legislative requirements, transparency (while recognising commercial considerations), valuations, and the consideration of community views.

This section further details the types of land acquisitions which Council may undertake, and the different processes that apply to operational acquisitions (managed through the usual Long-term Plan or Annual Plan processes) and strategic acquisitions (meaning ad hoc or unscheduled acquisitions which may be recommended in order to take advantage of particular opportunities).

Finally, reference is made to the Land Assessment Criteria, to be used when considering suitability of a potential land acquisition, and to assist Council in making such decisions. These criteria, contained in Appendix 1, are adapted from the strategic framework previously adopted by Council in relation to land disposals. It is proposed that the same considerations should apply to both acquisitions and disposals of land. Factors which make land more suitable for disposal would typically also make land less suitable for acquisition. Minor changes have been made to the existing strategic framework such that the criteria can be used to assess land for both acquisition and disposal.

Part Two: Donations

Council currently refers to a set of Guidelines when managing donations from members of the public. Council does not currently have a policy on this topic, and the Procurement Policy specifically excludes unsolicited proposals. Council receives a reasonably large number of offers of donations from generous members of the public, including financial contributions, bequests, and physical assets. For example, 33 donations have been made to our Parks and Reserves over approximately the last five years. The existing Donations Guidelines were developed in order to help manage donations, as although such offers are well-intentioned, without careful management there is a risk that Council is left bearing unintended consequences. These include the financial and labour costs of maintaining an asset, including repairs and maintenance costs, potential political or reputational risks, or simply having so many items that their value or significance is diminished, or the use of Council spaces is impacted.

To date Council has not adopted a particular position regarding purely financial donations (with the exception of any funds which are legally ringfenced to Council's restricted reserves), as distinguished from monetary donations towards a specific item as proposed by a donor. Council does, however, occasionally solicit or enable financial contributions, including through donation boxes (for example at the Queens Park Aviary) or for specific projects (for example Te Unua Museum of Southland). Council also occasionally receives monetary bequests with no particular stated purpose.

Accordingly, the opportunity has been taken to formalise existing practices and develop a comprehensive policy approach to all aspects of donations. This section is based in large part on the Donations Guidelines but expanded to cover a wider range of topics. Items in the Invercargill City Council Archives and Invercargill City Libraries Collection are specifically excluded because these both already have specific policies applicable to them. Relevant aspects of those policies have been checked as part of the development of this draft Acquisitions, Donations and Disposals policy and, following this review, it is recommended to keep these categories of items separate. This is to provide clarity of process, and because it is unnecessary to repeat or reinvent policies which are fit for purpose and working well. Consequently, the first step when considering any potential donation will be to check whether it ought to be considered under one of those other processes.

Regarding monetary or financial donations, a distinction has been drawn in the policy between money which is offered to Council for a particular purpose (as proposed by the donor), and purely financial donations. The former are considered "donations" for the purposes of the policy, on the basis that whether Council is being offered a physical object, or money to pay for a particular object, the process should be the same. In both cases, a member of the public wants to achieve a specific purpose that they have proposed. This extends to money for a particular item, project, or outcome.

On the other hand, there are monetary donations which do not come with a specific purpose. These are considered "financial donations" in the policy, and include financial donations solicited by Council (for example through donation boxes, or which may be invited from visitors to Te Unua Museum of Southland). Such donations are categorised together on the basis that in all these cases, the donor is not hoping to achieve a specific purpose but instead is giving money to Council for general use (or general use within a particular activity, such as parks and reserves). It is this type of donation which has not been specifically covered by Council policy to date.

The reason for distinguishing monetary donations in this way is that where money is given for general use ("financial donations"), Council has discretion then to use the money in an appropriate manner in line with existing plans. Money given for a specific purpose, with a proposal by the donor, is not anticipated or planned for, and should not be accepted without ensuring it is appropriate. It should therefore go through the application process.

The draft policy is based on the approach taken in the existing Donations Guidelines, requiring potential donors to make an application, and specifying donation categories. The categories of donations are based on those in the existing Guidelines, amended for clarity and to make some additions, for example adopting an existing asset.

The draft policy also sets out the approval and decision-making process. In general, an initial assessment is to be made by the relevant manager. This screens for incomplete applications, as well as donations which would not be acceptable. The factors which might mean a donation will not be accepted are listed in this section of the policy. These factors cover matters such as unacceptable risk, undue burdens, excessive financial implications (including for on-going maintenance or other operating expenditure), or non-suitability. It is proposed that these are applied at the relevant manager's discretion.

If an application is straightforward, it may be approved by the relevant manager. However, there are certain types of donations which must or may be referred to Council for final approval. These include land and buildings, and other "significant" donations which are donations of sufficient value, or with ongoing rates funding implications, or with historical, cultural, political or other implications, or involving sponsorship, which mean that it is appropriate for Council to make that decision at a governance level.

It is also to be noted that Council does not currently have an adopted policy regarding sponsorship. It is open to Council to agree to sponsorship arrangements, in principle. The section on sponsorship in this section of the draft policy covers suggested parameters within which sponsorship arrangements could be appropriately considered.

This section of the draft policy also covers on-going considerations for donated items, including record-keeping, maintenance responsibilities, the circumstances in which Council might replace a damaged or missing item, or relocate an item, as well as end of lifecycle options.

Part Three: Disposals

This section of the draft policy is further divided into land, donated and other items, and operational assets, since the disposal processes and considerations differ somewhat between these groups of assets.

Disposals of land are quite well covered by existing policy and strategic documents, in particular the Parks and Reserves Disposal Policy and Council's strategic framework used to analyse land suitable for disposal. However, it is recommended to combine these for convenience and clarity, and to take the opportunity to update them where relevant. This section of the policy has been drafted on that basis and refers to other relevant documents including legislation and other Council policies. As mentioned above, land which may be suitable for disposal is assessed against the same set of criteria as for acquisitions, with more applicable criteria tending to indicate that land is more suitable for disposal.

Donated and "other" items covers things originally given to or acquired by Council outside of operational reasons.

This includes anything donated in accordance with part two of the draft policy, as well as other miscellaneous items such as those in the Civic Collection. This also includes land, which is to be subject to the considerations in this section first, before then being assessed and managed under the "land" section of part three.

Donated items warrant additional considerations due to the potential for them to hold a degree of significance or importance, whether to Council, the community, or the original donor. The additional considerations ensure that donations are treated with respect, recognising the generosity of the donor as appropriate. It is due to the likelihood of such items holding some additional significance that certain types of donated items are specifically noted in this section of the policy as warranting different treatment than the usual approach to asset disposals, which are covered to a degree by the Financial Risk Management Policy. These include items with particular cultural, spiritual or heritage value, and tāoka.

Finally, the draft policy covers operational assets, setting out criteria for disposal, responsibilities, and other matters additional to what is already covered by the Financial Risk Management Policy.

Significance

Although many of the subjects of this policy and decisions made in relation to them are or could be significant, the policy itself is not considered significant in terms of Council's Significance and Engagement Policy. This is largely an operational policy to guide decision-making. It is also based in large part on existing practice. Public consultation on this policy is not therefore recommended.

Options

This Committee can choose to approve and recommend this policy for adoption as presented, can direct any changes, or can decline to approve this policy.

It is not recommended to reject the policy in its entirety. Decisions on land acquisitions, public donations and asset disposals are often significant and of interest to the public. As noted, although some aspects are covered by other existing documents, Council currently lacks a single cohesive approach to these matters. It is therefore recommended to develop a policy to collectively address them.

Community Views

The public expects Council to exercise due diligence and prudence in relation to significant decisions. As outlined, this policy helps to ensure proper process is followed in relation to the matters to which it relates. Further public consultation on the policy itself is not recommended as being necessary.

Implications and Risks

Strategic Consistency

This draft policy is consistent with wider Council strategy, including the previously adopted strategic framework for assessing land for disposal.

Financial Implications

Financial considerations, including maintenance costs for donated items, valuations of land and achieving the best rate of return on the disposal of operational assets, are included within the policy.

Legal Implications

There are no particular legal implications arising from this policy. The policy notes various legal requirements which may apply and which are always to be followed. The policy is not inconsistent with these.

Climate Change

There are limited climate change implications arising from this policy, although environmental concerns have been taken into account. For example, repurposing is recognised as an option for assets which are no longer suitable for their original purpose, and disposal to landfill is noted as a last resort.

Risk

Source of risk	Mitigations	Residual risk
Policy is not followed, leading to inappropriate acquisitions, acceptance of donations, or disposal.	Training on the policy to be provided for tier 3 managers, who have also been involved in its development.	Low and acceptable
Aspects of the policy prove to be too restrictive or permissive, or otherwise unsuitable.	Policy has a mandatory review period but can always be reviewed earlier if issues were to be identified.	Low and acceptable
Reputational risk if members of the public disagree with aspects, for example concerning the process for donations.	Policy has a level of discretion built in, with significant decisions always being deferred to Council.	Low and acceptable

Next Steps

If approved by this Committee and adopted by Council, the policy will be published on Council's website and circulated to managers. Additional training will be provided as needed.

Attachments

1. Draft Acquisitions, Donations and Disposals Policy – ID 9519848



Acquisitions, Donations, and Disposals Policy

For the acquisition of land, management of donations, and
the disposal of assets

DRAFT – OCTOBER 2026



Purpose and Scope

This policy sets out the approach taken by Invercargill City Council (Council) regarding:

Part 1: The Acquisition of Land

Part 1 confirms the framework for the acquisition of land (including any buildings or structures which exist on that land) by Council, for operational or strategic purposes. It does not apply to interests in land, such as leases or easements. It does not apply to other procurement activities by Council, such as the procurement of operational assets, nor does it apply to the construction, alteration, maintenance or demolition of buildings.

Part 2: The Management of Donations from Individuals or Organisations

Part 2 sets out Council's approach to managing donations and applies to all items of any description which are intended to be donated, gifted, bequeathed or otherwise given to Council for any reason or purpose. This includes financial donations towards specified items or purposes, and financial donations generally.

Part 3: The Disposal of Assets

Part 3 sets out the principles and processes for disposals and applies to all assets, including land, equipment, and tangible goods of any kind, however acquired, as owned or administered by Council.

Definitions

Acquisition for the purposes of this policy refers to acquisitions of land (including existing buildings which exist on that land) only, and not to any other type of asset acquisition.

Building includes buildings as defined in the Building Act 2004.

Donation includes donations, gifts, bequests, and offers of any kind made to Council. A donation may be in the form of an item, money towards a specific item (proposed by the donor), or money for a specific purpose (proposed by the donor), but does not include monetary donations otherwise. Donations may also be offered by way of volunteer work or time.



Financial Donation means a gift of money made to Council by any means including cash, in donation boxes, through QR codes, online forms or links, and includes money given with no specified purpose, or monetary donations specifically solicited by Council for a particular asset or project. A monetary donation towards a specific asset or for a specific purpose (where these are proposed by the donor) is, however, considered a donation (see above definition).

Furniture includes street and park furniture and covers drinking fountains, seats, benches, picnic tables and barbeques.

Land means land, reserves and existing buildings.

Land Assessment Criteria means the criteria as set out in Appendix 1, against which all land must be assessed when considering suitability of an acquisition, whether to accept a donation, or when to approve a disposal.

Operational Assets means assets, other than land or buildings, owned by Council and acquired for operational purposes, such as equipment, information services and technology assets, vehicles, machinery, and other goods.

Ornamental features include all types of public artwork (such as sculptures, physical pieces, design features, concepts, street-art, interactive pieces, artistic contributions to urban design and public places, and artists working in and with communities in public spaces), fountains, existing and proposed memorials (being an object established or renewed in memory of a person or event), and monuments (being a structure created in memory of a person or event, or which has become important to a group as part of their remembrance of past events).

Plaque means a flat tablet of metal, stone, or other appropriate material which includes text and/or images which commemorate a person or an event and/or provides historical information relevant to its location. To be fixed to an object, plinth, building, or pavement.

Relevant Manager refers to a manager who represents Council, with delegated authority to make decisions.

Reserves Status means land which is subject to the provisions of the Reserves Act 1977.

Significant means:

- items valued over \$100,000,
- monetary/cash donations (including both donations and financial donations as defined) above \$50,000,
- land,



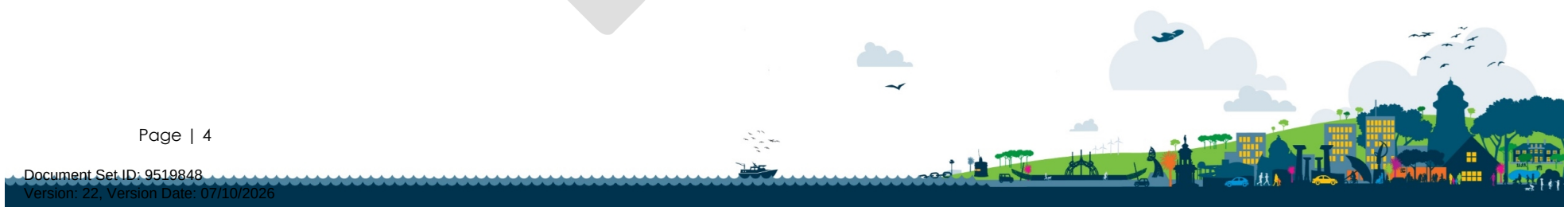


- items which will require ongoing annual rates funding for operational expenditure, outside of existing budgets,
- a donation which holds substantial cultural, communal, historic, heritage, religious, or spiritual value, or which has or may have political implications, and which in the opinion of the relevant manager means it should be presented to Council for approval, or
- a donation involving an element of sponsorship.

Sponsorship means any agreement between Council and an individual or business whereby that individual or business receives the benefit of the public association with Council, in return for a donation. For example, naming a facility, a space, a physical item, or an event.

Structure means a functional construction intended to be used for purposes other than sheltering human activity, for example play equipment.

DRAFT



Part 1: Acquisitions of Land

Overview

Council acquires land for various reasons including operational needs, strategic purposes, and as investments. Refer also to Council's Investment Policy for further information about property acquired for investment or commercial purposes. Land acquisitions may be initiated by Council or arise as a result of an approach from an external person or organisation, or by way of a proposed donation. For donations, see also Part 2 of this policy.

Principles

1. Council's primary objective for operational or strategic land acquisitions is that it is important for the achievement of community and strategic outcomes for the Invercargill district. For investment or commercial land acquisitions, the purpose is additionally to achieve an acceptable rate of return.
2. Relevant legislative requirements and processes including under the Public Works Act 1981, the Reserves Act 1977, and in relation to endowment funds, are always adhered to in full.
3. Council will assess potential land acquisitions against a set of assessment criteria (see Appendix 1).
4. Land acquisitions are generally to be conducted in an open and transparent manner, with reasonable exceptions for commercial confidentiality or privacy considerations.
5. Council will obtain a market valuation for any potential land acquisition, and will not typically pay more than this unless extenuating circumstances apply.
6. Community views are always considered, whether under a legislative process or in accordance with Council's Significance and Engagement Policy. This does not mean that public consultation will be carried out in every case.

Types of Land Acquisitions

Operational

Land acquisitions for operational purposes are typically provided for in the Long-term Plan or Annual Plan, and funded in accordance with the provisions of those documents. The provisions of the Delegations Register – Council and Finance apply.



Strategic

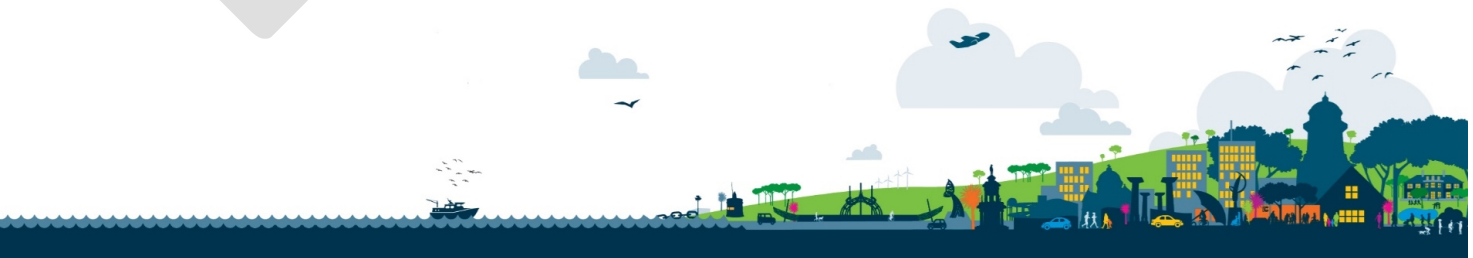
On occasion, Council may seek to make an ad hoc or unscheduled land acquisition in order to take advantage of favourable market opportunities to meet future operational requirements, or to deliver Council's strategic or community outcomes. When assessing such opportunities, Council will consider the justification for making the purchase outside of the usual planning process. Such acquisitions are subject to Council approval by resolution and are not covered by the provisions of the Delegations Register.

Assessment of Suitability

When potential land acquisition opportunities are identified, suitability is assessed using the Land Assessment Criteria (Appendix 1) as follows:

- Step 1. Strategic rating. Land is rated as having high, medium, or low strategic value. This rating must be approved by the Chief Executive (or their delegate).
- Step 2. Identifying which additional criteria apply. The greater the number of additional criteria, the less suitable the land is considered for acquisition.

An assessment of suitability of potential land acquisitions must be carried out in every case. For operational land acquisitions, this assessment may only be dispensed with if the Chief Executive (or their delegate) so approves. For strategic land acquisitions, staff will make an initial assessment and present this to Council to support decision-making.



Part 2: Donations

Overview

Council seeks to accommodate the wishes of generous donors while ensuring donations can be appropriately managed, adequately maintained, and that they are placed in a suitable location or used for practical purposes that benefit the community. Accordingly, Council generally accepts donations in specified categories, and will consider donations outside of these categories on a case-by-case basis. This policy also details the approval process, reasons why a donation may have to be refused, and considerations around maintenance and management of lifecycle of assets.

Initial Process Decision

Any donation will first be assigned the appropriate process to be followed. In particular:

- Items which may belong in the Invercargill City Council Archive will be assessed under the Archives Policy.
- Items which may belong in the Invercargill Libraries Collection will be assessed under the Invercargill City Libraries Collection Development Policy.
- Otherwise, the donation will be managed in accordance with this policy.

Financial Donations

As defined, this does not include money towards a specific item or for a specified purpose, where these are proposed by the donor. Financial donations can be made by various means including through donation boxes, QR codes, links on Council's website, bequests, or other gifts. In most cases, financial donations will be allocated to the relevant department for specific funding purposes as defined in the budget, or for the purpose specified by Council where monetary donations have been solicited for a Council asset or project. Where Council receives a financial donation by way of a bequest, with no particular stated purpose, Council will make reasonable efforts to apply those funds in a manner which the donor would have approved of. This may include, as appropriate, consulting with family members of the donor, or members of the donor's community.



Applications

Anyone wishing to make a donation to Council (other than a non-specific financial donation, as discussed above) will be required to submit an application through the standard forms on Council's website. Applications will not be considered outside of this process. All relevant information must be provided. Applications should be made under a single donation category (see below). Donations which fall outside of the donation categories will be considered on a case-by-case basis. Applications to donate items, including money towards a specific item, should nominate a preferred site or location (see below). Applications will be presented to the relevant manager for decision, who will usually be the manager responsible for the intended location of the donation, or the activity to which the donation relates. Council will not be required to accept any donation, and will follow the approval process in each instance.

Abandoned Items

If items are discovered on Council property, reasonable efforts will be made to return them to their rightful owner. If no owner can be found, or if the owner refuses to take the item back, the item will be considered as abandoned. While Council may choose to treat abandoned items as donations, Council is under no obligation to do so and may dispose of abandoned items where appropriate.

Abandoned Buildings or Facilities

Nothing in this policy is intended to override any provisions in leases regarding abandoned buildings or facilities on Council owned or administered land. See further Council's General Policies Reserves Management Plan.

Bequests

Council will treat bequests or donations in a will as an application to make a donation, and the relevant manager may waive one or more of the application requirements. The approval process will be followed, and Council can decide whether to accept or decline the bequest as appropriate.



Loans

It is expected that in most cases Council will become the legal owner of any donation. However, applicants may propose a loan or lease arrangement whereby Council does not become the legal owner, but has temporary custody of a physical item. Any such arrangements will in all cases be recorded in writing. Applicants may also propose a monetary loan for a specific item or for a specified purpose. Refer further to the Liability Management Policy.

Ongoing Donations

Applicants may offer to make ongoing donations of money or volunteer time towards a specific asset or project, and should indicate this when they apply.

Categories of Donations

Council will consider donations under the below specified categories. Proposed donations under the “Other” category will be assessed on a case-by-case basis by the relevant manager.

Adoption of an Existing Asset

Donors can apply to adopt an existing asset, whether originally donated or not, with their donation being directed towards its refurbishment and/or ongoing maintenance. Donors may request to have a plaque attached to the asset in acknowledgement of such a contribution.

Buildings and Land

Donations of land are considered significant and require the approval of Council by resolution. In all cases they must be assessed against the Land Assessment Criteria in Appendix 1. Donations of existing buildings should not be accepted unless they have a cultural or heritage value particular to the site and surrounding area. In cases where specific groups have ceased to exist or have expired, Council may assess whether to accept these buildings on a case-by-case basis. Applications to donate a new building should include sufficient information about the proposal such as a concept plan, drawings or photographs, to enable a decision to be made.



Commemorative Trees

This category is reserved for commemoration of dignitaries, civic and historic occasions. A commemorative tree will have a metal plaque, which may be set at the base of the tree on a concrete plinth. Sourcing of trees will be investigated prior to accepting. Commemorative trees, native or exotic, must be consistent with Council's Tree Plan to be planted in any Council owned or administered parks or gardens.

Furniture

Furniture may be suitable for a group or individuals who want to be commemorated. The location of the furniture is at the discretion of the relevant manager.

Ornamental Features

Donations of ornamental features may be accepted where they are unique and substantial. Applications should include sufficient information about the feature such as a concept plan, drawings, or photographs, to enable a decision to be made.

Plaques

Plaques may signify or commemorate a historic or civic occasion, or provide information relevant to a nearby building, artwork, historic feature or site. Plaques recognising people's contributions should only be in places where they have a special association. Plaques are not generally permitted as private memorials for individuals or families, but may be considered for furniture on a case-by-case basis. Plaques shall be of a pre-approved design, size and material, to ensure consistency and durability. All metal plaques are at risk of theft due to their scrap value and must be securely attached to solid objects such as buildings, rocks or pavement. Wording may be in English, Te Reo Māori or Braille. Applications for wording in Te Reo Māori or Braille must be accompanied by an English translation and proof the wording has been approved by a suitably qualified professional. Wording in other languages will be considered on a case-by-case basis. Wording about a person or event may be required to be verified by an authoritative source. The final design of any plaque including wording and images is to be agreed between Council and the donor before the plaque is produced.



Replacements

Applications may be made to replace existing plaques or memorials which have been damaged or otherwise degraded or require alterations. Replacements will need to conform to current design specifications and guidelines.

Specialist Plants

Specialist plants will only be accepted if they hold some particular value or trait such as rare, heritage, or endangered species. Locations for specialist plants will only be approved if their planting is consistent with Reserve Management Plans, any site master planning or landscape plans, and any other planting programmes already anticipated for the site.

Structures and Play Equipment

Applications to donate a new or existing structure should include sufficient information about the proposal such as a concept plan, drawings or photographs, to enable a decision to be made. Donated play equipment, whether new or existing, can only be accepted if it reaches required standards. Play equipment can include materials or items related to play, as well as large pieces of equipment.

Other

All other donations, including money for a specified purpose, or offers of volunteer work, time or resources, will be assessed on a case-by-case basis by the relevant manager. Applications should include as much relevant information as possible to enable a decision to be made.

Locations

Applicants may nominate a preferred site (general location) for the placement of any donated item. For commemorative items, the site should have relevance to the person, group or event being commemorated. Approval for a particular site will only be granted if consistent with Council's development plan or Reserve Management Plan for that site, and the proposed donation being relevant to the site. The decision on the exact location of any donation rests with the relevant manager. Council considers that Queens Park has reached full capacity for memorial donations, due to the high volume of such items already located there.

DRAFT



Approval Process

On receipt of an application, the relevant manager will check that all required information has been provided, and then make an assessment as to whether the donation can be accepted, and whether Council approval is required. Donations will only be accepted if the proposal is consistent with Council policies, plans, strategies, guidelines, and relevant legislation, and in accordance with the conditions for accepting donations below. All donations will be considered on a case-by-case basis, and at the discretion of the relevant manager. Decisions will be communicated to the applicant in writing.

Conditions for Accepting Donations

Donations may not be accepted if one or more of the following apply:

- Anticipated operational maintenance costs (including depreciation and insurance costs where relevant) are prohibitively expensive or would require excessive resources including staff time.
- The donation is offensive, dangerous, or carries unacceptable legal, political, safety, or other risk.
- The provenance of the item or sources of funds cannot be established to an acceptable degree.
- The donation carries an encumbrance (legal or otherwise) or is subject to conditions or requirements which are unacceptable, unmanageable, create uncertainty or are otherwise unduly burdensome.
- The item does not reach required health and safety or other standards, e.g. for playground equipment or materials.
- The donation is intended to commemorate a person, organisation, occasion or event which:
 - is not considered to be of considerable local, regional, national, social, historical or other importance, or
 - has already been memorialised, except in exceptional circumstances.
- The proposed location for the donated item is unsuitable, e.g. there is not enough space, the site already contains similar items, the site has reached capacity for such items, the donation would conflict with a Reserve Management Plan, or the item or location could be damaged as a result of installation. In these cases, a more suitable location or alternative type of donation may be suggested instead.
- The item is not of a high enough quality in terms of style, appearance, durability or ease of maintenance to ensure a long life and be resistant to the elements and/or wear and tear.
- Installing the item would substantially change the character or intended use of any facility.

Where appropriate, the relevant manager may suggest an alternative item, donation, location or proposal to better suit the needs of Council while accommodating a donor's preferences.



Significant Donations

Any donation which is considered significant (as defined) requires the approval of Council by resolution before it can be accepted. Additionally, in the case of land, donations must be assessed against the Land Assessment Criteria (Appendix 1).

Religious or Cultural Items

If there is a religious or cultural aspect to an item, there may be further consultation required prior to accepting the donation or special processes to put in place when installing or removing it.

Sponsorship

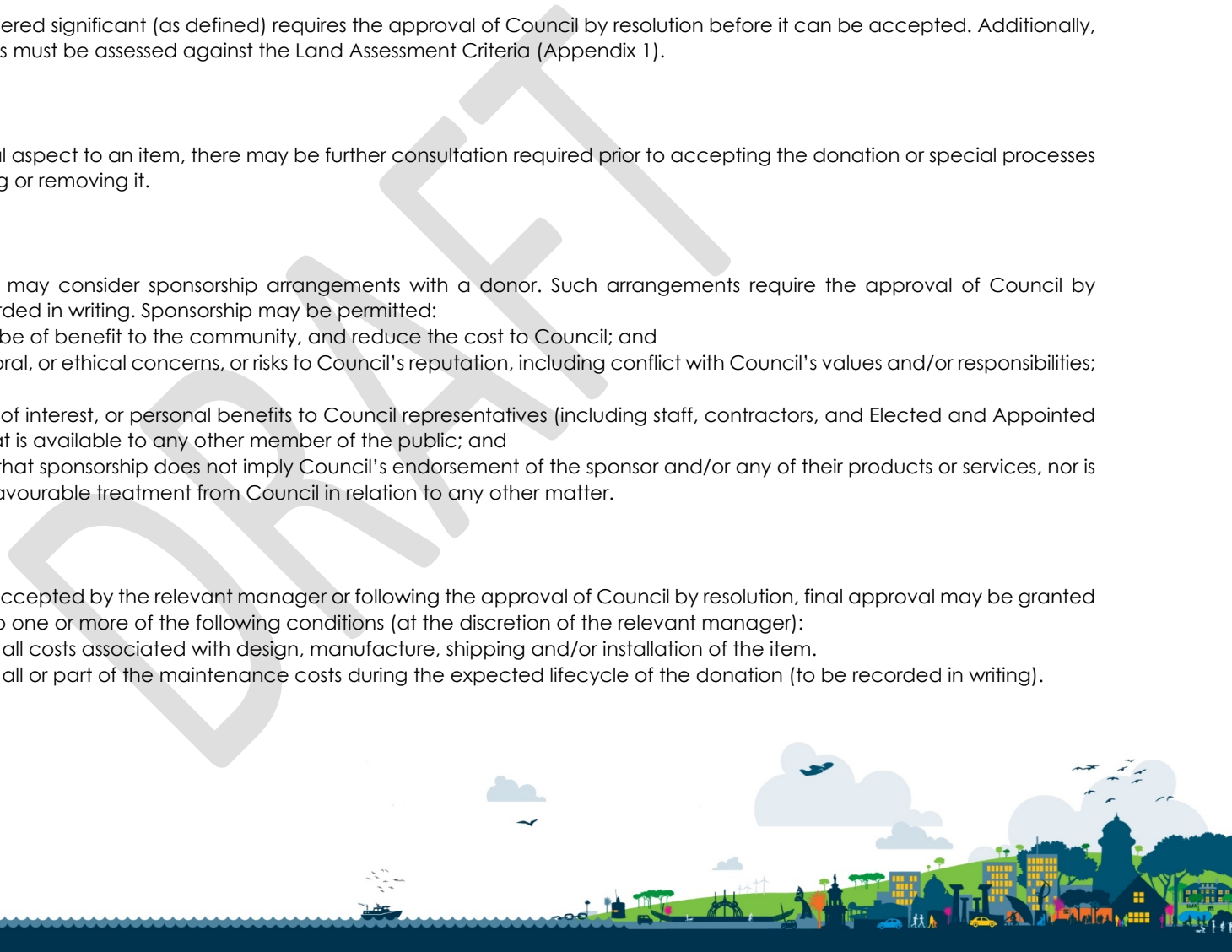
Where appropriate, Council may consider sponsorship arrangements with a donor. Such arrangements require the approval of Council by resolution, and must be recorded in writing. Sponsorship may be permitted:

- If the arrangement will be of benefit to the community, and reduce the cost to Council; and
- If there are no legal, moral, or ethical concerns, or risks to Council's reputation, including conflict with Council's values and/or responsibilities; and
- Where there are no conflicts of interest, or personal benefits to Council representatives (including staff, contractors, and Elected and Appointed Members) beyond what is available to any other member of the public; and
- On the understanding that sponsorship does not imply Council's endorsement of the sponsor and/or any of their products or services, nor is it a means of gaining favourable treatment from Council in relation to any other matter.

Final Approval

Once a donation has been accepted by the relevant manager or following the approval of Council by resolution, final approval may be granted outright, or may be subject to one or more of the following conditions (at the discretion of the relevant manager):

- The applicant meeting all costs associated with design, manufacture, shipping and/or installation of the item.
- The applicant meeting all or part of the maintenance costs during the expected lifecycle of the donation (to be recorded in writing).



Ongoing Considerations

Records

Physical items will be recorded in Council's fixed asset management system. The asset management system will include details of the item including the name and contact details of the donor, the anticipated lifecycle of the item, who has responsibility for maintenance costs, insurance details, the manager approving the donation and the manager(s) responsible for ongoing maintenance and disposal decisions, and any other conditions or relevant matters. Donations of money for a specified purpose will be recorded as Council financial reserves with the purpose stated.

Maintenance

Council or Council approved contractors will maintain donated items for normal and anticipated wear and tear during their expected lifecycle (unless they need to be removed due to unforeseen circumstances, or they are otherwise disposed of in accordance with Part 3 of this policy), with the cost to be met by the donor or by Council as agreed. Items will be maintained to Council standards.

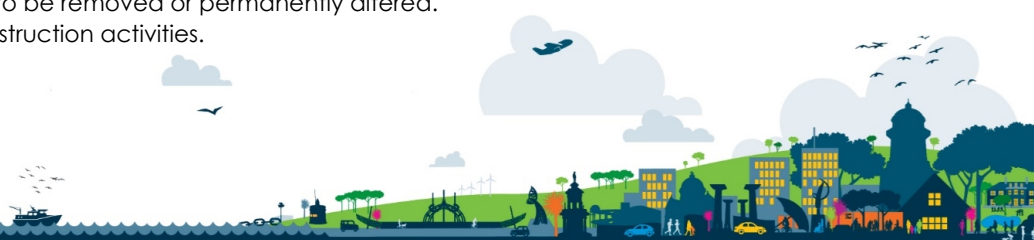
Unforeseen Circumstances

Council may remove and is not required to maintain or replace donated items that have been damaged, fallen over, or otherwise become a safety risk. See further Part 3 of this policy. Council also may not replace items which have been stolen. Council will make reasonable efforts to notify the original donor in such cases. Where the item or structure to which a plaque was attached needs to be removed before the end of its anticipated lifecycle, Council will make reasonable efforts to return the plaque to the original donor.

Relocating Items

Donated items will remain at the agreed location within the anticipated lifecycle or until such time that they cannot be maintained due to natural degradation, except as follows:

- The area in which the donation is located is to be redeveloped.
- The use of the area in which the donation is located changes significantly in character and the item is no longer deemed suitable for the site.
- The structure or support on which the donation is located is to be removed or permanently altered.
- The donation interferes with site safety, maintenance or construction activities.





In such cases, Council will make reasonable attempts to contact the original donor to arrange a suitable relocation (if possible) at the donor's expense, or to offer to return the donation. Otherwise, Council may choose to relocate the item itself, or the item may be disposed of in accordance with Part 3 of this policy. In emergencies or if there are immediate safety concerns, Council may notify the original donor after the relocation or disposal.

End of Lifecycle

When an item reaches the end of its expected lifecycle, or when maintenance requirements exceed the financial value of the item, the relevant manager may take one of more of the following steps:

- Refurbish the item, at the cost of the original donor, or where appropriate at Council's cost,
- Offer the item as available to be adopted by a new donor (see above),
- Replace the item (see above),
- Dispose of the item in accordance with Part 3 of this policy.

In all cases Council will make reasonable efforts to contact the original donor, or their descendants, before a final decision is made.

It is recognised that there are certain items, for example in Council's Civic Collection, which will be held by Council without a likely "end of lifecycle" point.



Part 3: Disposals

Land

This section applies to all land owned or administered by Council.

Determining suitability and priority for disposal

Council land which may be suitable for disposal will be assessed against the Land Assessment Criteria in Appendix 1 as follows:

- Step 1. Strategic rating. Land is rated as having high, medium, or low strategic value. This rating must be approved by the Chief Executive (or their delegate). Land which has Reserves Status is determined to be of a medium strategic level as a starting point.
- Step 2. Identifying which additional criteria apply. The greater the number of additional criteria, the higher priority for disposal the land will be assigned.

Reserves, Endowments, and Rights of First Refusal

Where Council land has Reserves Status, or is endowment property, or is subject to the Public Works Act 1981, or entails a right of first refusal under the Ngāi Tahu Claims Settlement Act 1998 or otherwise, the relevant legal processes will always be adhered to.

Community Views

Relevant legislation including the Reserves Act 1977 and the Local Government Act 2002, and Council's Significance and Engagement Policy need to be considered in determining the appropriate process for engagement and consultation with the community to determine community views on disposal.

Sale or Disposal

If, following the determination process above, Council land is identified as suitable for disposal, the following methods will be considered:

- If the land is subject to a perpetually renewable lease, the freehold title may be offered to the lessee, for freeholding purposes.
- If the land is subject to a lease containing a right of purchase, the freehold title may be offered for freeholding purposes or in accordance with the purchase procedure set out in the lease.





- If the land is of a size or shape unsuitable for any independent use in accordance with the District Plan, it may be offered to an adjoining owner at, or above, a registered valuation.

In any of the above cases, the Chief Executive may be delegated by Council or the relevant Committee to negotiate on behalf of Council to determine the final sale price (this could include sales at lower than the valuation price).

In general, competitive open market methods of sale will be considered and determined on merit. These may include public tender, public auction, or private treaty. Council may consider a sale or disposal other than through the open market based on individual case merits. Council will use an independent valuation as a pricing guide.

Exchange of Land

Council land which is the subject of an application for exchange of land will be subject to the same strategic determination process above. In addition to those criteria, Council will also have regard to any services, easements, rights of way or similar matters in the land being considered for exchange. Relevant legislation including the Reserves Act 1977 applies.

Proceeds of Sales

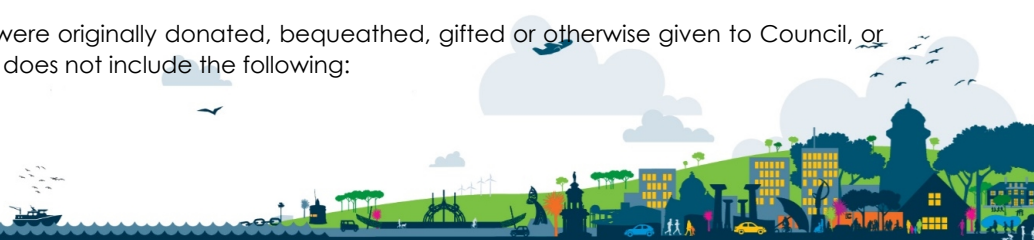
The use of the proceeds from sales of Council land will be in accordance with the relevant provisions of Council's Revenue and Financing Policy and Investment Policy. The proceeds of sale of Council land which is subject to other legislative requirements such as land with Reserves Status or endowment property, will be applied in accordance with those legislative requirements.

Donated Land

For the avoidance of doubt, the considerations under "Donated and Other Items" below will be applied first to any potential disposal of land which was originally donated, gifted or bequeathed. Thereafter, the provisions of this section of Part 3 ("Land") apply.

Donated and Other Items

This section applies to items or objects owned by Council which were originally donated, bequeathed, gifted or otherwise given to Council, or which were obtained by Council for non-operational reasons. This does not include the following:





- Items accessioned to the Invercargill City Council Archives, which are managed under the Archives Policy.
- Items in the Invercargill Libraries Collection, which are managed under the Invercargill City Libraries Collection Development Policy.

Disposal of Donated and Other Items

When deciding whether it is appropriate to dispose of items originally donated or otherwise obtained by Council, consideration will be given to the following:

- If there are any legal encumbrances or statutory requirements in relation to the item, these will be adhered to.
- If an item was originally donated to Council, disposals will not be considered until a period of at least five years has elapsed from the date it was accepted, unless there is a particular reason such as safety concerns, emergency situations, damage which is uneconomical to repair, maintenance requirements exceed the financial value of the item, or where the expected lifecycle of the donated item was less than five years. Council will make reasonable efforts to contact the original donor prior to disposing of it.
- If an item was originally donated to Council for a specific purpose, or with conditions, such purpose or conditions will be considered prior to any disposal even if they are not legally binding.
- If an item was originally bequeathed or acquired as a direct result of a bequest, Council will make reasonable efforts to contact the family or representatives of the original donor prior to disposing of it.
- If an item carries cultural, spiritual, or heritage value, Council will where feasible first offer the item to groups or organisations who may be interested in the item, before attempting to dispose of it on the open market. It is recognised that there may be circumstances in which it is appropriate to offer such items for free, or below market value. This is an exception to Council's Financial Risk Management Policy.
- Any items which are or may be considered tāoka will always be offered to Mana Whenua first. It is recognised that in such cases it will be appropriate to offer the item for free. This is an exception to Council's Financial Risk Management Policy.

Process for Disposal

With the exception of land (which is to be assessed and managed under the "Land" section of this Part 3 above), it is the responsibility of the relevant manager, as listed in the asset management system, to assess whether an item is suitable for disposal, and to arrange and authorise this where it falls within their Financial Delegations. If an asset does not have a manager assigned for disposal decisions, the relevant manager is who approved and/or maintains the donated item. Except as stated above, suitable methods for disposal include sale, auction, trade-in, donation, or recycling. Physical disposal (e.g. via landfill) should not be considered unless there are no other options. Except as stated above, the provisions of Council's Financial Risk Management Policy apply.



Operational Assets

This section applies to Operational Assets as defined.

Criteria for Disposal

Operational Assets may be disposed of in the following circumstances:

- When an asset has reached the end of its useful life.
- When the cost of repairing or maintaining an asset is more than its value.
- If an asset has become uneconomical to use.
- When a newer version or more modern technology renders an asset obsolete, inefficient, or otherwise of limited use.
- In accordance with a relevant internal management policy, such as the Motor Vehicle Policy.
- Where an asset is no longer required. Where an asset is still in usable condition but is surplus to requirements, the first preference is to attempt to repurpose it, which may include keeping it for potential future use.

Identifying Operational Assets for Disposal

It is the duty of Tier 3 Managers to identify when operational assets within their areas of responsibility are suitable for disposal.

Disposal of Operational Assets

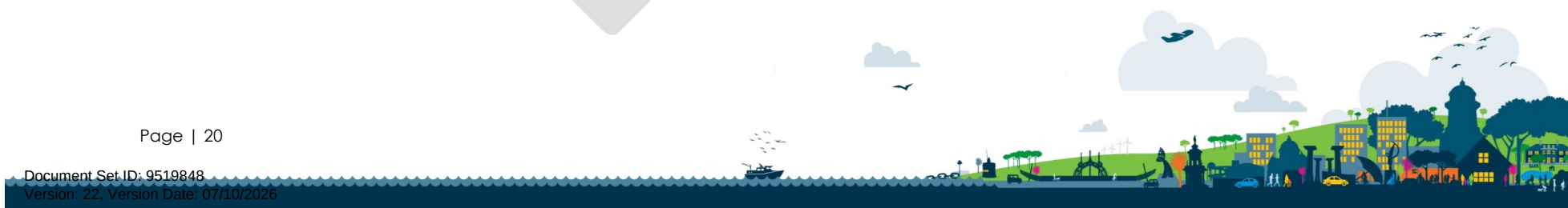
Operational assets which have been assessed as suitable for disposal will be disposed of by the relevant manager (within the relevant financial limits in the Delegations Register) or the designated members of the Corporate Services Group where duly authorised. All disposals must follow an open market process such that all parties have an equal chance of obtaining the item. Suitable methods for disposal include sale, auction, trade-in, donation, or recycling, to be determined by the manager responsible and in accordance with other policies. Disposals must be conducted in a manner that maximises return/benefit to Council. Disposals to Council representatives (including staff, contractors, and Elected and Appointed Members) and donations to community groups, regardless of the value of the item, require the approval of the Chief Executive. Physical disposal (e.g. via landfill) should not be considered unless there are no other options. The relevant provisions of Council's Financial Risk Management Policy, Fraud Policy, Conflicts of Interest Policy, and any other relevant internal management policy, such as the Motor Vehicle Policy, apply.



Proceeds of Sales

Per Council's Revenue and Financing Policy, proceeds of asset sales are not used to fund operational costs and are instead applied to reduce the net debt balance of the relevant activity.

DRAFT



Appendix 1 – Land Assessment Criteria

Step 1 – determine strategic level (high / medium / low)

- How important is the property to Council in delivery of Council vision and achieving community outcomes?
- To what extent does the land have value in addressing Council's strategic priorities?
- Is there a reason to acquire / hold the land because there is believed to be future strategic purpose?

Step 2 – additional criteria in determining suitability / priority

- a. Alternate purpose of greater strategic value than the intended/current use of the land.
- b. Future/current user needs would be or are misaligned (e.g., CPTED issues, changing sporting use, undeveloped land, likely / actual under-utilisation by Council or property would likely not have or does not have tenants at commercial return, land not fit for purpose, end of usable Council life (for buildings)).
- c. Alignment with others would enable greater community outcomes (e.g., working with organisations or community groups who are interested in purchasing land to better align with community outcomes).
- d. Cultural significance to tangata whenua.
- e. Negative environmental impacts (e.g., impact on community environmental wellbeing, climate change adaptation or mitigation matters, biodiversity implications).
- f. Issues with financial sustainability and value for money (e.g., ongoing maintenance requirements).
- g. Caveats or other legal limitations / restrictions (eg, affecting ability to dispose, Crown land, endowment, rights of first refusal, noting this should be included for acquisitions if restrictions exist, and should be included for disposals if restrictions do not exist).
- h. Property market position (e.g., unfavourable for acquisition, favourable for disposal).



Document Control

Revision History:

Effective Date: [tbc]

Review Period: This Policy will be reviewed every six (6) years, unless earlier review is required due to legislative changes, or is warranted by another reason requested by Council.

New Review Date: [tbc]

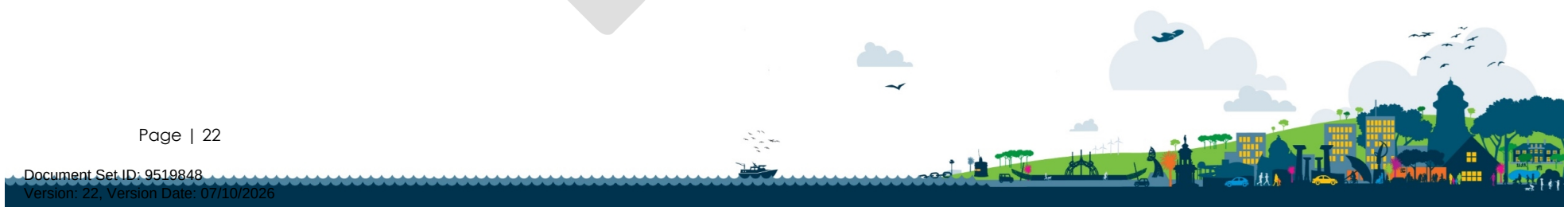
Associated Documents / References: Investment Policy, Financial Risk Management Policy, Delegations Register – Council and Finance, Delegations Register - Chief Executive, Motor Vehicle Policy, Archives Policy, Invercargill City Libraries Collection Development Policy

Supersedes: Donations Guidelines 2020, Parks and Reserves Disposal Policy 2018

Reference Number: 9519848

Policy Owner: Chief Financial Officer

Policy Training: Tier 3 Managers, Customer Services Team



FINANCIAL UPDATE AS AT 30 SEPTEMBER 2026

To:	Finance and Policy Committee
Meeting Date:	Tuesday 20 October 2026
From:	Bryan Staunton – Chief Financial Officer
Approved:	Patricia Christie – Group Manager - Corporate Services
Approved Date:	Wednesday 14 October 2026
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

The purpose of this report is to provide an update on Council's net debt position as at 30 September 2026.

Recommendations

That the Finance and Policy Committee:

1. Receives the report "Financial Update as at 30 September 2026".
2. Notes the current net debt and treasury position.
3. Notes the current state of Council's overall financial position.

Background

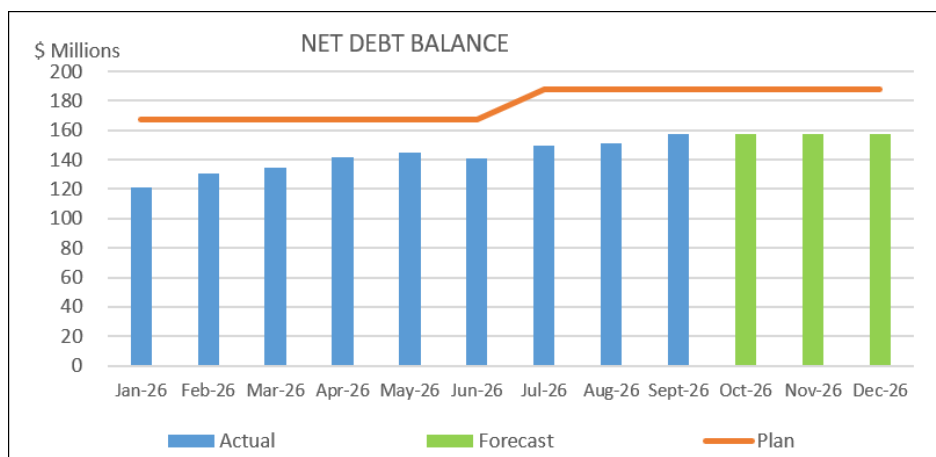
This report provides the Committee with an update on key financial issues and areas for Council including the regular reporting of net debt of Council (Borrowings and Investments) and debt owed to Council (Debt Management).

Issues

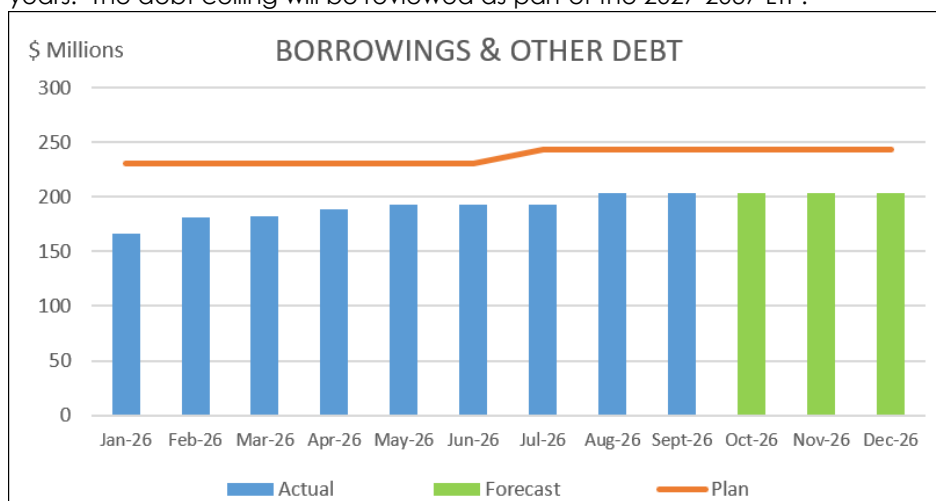
Net Debt and Treasury Update

At 30 September 2026, Council had borrowings and other debt of \$203.9 million and cash investments of \$46.4 million. These generated a net debt balance of \$203.9 million. The highlights of Council's net debt position are provided below.

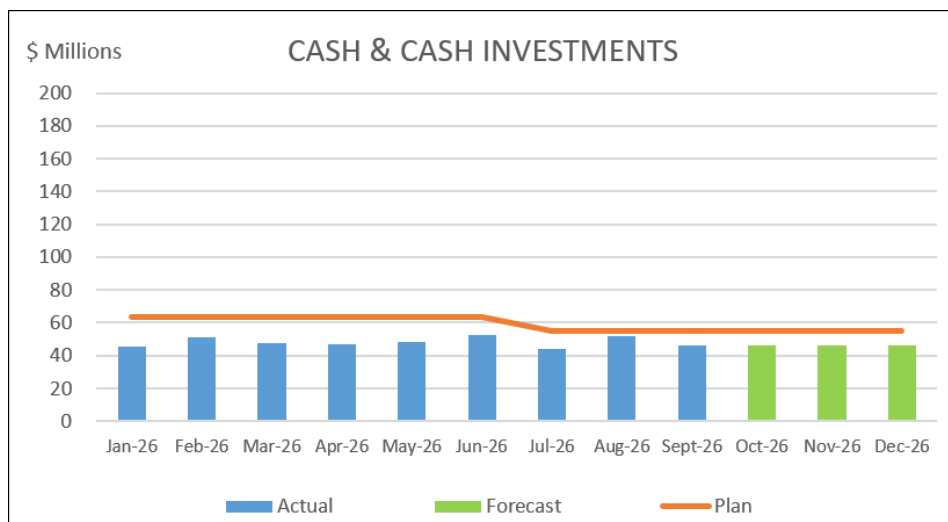
Credit Rating	Net Debt Balance	Borrowings & other debt
AA+	\$157.5m	\$203.9m
		LESS: Cash & Cash Investments
		\$46.4m



The debt ceiling cap was set in the 2024-2034 Long-Term Plan (LTP) Financial Strategy at 150% of total revenue up to June 2024. This increased to 180% from 1 July 2024 for the first four years of the LTP, increasing to 200% from 1 July 2028 prior to reducing to 190% from 1 July 2032. The Financial Strategy sets the debt limit to allow capacity to cover any significant expenditure from an extraordinary event in the future as well as funding the capital programme for these years. The debt ceiling will be reviewed as part of the 2027-2037 LTP.



- February 2026: \$5 million of new borrowings were raised from the Local Government Funding Agency (LGFA) LGFA to fund capital projects.
- April 2026: \$10 million of new borrowings were raised from LGFA to fund capital projects.
- May 2026: \$5 million of new borrowings were raised from LGFA to fund capital projects.
- August 2026: \$10 million of new borrowings were raised from LGFA to fund capital projects.
- Forecast: Further borrowings expected in the 2026/2027 Financial Year to be raised to cover capital expenditure.



- June 2026: An additional \$4.0 million dividend from received from ICHL and applied to operational funding. Moving forward it is proposed that the extraordinary dividend will be applied for funding purposes to interest expense on debt.
- Forecast: The cash on hand balance varies based on payments made and revenue received from various funding sources such as rates, subsidies and fees and charges.

Invercargill City Council's Credit Rating Reaffirmed at 'AA+' Outlook Negative

Fitch Ratings released their public report on 07 October 2026 which reaffirms Invercargill City Council's Long-Term Local-Currency Issuer Default Rating (IRD) at 'AA+' with Negative Outlook.

The report notes Council is in a strong financial position. Whilst debt is projected to rise to fund Council's capital programme, borrowings are projected to remain manageable and within the organisation's broader operating performance.

Refer to Attachment 1 which provides the full report from Fitch Ratings.

Net Debt Breakdown**Borrowings & other debt****Borrowings**

Note

Party	Maturity date	Interest rate		
LGFA	28/10/2026	Fixed 3.06%	\$20,000,000	
LGFA	28/10/2026	Fixed 3.06%	\$4,000,000	
LGFA	29/04/2027	Fixed 2.62%	\$10,000,000	
LGFA	27/06/2027	Fixed 5.33%	\$10,256,410	
LGFA	15/05/2028	Fixed 4.06%	\$10,000,000	
LGFA	29/04/2027	Floating 3.47%	\$10,000,000	
LGFA	29/04/2027	Floating 3.76%	\$12,000,000	
LGFA	29/10/2027	Floating 3.48%	\$5,000,000	
LGFA	29/04/2028	Floating 3.48%	\$10,000,000	
LGFA	29/04/2028	Floating 3.67%	\$15,000,000	
LGFA	29/04/2028	Floating 3.41%	\$5,000,000	
LGFA	29/04/2028	Floating 3.37%	\$5,000,000	
LGFA	29/04/2029	Floating 3.77%	\$10,000,000	
LGFA	29/04/2029	Floating 3.64%	\$10,000,000	
LGFA	29/04/2029	Floating 3.61%	\$8,500,000	
LGFA	29/04/2029	Floating 3.62%	\$15,000,000	
LGFA	29/04/2030	Floating 3.51%	\$20,000,000	
LGFA	29/04/2030	Floating 3.49%	\$10,000,000	
LGFA	30/04/2030	Floating 3.61%	\$10,000,000	
LGFA	15/05/2031	Floating 3.60%	\$10,000,000	
Accrued interest payable			\$1,964,111	
Total				\$211,720,521

Other debt

LGFA - Borrower Notes	(\$7,941,410)	
Environment Southland - Clean Air Loan Scheme	(\$2,437)	
Finance Lease - Canon	\$94,444 ^A	
Total		(\$7,849,403)

TOTAL BORROWINGS & OTHER DEBT**\$203,871,118****LESS: Cash & Cash Investments**

Note

Cash and cash equivalents				\$11,923,463
Term Deposits				
Party	Maturity date	Interest rate		
ASB3	12/07/2027	4.16%	\$3,366,708	
ASB1	12/10/2026	3.45%	\$3,847,811	
ASB2	23/04/2027	4.19%	\$6,127,330	
Westpac 1	28/07/2027	4.12%	\$151,042	
Westpac 2	28/07/2027	3.99%	\$4,000,000	
Westpac 3	28/07/2027	4.12%	\$4,000,000	
Accrued interest receivable			\$234,484	
				\$21,727,375
Other Investments				
Share investments			\$1,022,960	
Loan advances issued - Invercargill Central Limited			\$11,600,000 ^B	
Loan advances issued - Other			\$24,180	
Accrued Interest Receivable			\$62,582	
Total				\$12,709,722
TOTAL CASH & CASH INVESTMENTS				\$46,360,560

NET DEBT BALANCE**\$157,510,558**

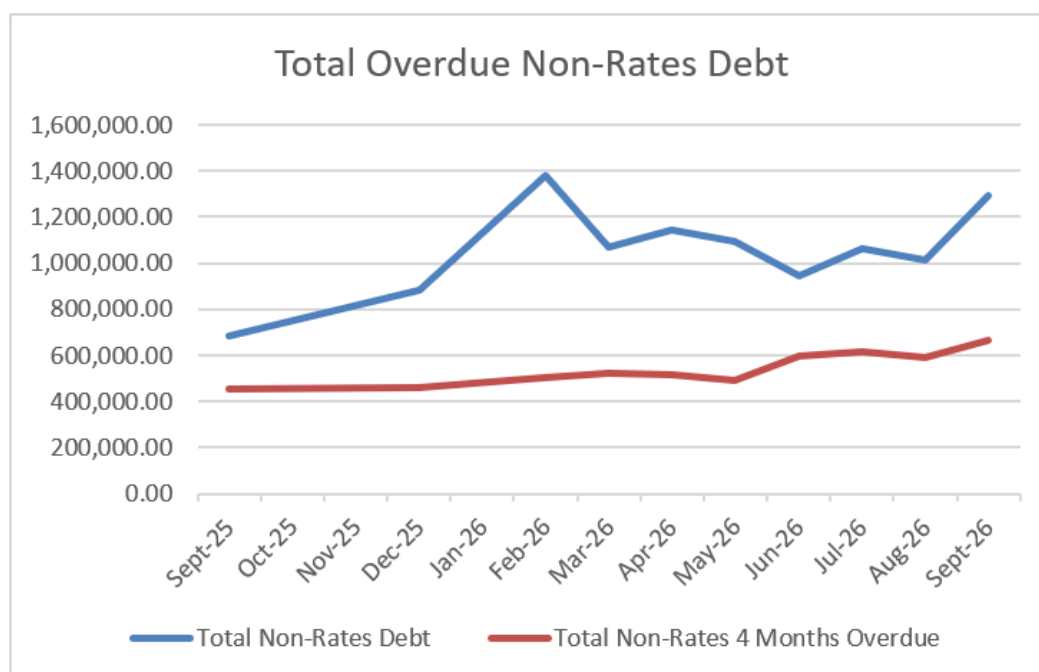
- A. The Council entered into a 5-year finance lease agreement with Canon to supply copier machines
- B. As at 30 June 2026, the outstanding loan balance advanced to Invercargill Central Limited (ICL) amounted to \$11.6 million. The current lending limit that Council can extend to ICL is \$31.45 million. A total of \$1.1 million has been repaid by ICL to Council between 1 July 2026 and 30 September 2026.

Debt Management

Sundry (Non-rates) Debt

As at 30 September 2026 the total of overdue non-rates debt was \$1.29 million, an increase of \$0.35 million from the balance previously reported on 30 June 2026 (\$0.94 million). The total current balance is \$2.46 million.

The graph below shows the trend in total overdue non-rates debt for the period from September 2025 to September 2026, and non-rates debt over four months old for the same period.



The table below details the total Council debt and the age of the debt.

As at 30 September 2026					As at 30 June 2026				
1 Month	2 Months	3 Months	4 + Months	Total	1 Month	2 Months	3 Months	4 + Months	Total
\$ 367,806	\$ 183,142	\$ 74,682	\$ 666,579	\$ 1,292,210	\$ 225,749	\$ 64,305	\$ 54,573	\$ 597,740	\$ 942,368

Of the above balance \$0.433 million (\$0.332 million in June 2026, \$0.207 million in February 2026, \$0.171 million in September), relates to debtors with outstanding debts over \$5,000 and more than two months overdue.

Debt Write Off

Total debt written off for the period from 1 July 2026 to 30 September 2026 was \$6,202. This amount relates to five invoices which were deemed to be uncollectable due the length of time passed since the invoices were raised (more than 6 years) or in some cases, debtors being deceased. Debts are only written off following an extensive review of amounts which are two or more months overdue where it is not considered cost effective to be sent to our external debt collectors for debt recovery.

Rates Debtors

The table below summarises the rates arrears balance as at 30 September 2026. With the 2026-2027 rating year beginning on 1 July 2026, any unpaid rates for the 2025-2026 year are now considered as arrears.

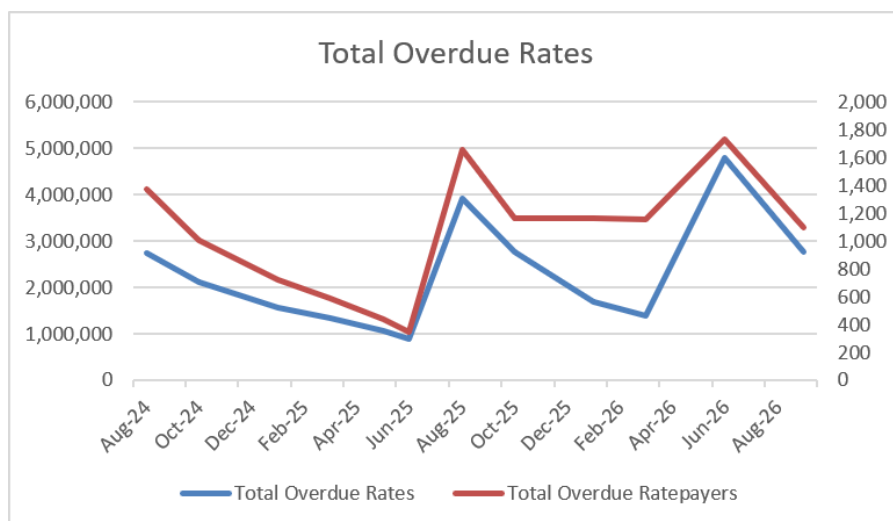
	Rating Year						
	Period 1	Period 2	Period 3	Period 4	Period 5+		
Rates arrears per rating year	2025-2026	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
As at 30 September 2026	2,167,089	444,898	105,602	35,845	24,119		
Total							2,777,553
As at 30 June 2026	3,739,485	734,021	182,300	59,784	25,409	41,564	4,782,563
As at 31 May 2026		805,383	185,091	61,655	26,004	43,639	1,121,772
As at 30 April 2026		919,183	193,296	62,374	26,885	44,198	1,245,936
As at 30 March 2026		1,035,231	208,529	63,130	27,287	45,039	1,379,216
As at 8 January 2026		1,301,571	251,119	64,888	27,986	46,201	1,691,765
As at 3 Oct 2025		2,223,175	381,074	85,825	31,445	47,099	2,768,618
As at 7 Aug 2025		3,177,631	538,773	112,687	32,446	47,169	3,908,706
As at 24 June 2025			653,982	141,717	36,977	16,173	33,109
As at 7 May 2025			816,276	163,346	40,376	16,285	33,471
As at 6 March 2025			1,064,894	188,515	43,515	16,285	33,681
As at 14 January 2025			1,270,000	205,448	45,439	16,333	33,961
As at 24 October 2024			1,718,745	268,878	61,038	19,628	41,857
As at 27 August 2024			2,258,026	340,421	77,830	21,308	42,027
As at 15 July 2024			2,928,178	453,476	114,014	31,516	44,466
As at 31 March 2024				697,052	165,114	43,003	15,011
As at 23 February 2024				874,336	194,229	47,319	16,930
As at Jan 2024				1,063,414	214,151	51,310	18,553
As at Nov 2023				1,259,037	248,786	58,694	19,565
As at Oct 2023				1,605,031	322,105	75,553	23,106
As at June 2023				2,378,364	418,819	97,435	24,235
As at April 2023				0	507,049	105,570	26,219
As at March 2023				0	603,591	120,899	34,960
As at January 2023				0	832,952	145,938	46,012
As at November 2022				0	1,055,366	161,968	4,939
As at August 2022				0	1,738,026	205,383	59,252
							2,002,661

In September 2026, 92.30% of Council's rates arrears by value, (91.85% June 2026, 85.16% March 2026, 87.90% January 2026, October 2025 96.98%, August 2025 84.61%) is owed on 756 properties with amounts greater than \$1,000 outstanding (June 2026 853, January 2026 852, October 2025 853, August 2025 571).

Council offers ratepayers who get behind in their rates the opportunity to enter into a payment plan arrangement. Those ratepayers who are in arrears with a payment plan are not charged rates penalties.

In those situations where there the ratepayer does not enter into or commit to a payment plan (and followed), Council has a number of debt recovery methods available to it under the Rating Act. These include collection from the mortgage holder (where there is a mortgage) and court judgement. The final recovery method is a rating sale where Council obtains a court judgement to sell the property to recover the rates owed and the costs incurred.

The graph below shows total rates arrears (in thousands), together with total number of ratepayers that are in arrears for the period from August 2022 to September 2026.



Water Billing

Metered properties are charged for their volumetric water usage. Invoices are raised on either a monthly or a quarterly basis. At present, consumers receive a free allowance of 249 m³ to reflect that they also pay for targeted water rates, ensuring that they are not double charged for their usage.

The total value of water bills overdue as at 30 September 2026 is \$601,092. The total value of water billing arrears for properties owing more than \$1,000 is \$591,376, which is represented by 52 properties. Council's Processing Team is working to get this number down before the next billing cycle.

Dog Registrations

The total value of 2026/2027 dog registrations unpaid as at 30 September 2026 is \$86,248 (June 2026 \$12,000, March 2026 \$64,162, November 2025 \$85,145, September 2025 \$111,106) relating to 804 animals (June 2026 120, March 2026 619, November 2025 828, September 2025 1080). The decrease in unpaid registrations is reflective of the efforts of Council officers to minimise unpaid debts.

As of 30 September 2026, there are 8,472 dog registrations in total for the 2026/2027 financial year.

It is noted that we do not currently offer instalment payments for dog registrations.

Sensitive Expenditure

In accordance with Council's Sensitive Expenditure Policy, all sensitive expenditure transactions for the period from 1 July 2026 through to 30 September 2026 are reported in the table below. This covers sensitive expenditure by the Mayor, Councillors, Chief Executive and Executive Leadership Team. Sensitive Expenditure is broadly defined within the Sensitive Expenditure Policy as expenditure covering travel, meals, training and hospitality for the Mayor, Councillors and Chief Executive.

Finance and Policy Committee - Public - Financial Update as at 30 September 2026

Cost Centre Description	Period Expense Recorded	Transaction Amount	Who?	Description	Supplier
Chief Executive Office	February 2026	\$121.74	Staff	Catering for staff working on Sir Tim Shadbolt Funeral Arrangements	Invercargill City Council
Councillors	June 2026	\$1,497.96	Alex Crackett	LGNZ Full Membership + Women in Local Government breakfast attendance	Local Government New Zealand
Chief Executive Office	June 2026	\$1,431.27	Michael Day	LGNZ Registration - Michael Day	LGNZ
Councillors	June 2026	\$221.74	Councillors	Catering for Councillors and ELT on 26th May - lunch.	Invercargill City Council
Councillors	June 2026	\$390.00	Andrea De Vries	YEM Hui - Te Puia & Rotorua Lakes Council	Local Government New Zealand
Mayor	July 2026	\$4,041.60	All Councillors	Annual Membership - Mayor Taskforce for Jobs	Mayor Taskforce for Jobs
Councillors	July 2026	\$63.04	Lisa Tou McNaughton	Flowers for Lisa Tou McNaughton	BAA Enterprise Limited
Councillors	July 2026	\$58.51	Councillors	Morning Tea for Elected Members	Invercargill City Council
Councillors	July 2026	\$156.78	Councillors	Catering for Councillors - lunch on 23 July	Invercargill City Council
Councillors	July 2026	\$599.00	Alex Crackett	Alex Crackett - Finance and Risk Training	Wellington Uni-Professional Limited
Councillors	July 2026	\$599.00	Alex Crackett	Alex Crackett - Governance Training	Wellington Uni-Professional Limited
Councillors	July 2026	\$188.33	Alex Crackett	Alex Crackett - Flights to Rotorua for LGNZ YEM Conference	Air New Zealand
Councillors	August 2026	\$147.83	Councillors	Catering for Council workshop on 28th July	Invercargill City Council
Councillors	August 2026	\$312.96	Alex Crackett	Alex Crackett - Accommodation in Rotorua for LGNZ YEM Conference	Distinction Hotel Rotorua
Chief Executive Office	August 2026	\$181.31	Staff - Headstart Team	Lunch to thank the team who worked on the Headstart Submission	Tuatara Café
Councillors	August 2026	\$1,445.00	Grant Dermody	Water Conference Attendance	Avenues Limited
WS - 3 Waters operations office	August 2026	\$343.66	Lee Babe	Lee Babe - Accommodation in Invercargill to attend Water Committee meeting as an Independent M	Distinction Hotel Invercargill
WS - 3 Waters operations office	August 2026	\$1,439.32	Lee Babe	Lee Babe - Flights from Nelson to Invercargill to attend Water Committee meeting as an Independent	Air New Zealand
Councillors	August 2026	\$4,500.00	Councillors	1x Councillor Security Risk Assessment	The Electronic Service Company Limited
Councillors	August 2026	\$58.70	Councillors	Morning Tea for 18th August Council Workshop	Invercargill City Council
Councillors	September 2026	\$37,056.77	Councillors	5x Councillor Security Risk Assessments	ICARAS Consultants (J H Yearsley Ltd)
Councillors	September 2026	\$599.00	Ria Bond	Ria Bond - Governance Training	Wellington Uni-Professional Limited
Councillors	September 2026	\$599.00	Ria Bond	Ria Bond - Finance and Risk Training	Wellington Uni-Professional Limited
Councillors	September 2026	\$219.13	Andrea De Vries	Childcare Allowance - Andrea De Vries	Invercargill Chipmunks 2025 Ltd
Councillors	September 2026	\$766.90	Grant Dermody	Grant Dermody - Flights to Hamilton to attend Water NZ Conference	Air New Zealand

Next Steps

Management will continue to monitor the net debt balance whilst ensuring appropriate funding is available to support the capital programme.

Attachments

Attachment 1 - Fitch Affirms Invercargill City Council at 'AA+'; Outlook Negative - 06 Oct 2026 (11302903)



07 OCT 2026

Fitch Affirms Invercargill City Council at 'AA+'; Outlook Negative

Fitch Ratings - Singapore/Sydney - 07 Oct 2026: Fitch Ratings has affirmed Invercargill City Council's (ICC) Long-Term Local-Currency Issuer Default Rating (IDR) at 'AA+' with a Negative Outlook. Fitch has also affirmed the Short-Term Local-Currency IDR at 'F1+'.

The affirmation reflects ICC's unchanged 'aa+' Standalone Credit Profile (SCP) and our expectation that the council will maintain solid financial performance, preserving sufficient stability and flexibility in its revenue and expenditure profile. We expect debt to rise to fund the council's capital programme expansion in the next few years, especially on higher investment in water services, which we expect the council will retain in-house rather than transfer to a council-controlled organisation following the introduction of water reforms to the sector. However, we believe borrowings will be manageable and commensurate with the council's operating performance.

KEY RATING DRIVERS

Standalone Credit Profile

ICC's SCP reflects a 'High Midrange' risk profile, financial profile in the 'aa' category and comparison with both domestic and international peers.

Risk Profile: 'High Midrange'

The risk profile reflects a combination of 'Stronger' and 'Midrange' assessments for six underlying key risk factors. The assessment reflects our view that there is a low risk of an unexpected weakening in the council's ability to cover debt service with the operating balance over the scenario horizon - the financial year ended June 2026 (FY26) to FY30 - due to lower revenue, higher expenditure, or an unexpected rise in liabilities or debt-servicing requirements.

Revenue Robustness: 'Stronger'

ICC's revenue profile is stable, underpinned by a high proportion of predictable property rates - contributing 58% of Fitch-adjusted operating revenue in FY25 - and supported by diversified operating revenue, including user charges, subsidies and dividends from council-controlled entities. Property rates rose at a 7.2% CAGR for FY21-FY25, driven by rate adjustments made by the council and supported by the sturdy underlying property base and the city's strong wealth levels.

Revenue Adjustability: 'Stronger'

ICC has strong ability to increase revenue in response to budgetary pressure, primarily through its discretion to set property rates and user charges within the local-government framework. Revenue flexibility is supported by the city's high income levels and limited constraints on affordability, as rates account for a low share of average household income compared with international peers. A cap that is under consideration, with an exemption for water charges, could constrict revenue adjustability, but has not yet been passed into law.

Expenditure Sustainability: 'Midrange'

We expect ICC's expenditure profile to remain broadly stable, with operating spending largely driven by predictable service-delivery, maintenance and employee costs, although inflation and asset-management requirements may continue to pressure expenditure growth. Capex will be elevated as the council progresses in its long-term infrastructure renewal and upgrade programme. However, the programme is budgeted for and structured over multiple years, and can be rephased or deferred if required, reducing volatility.

Expenditure Adjustability: 'Stronger'

ICC has strong expenditure flexibility, driven mainly by its ability to reprioritise, alter the scope or defer portions of its multi-year infrastructure programme. Operating cost reductions are more constrained, such as by statutory service obligations and the essential nature of core water, transport and community services, although the council retains some flexibility to contain discretionary spending, adjust service levels and defer non-essential maintenance.

Liabilities and Liquidity Robustness: 'Stronger'

We expect ICC's debt profile to remain manageable despite planned borrowings to fund capex, supported by prudent debt management policies and access to diversified funding sources, including the New Zealand Local Government Funding Agency Limited (LGFA) (AA+/Negative). Liquidity is underpinned by committed bank facilities, cash reserves and LGFA's established market access, while debt-servicing costs should remain broadly stable relative to operating revenue, although higher interest rates and additional borrowings will raise financing costs over the medium term.

Liabilities and Liquidity Flexibility: 'Midrange'

ICC's liquidity is underpinned by maintenance of strong cash balances, committed bank facilities and access to external borrowings through the LGFA. These sources provide adequate coverage for the council's funding requirements, while the LGFA's strong market access mitigates refinancing risk. ICC's robust treasury management framework further supports its ability to preserve adequate liquidity through changing market conditions.

Financial Profile: 'aa category'

ICC's financial profile remains in the 'aa' category, based on Fitch's rating-case scenario for FY26-FY30. The scenario projects borrowings to rise to NZD296 million in FY30, from NZD119 million in FY25, to fund the capital programme, while the operating balance will expand to NZD47.6 million, from

NZD33.1 million. We forecast the payback ratio - net adjusted debt relative to the operating balance - to increase to 6.2x in FY30, from 3.6x in FY25, remaining within the 'aa' assessment range of 5.0x-9.0x. Supporting metrics include debt-service coverage of 1.8x, in the 'a' category, and a fiscal debt burden of 165%, in the 'bbb' category.

Other Rating Factors

Fitch does not apply any extraordinary support factors to ICC's Long-Term Local-Currency IDR. The ratings also do not reflect any additional risk factors.

Short-Term Ratings

The 'F1+' Short-Term IDR corresponds to a Long-Term IDR that lies between 'AAA' and 'AA-', based on the relevant criteria.

Peer Analysis

ICC has a 'High Midrange' risk profile, similar to its domestic peers. Its financial profile is at the stronger end of the 'aa' category, leading to a 'AA+' rating that is strong relative to Fitch-rated domestic peers. ICC's rating positioning is most comparable to councils such as Selwyn District Council (AA+/Negative) and Waikato District Council (AA+/Negative).

Issuer Profile

Invercargill is New Zealand's southernmost city, founded in the 1850s, and the regional capital and commercial centre of Southland. We estimate that the Southland region accounts for around 2% of the country's GDP.

Key Assumptions

Risk Profile: 'High Midrange'

Revenue Robustness: 'Stronger'

Revenue Adjustability: 'Stronger'

Expenditure Sustainability: 'Midrange'

Expenditure Adjustability: 'Stronger'

Liabilities and Liquidity Robustness: 'Stronger'

Liabilities and Liquidity Flexibility: 'Midrange'

Financial Profile: 'aa'

Asymmetric Risk: 'N/A'

Support (Budget Loans): 'N/A'

Support (Ad Hoc): 'N/A'

Rating Cap (LT IDR): 'N/A'

Rating Cap (LT LC IDR) 'N/A'

Rating Floor: 'N/A'

Quantitative assumptions - Issuer Specific

Fitch's rating action is driven by the following assumptions for reference metrics under our FY26-FY30 rating case scenario:

- Payback ratio: 6.2x
- Synthetic coverage ratio: 1.8x
- Fiscal debt burden: 165%

Fitch's through-the-cycle rating case incorporates a combination of revenue, cost and financial risk stresses. It is based on FY21-FY25 published figures and our expectations for FY26-FY30:

- Operating revenue growth at 6.0% per year on average, driven by growth in rates revenue of 7.9%.
- Operating expenditure growth at 5.4% per year on average, based on steady service demand, inflationary effects and population growth.
- Negative net capital balance at NZD68 million a year on average, reflecting the council's capex plan, trimmed based on expected delivery rates.
- Average 4.0% cost of debt.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

A downgrade of New Zealand's Long-Term Local-Currency IDR or a weakening of ICC's SCP may lead to negative rating action. A weaker SCP could be caused by a negative reassessment of the council's risk profile to 'Midrange' or deterioration of the payback ratio to closer to 7.0x on a sustained basis in our rating-case scenario.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

The Outlook would be revised to Stable if the Outlook on the sovereign were revised to Stable, all other factors being equal.

Climate Vulnerability Signals

The results of our Climate.VS screener did not indicate an elevated risk for ICC.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

References for Substantially Material Source Cited as Key Driver Rating

The principal sources of information used in the analysis are described in the Applicable Criteria.

Fitch Ratings Analysts

Shelley Jang

Director

Primary Rating Analyst

+65 6796 7240

Fitch Ratings Singapore Pte Ltd. 1 Wallich Street #19-01 Guoco Tower Singapore 078881

Paul Norris

Senior Director

Secondary Rating Analyst

+61 2 8256 0326

Jean Luo

Senior Director

Committee Chairperson

+852 2263 9952

Media Contacts

Jack Li

Beijing

+86 10 5957 0964

jack.li@thefitchgroup.com

Peter Hoflich

Singapore

+65 6796 7229

peter.hoflich@thefitchgroup.com

Rating Actions

ENTITY/DEBT	RATING		RECOVERY	PRIOR
Invercargill City Council	LC LT IDR	AA+ 	Affirmed	AA+ 
	LC ST IDR	F1+	Affirmed	F1+

RATINGS KEY OUTLOOK WATCH

POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

Applicable Criteria

[International Local and Regional Governments Rating Criteria \(pub.27 Mar 2026\)](#)
(including rating assumption sensitivity)

Additional Disclosures

[Solicitation Status](#)

Endorsement Status

Invercargill City Council EU Endorsed, UK Endorsed

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European

Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across

asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see [Best- and Worst-Case Measures](#) under the Rating Performance page on Fitch's website.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001. Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Copyright © 2026 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.

Endorsement policy

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU Regulation or the UK Regulation, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's [Regulatory Affairs](#) page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

INFORMATION SERVICES ASSET MANAGEMENT STRATEGY KEY PRINCIPLES AND APPROACH

To: Finance and Policy Committee

Meeting Date: Tuesday 20 October 2026

From: Richard Hutton - Manager – Information Services

Approved: Patricia Christie - Group Manager - Corporate Services

Approved Date: Wednesday 14 October 2026

Open Agenda: Yes

Public Excluded Agenda: No

Purpose and Summary

This report presents the key principles and management approach that will guide the development and ongoing implementation of Council's Information Services Asset Management Strategy. The proposed framework is intended to support consistent decision-making, investment planning, risk management, and stewardship across Council's technology portfolio.

The report is for information and does not seek approval for specific investment or funding. It establishes the foundation for managing information Services assets as strategic business resources, so they remain secure, reliable, sustainable, and fit for purpose, while supporting Council services and community outcomes.

Recommendations

That the Finance and Policy Committee:

1. Receives the report "Information Services Asset Management Strategy Key Principles and Approach."
2. Approves that the principles and approach outlined in the attached document will guide the development and ongoing management of Council's Information Services assets.

Background

Council relies on a broad portfolio of information Services assets to deliver services, support business operations, protect information and meet legislative and regulatory obligations. These

assets include applications, infrastructure, cloud services, end-user technology, integrations, data platforms, and supporting technology components.

The growing importance, complexity and cost of these assets require a consistent asset management framework. The attached Key Principles and Approach document provides this foundation. It is not the detailed Asset Management Strategy. Rather, it sets the direction for future lifecycle planning, investment prioritisation, risk management, governance, and performance reporting.

The framework aligns the management of information services assets with Council strategies, financial planning, risk frameworks, and digital priorities. It also provides a basis for clearer business and technical ownership of assets throughout their lifecycle.

Issues

Key Asset Management Principles

The proposed framework is based on nine principles:

- Service-focused decision-making that prioritises reliable, secure, and valuable Council services.
- Whole-of-life management from planning and acquisition through to operation, renewal, and disposal.
- Risk-based investment informed by business criticality, cybersecurity risk, service impact, and asset condition.
- Security, privacy, records management, and regulatory compliance throughout the asset lifecycle.
- Standardised and supportable solutions that reduce complexity, improve security and lower support costs.
- Clear business and technical ownership, with accountability for performance, risk and lifecycle management.
- Evidence-based decisions supported by asset data, performance information, risk assessments and financial analysis.
- Sustainable and affordable investment that balances service needs, risk and Council's long-term priorities.
- Continuous improvement in governance, data quality, planning and service outcomes.

Asset Management Approach

Assets will be managed through five lifecycle stages. Plan, acquire, operate, renew and retire. At each stage, decisions will consider service requirements, risk, cost, performance and long-term supportability.

Accurate and current asset information will be maintained to support lifecycle planning, financial forecasting, risk assessment and reporting. This will provide a stronger evidence base for investment and renewal decisions.

Expected Outcomes

Applying the framework to improve service reliability, reduce technology risk, support informed investment decisions, improve financial forecasting, strengthen

cybersecurity and compliance, and provide clearer accountability for information services assets.

Financial and Strategic Implications

The framework does not, by itself, commit Council to additional expenditure. Future investment and renewal requirements identified through the detailed Asset Management Plan will be considered through Council's established planning, prioritisation and budget processes. The approach will improve visibility of whole-of-life costs and enable risks and competing investment priorities to be assessed more consistently.

Next Steps

Subject to Council receiving this report, Information Services will:

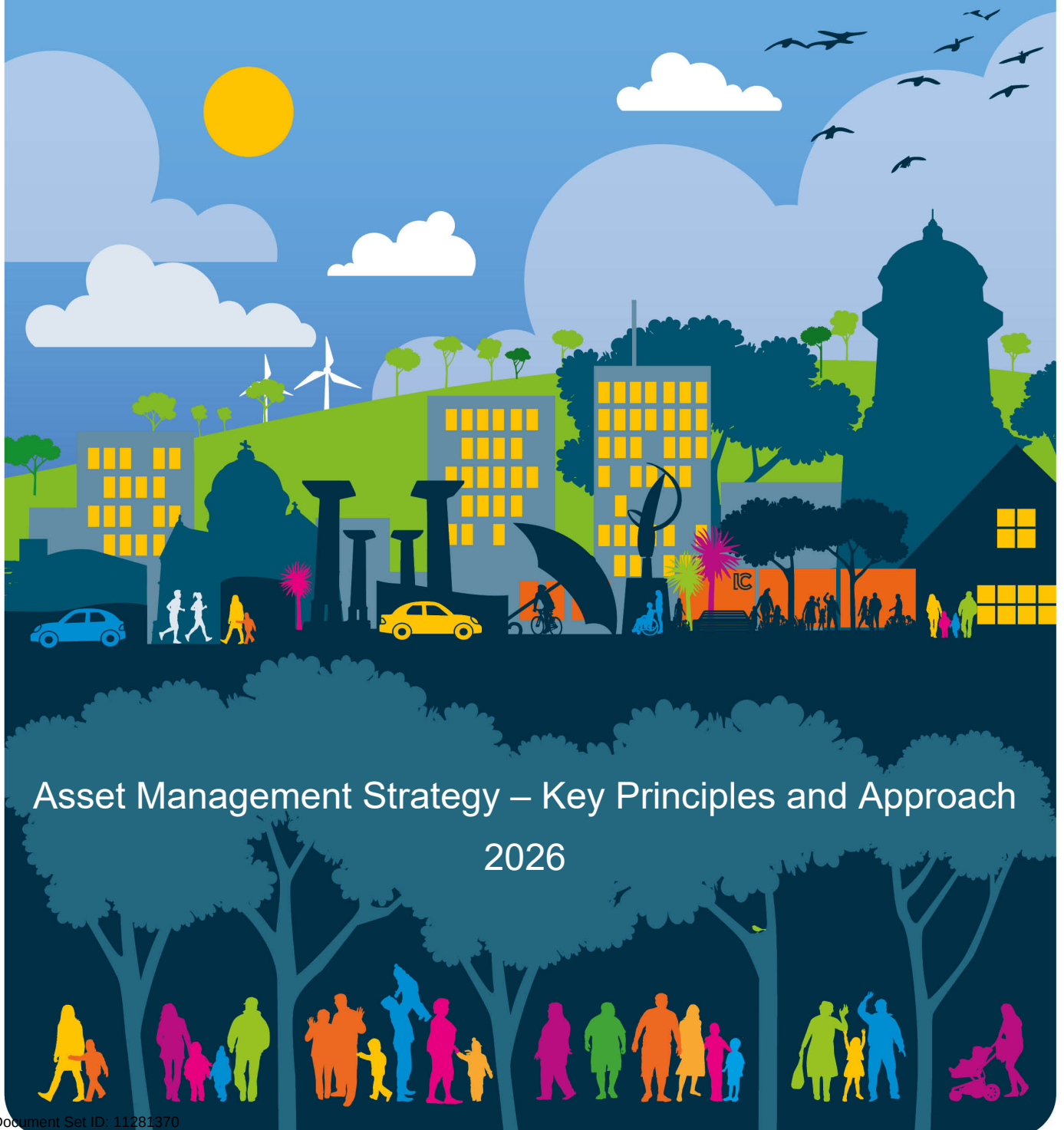
- Use the principles and approach as the foundation for developing the detailed Information Services Asset Management Strategy.
- Continue improving asset information, including ownership, condition, criticality, lifecycle status, support arrangements and renewal requirements.
- Develop lifecycle forecasts and identify material risks, dependencies and investment priorities.
- Integrate asset planning with Council's financial planning, risk management, digital planning and governance processes.
- Establish appropriate measures and reporting to monitor asset performance, risk and progress.
- Review and update the framework and detailed plan as Council's services, risks and technology environment change.

Attachments

1. Information Services Asset Management Strategy - Key Principles and Approach 2026. (Doc ID – 11281370)



Information Services



Asset Management Strategy – Key Principles and Approach
2026

Information Services Asset Management Strategy - Key Principles and Approach

1. Purpose

This document outlines the principles and approach that guide the management of ICC's Information Services assets. It provides a consistent framework for decision-making, investment planning, risk management and stewardship across the technology portfolio.

ICC will manage Information Services assets as strategic business resources, ensuring they remain secure, reliable, sustainable and fit for purpose while supporting the delivery of Council services and community outcomes.

2. Asset Management Principles

Service-Focused

Technology assets exist to support Council services, business operations and community outcomes. Asset decisions will prioritise service reliability, security and value.

Whole-of-Life Management

Assets will be managed from planning and acquisition through to operation, renewal and disposal, with decisions based on total lifecycle cost, risk and performance.

Risk-Based Investment

Investment and renewal priorities will be driven by business criticality, cybersecurity risk, service impact and asset condition.

Security and Compliance

Assets will be managed to meet security, privacy, records management and regulatory requirements throughout their lifecycle.

Standardisation

Council will favour supported, standardised solutions that reduce complexity, improve security and lower support costs. Customisation will only occur where there is a clear business benefit.

Accountability

Information Services assets will have defined business and technical ownership, with clear accountability for performance, risk and lifecycle management.

Evidence-Based Decisions

Asset data, performance information, risk assessments and financial analysis will inform planning and investment decisions.

Sustainability and Affordability

Technology investment will balance service needs, risk and financial sustainability while supporting Council's long-term priorities.

Continuous Improvement

Asset management practices will be regularly reviewed to improve governance, data quality, planning and service outcomes.

3. Asset Management Approach

Strategic Alignment

Asset planning will align with Council strategies, financial plans, risk frameworks and digital priorities.

Lifecycle Management

Information Services assets will be managed through five stages:

- Plan
- Acquire
- Operate
- Renew
- Retire

Each stage will consider service requirements, risk, cost and long-term supportability.

Governance

Asset management will operate within existing Council governance arrangements, ensuring appropriate oversight of investment, risk, performance and compliance.

Asset Information

Accurate and current asset information is essential for effective planning, forecasting and decision-making. Asset records will be maintained to support lifecycle management and reporting.

4. Success Measures

Effective asset management will:

- Improve service reliability.
- Reduce technology risk.
- Support informed investment decisions.
- Improve financial forecasting.
- Strengthen cybersecurity and compliance.
- Provide clear accountability for technology assets.

OUR COUNCIL PROGRAMME UPDATE

To:	Finance and Policy Committee
Meeting Date:	Tuesday 20 October 2026
From:	Jamie Garnett – Group Manager - Capital Portfolio
Approved:	Trudie Hurst – Deputy Chief Executive
Approved Date:	Thursday 15 October 2026
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

This report provides the Finance and Policy Committee with an update on the Our Council Programme.

Recommendations

That the Finance and Policy Committee:

1. Receives the report "Our Council Programme Update."
2. Notes the progress of the Our Council Programme and the status of Tranche 1, Tranche 2 and Tranche 3 initiatives.
3. Notes the key delivery challenges and ongoing work to strengthen internal capability and change management across the organisation.

Background

The Our Council Programme is Council's long-term business transformation programme, funded through the Long-term Plan with an approved budget of \$28.2 million. The programme is modernising Council's technology platforms, business processes and digital services to improve operational efficiency, governance and customer experience.

Delivery is governed through PRINCE2 (Project Management Framework) and supported by Prosci ADKAR (Change Management Framework), with projects sequenced across three Tranches to manage organisational change and delivery risk. Tranche 2 continues to adopt TechnologyOne's SaaS+ implementation approach, leveraging standard functionality to accelerate delivery, reduce customisation and improve whole-of-life value.

Our Council Programme Timeline								
Tranche 1								
Tranche 2								
Tranche 3								
	2022	2023	2024	2025	2026	2027	2028	2029

Financial

Programme Status Details							
Programme		OurCouncil Tranche 1					
Programme Budget	Project Budget	Project Forecast	Project Actuals	Forecast to Complete	Active Risks	Active Issues	Active Changes
\$11.5M	\$12.3M	\$11.6M	\$11.7M	(\$45.8K)	5	0	1

Tranche 1

Tranche 1 is substantially complete, with 97% average project progress, \$11.7 million actual spend against an \$11.6 million forecast and an estimated \$0.004 million remaining to complete the final in-flight activities. A major milestone was achieved with the successful HRIS Payroll go-live on 24 June 2026, including the first live payroll on 1 July 2026. The majority of Tranche 1 projects are now complete, with the remaining financial exposure concentrated on Council Website project as it progresses through its final delivery activities.

Overall, Tranche 1 remains within the approved programme budget, with residual cost and delivery risk limited, visible and actively managed.

Currently average project completion is at 97%, the programme has transitioned from major implementation activities to the completion of remaining scope.

Tranche 2

Programme Status Details							
Programme		OurCouncil Tranche 2					
Programme Budget	Project Budget	Project Forecast	Project Actuals	Forecast to Complete	Active Risks	Active Issues	Active Changes
\$10.2M	\$7.9M	\$6.5M	\$2.6M	\$3.9M	45	2	0

Tranche 2 is progressing through the planning and mobilisation phase, with financial reporting reflecting the staged approval and investment approach. Delivery continues under the TechnologyOne SaaS+ methodology, leveraging standard functionality to reduce customisation, improve delivery efficiency, and support lower whole-of-life support costs.

Tranche 2 has an indicative delivery envelope of \$10.2 million, with \$7.9 million currently allocated across approved project budgets.

Forecast expenditure is \$6.5 million, comprising \$2.6 million actual spend and \$3.9 million forecast to complete. Average project progress has increased to 20%, reflecting continued mobilisation and planning activities. Key milestones during the period include the successful

implementation of the Whatfix Digital Adoption Platform, with delivery continuing under the TechnologyOne SaaS+ methodology.

Financial exposure remains well controlled, with expenditure aligned to the phased delivery approach. While Enterprise Content Management (ECM) has experienced an approximate six-week delay and delivered successfully on the 17 August 2026, the overall programme remains on track, with delivery risk primarily associated with project sequencing and scope maturity rather than cost escalation.

Tranche 3

Tranche 3 represents the final and most operationally significant phase of the Our Council Programme, covering the Property and Ratings domain that underpins a large proportion of Council's core services and internal processes. No Tranche 3 projects are being initiated at this time.

Progression of Tranche 3 is intentionally deferred pending completion of TechnologyOne's SaaS+ product design for the Property and Ratings domain and maturation of Council's delivery capability.

This Tranche will replace functionality currently delivered through the Pathway system and has organisation wide impact. Deferral is a deliberate governance decision to manage operational risk, improve cost predictability, and ensure future delivery can proceed using a disciplined SaaS+ approach that avoids unnecessary customisation and long-term support cost.

Issues

Active project issues remain, while TechnologyOne platform issues continue to impact the Enterprise Asset Management (EAM) implementation. Issues are under active vendor and programme management. The Website Project continues to progress, nearing completion of the integration platform implementation. All subsites now live, which includes Library and Museum.

Across the Tranches there are two active issues.

- IS-1087 Learning Management System not included in Scope – This is a project level Issue which will not impact the program.
- IS-1090 Performance Management System Changes recommendations to ELT, this is a project level issue which will affect project schedule but not impact the program.

Next Steps

The immediate focus will be on completing the remaining Tranche 1 project, In parallel, initiation activities will commence on smaller initiatives that can be delivered in parallel with the larger TechnologyOne Projects.

Attachments

Nil.