

Venues and Events Services Activity Plan

To provide inclusive venues and events services that create opportunities to stimulate and leverage economic, cultural and social growth in a way that supports and delivers on community well- beings, civic pride and the destination status of Invercargill.

Preface

Introduction

The Venues and Events Services Activity Management Plan (AMP) covers one of 12 activities addressed in the Invercargill City Council Long Term Plan (LTP). This plan is, strongly linked to the overall strategic direction of Invercargill city and also supports that of the Southland region. This plan, and the activities, also strongly link to the new Murihiku Southland Events Strategy. The LTP is the document and process that advises the community to the key issues and strategies contained in this document.

The purpose of this Plan is to outline and to summarise in one place, Council's strategic approach for the delivery of the Venues and Events Services Activity.

The AMP demonstrates responsible management of the function on behalf of ratepayers and stakeholders and assists with the achievement of community outcomes and statutory compliance. The AMP combines management, financial, and technical practices to ensure that the level of service required by the law and expected by the Community is provided in the most operationally effective and sustainable manner.

This AMP is based on existing levels of service, currently available information, and the existing knowledge / judgement of the Council staff.

Summary

This AMP is a new activity. Previously Venues and Events Services was undertaken by Invercargill Venue and Events Management (IVEM) and referred in the previous LTP as Theatre Services.

IVEM is a CCO owned by ICC, however following a review of operations Council resolved to transfer the Operations of IVEM back into Council (25 June 2019 Finance and Policy Committee meeting). IVEM remains as a non-trading shelf company only. The arrangements are complicated by the fact that Rugby Park was transferred to the ownership of Invercargill City Charitable Trust, with IVEM then entering into a lease arrangement with the Trust to be the sub-leasee. At this stage, the company remains in existence and the legal arrangements relating to the sublease continue from a legal perspective only. In reality, Council provides the services. The legal structure is being reviewed to simplify matters. For the purposes of this current AMP, all references are to Council.

The Venues and Events Services activity operates and promotes three venues based in Invercargill for hire. They are the Civic Theatre, Scottish Hall and Rugby Park. It is also involved in the direct co-promotion and ticketing of events held at these venues and from time to time extends services to other venues and events where the opportunity aligns with Council's mandates and the community's aspirations.

What we deliver

What the activity is

The Venues and Events Services Activity aims to provide quality venues, event services, and visitor experiences for the well-being and enjoyment of the community. The venues are places where people can enjoy cultural, social, sporting and recreational activities. These facilities also contribute to residents developing a sense of belonging and ownership of their place, Invercargill and Southland. They also attract events and visitors to the city drive economic development through domestic tourism and provide a place and platform for connecting commercial enterprise within Invercargill and nationally. These facilities include the Civic Theatre, Scottish Hall, and Rugby Park. The Civic Theatre has a Category 1 classification by the New Zealand Historic Places Trust which means that the building is of national significance.

These venues are extensively used by individuals, groups, local and regional organisations as well as national and international touring companies. This is achieved by:

- Taking a proactive approach to attracting a wide range of bookings for each venue.
- Regularly attracting high quality national and international shows and experiences.
- Increasing the number of people generally visiting and enjoying the venues, including use of the foyers, street frontage, visits by local groups etc.
- Raising awareness and use of each venue's various functions and facilities i.e. as a wedding venue, function/meeting rooms, dance rehearsal room, green room etc.
- Seeking and implementing new opportunities for increasing revenue streams from each venue.
- Maintaining regular communication with other venues, events management and stakeholders in the region, to ensure alignment of objectives and to make efficient use of our shared resources.
- Ensuring that each venue is maintained to a high standard and continues to deliver a quality experience for audiences and performers.

Activity Overview

Venues and Events Services operates the Civic Theatre, Scottish Hall and Rugby Park. This includes the hiring, promotion, ticketing and delivery / coordination of specialist services to enable safe and engaging events to occur.

The Civic Theatre is located at 88 Tay Street, Invercargill and is the premier venue for live theatre performance in Southland. The complex has a 1000 seat lyric theatre, supported by full flying system and backstage facilities. Three hireable function spaces have been incorporated into the front-of-house along with ample tradeshow and public amenity space. The Theatre provides groups and organisations with a quality performance venue consistent with its contemporaries in the New Zealand touring network of venues.

The Scottish Hall is located at 112 Esk Street, Invercargill. The Hall comprises of a main hall, the supper room, and a commercial kitchen. Both the main hall and the upstairs rooms have recently been refurbished and the Hall is a hireable space for a variety of public and private events and activities.

The Rugby Park venue is located at 278 Tweed Street, Invercargill. Since the venue was transferred to the Invercargill City Stadium Trust in 2016 it has had the roof resealed and parts of the building have water tightness issues which are being addressed in stages. While the new section of the grandstand is satisfactory, parts of the old grandstand have strengthening issues and in the interests of community safety have been blocked off until an engineer's report is available and a programme of remediation completed. The Parks Department ensure the field is in good condition.

From time to time existing council assets may be reassigned between Council departments to ensure best fit, customer service and value for money.

Why we are involved in this activity

Council undertakes the Venues and Events Services activity to promote Community well-beings, economic development and foster pride and a sense of belong for residents and ratepayers in Invercargill City and Southland.

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

Invercargill City Council provides these services as they require specialist buildings that are not commercially viable such as the Civic Theatre, and it is unlikely that any private organisation would be able to provide such facilities for community access and at an affordable level therefore subsidy is required to fulfil the community demand for this service.

The Civic Theatre has a Category 1 classification by the New Zealand Historic Places Trust which means that the building is of national significance, and has an intrinsic value as a Historic Place, and as such it contributes to the social and community outcomes of the Council and provide further visitor attraction opportunities for the city.

Community outcomes

Table 1

Community Outcomes

Community Outcomes	Council's Role in Achieving	How the Activity Contributes
Enhance our City	The cultural, social, and sporting enjoyment of our residents can be achieved, by the venues provided.	<p>The Venues and Events Services Activity at the Civic Theatre provides a safe, warm, elegant, and inviting environment where people can enjoy a diverse range of live entertainment or conduct personal celebrations and events.</p> <p>The Scottish Hall provides a historic venue for social and community gatherings and events.</p>

		Rugby Park provides a space where sporting and other events can be enjoyed, as well as rooms for hire for a variety of purposes.
Preserve its Character	The heritage status of the Scottish Hall and the Civic Theatre is a unique feature, and a wonderful asset to our community and history-focused tourists.	The Venues and Events Services Activity provides these iconic venues, where a large range of audiences can come together to enjoy shows and events in unique historic and sporting surroundings.
Embrace Innovation and Change	Promoters, hirers, and patrons to the Civic Theatre, Scottish Hall and Rugby Park give positive feedback and have great experiences.	The Venues and Events Services Activity provides three different venues which cater to the needs of a large variety of hirers and audiences, big and small groups, community, business, recreational, sporting and cultural groups.
	Invercargill has the 'wow factor' with the right facilities and events to enjoy.	The Venues and Events Services Activity provides venues and events that meet audience needs and exceed expectations.

Our vision

To provide inclusive venues and events services that create opportunities to stimulate and leverage economic, cultural and social growth in a way that supports and delivers on community well-beings, civic pride and the destination status of Invercargill.

Our activity objectives

The principal objectives of the Venues and Events Services Activity are to:

- Recognise and promote the cultural, historical and sporting significance of the venues as icons within the Southland region.
- Maintain and professionally manage the venues with a strong customer focus and a genuine, warm welcome to all users and visitors.
- Increase public awareness and usage of the venues for a range of theatrical, cultural, social, commerce and sporting experiences.
- Integrate the venues as vibrant places for shows and gatherings of all shapes and sizes, as well as providing regular opportunities for the general public to simply visit and enjoy the venues.
- Build and maintain co-operative, win-win relationships with relevant stakeholders in the region.
- Operate the venues in a fiscally responsible and sustainable manner.

How we determine what we do

Our Strategic Framework

Activity Management Plans underpin the activities in the Long Term Plan, they record the current and desired Levels of Service and Maintenance, Capital Works Programmes and budgets (if applicable) required to ensure the activity meets the desired Levels of Service. Adoption of the budgets for these programmes is carried out through the Long Term Plan process. Changes to budgets for programmes may occur during the consultation process and adoption of Long Term Plan budgets.



Activity Management Plan Strategic Framework



Our Customers

Venues and Events Services have a wide range of customers including individuals and groups that hire the venues, performers and players as well as audiences and communities who attend shows and events. Some of the regular types of uses are listed below. . In addition to the user type we recognise the diversity of our community. To increase inclusion and remove barriers to participation we will monitor the demographics of our customers to ensure our services strive to be relevant, accessible and safe for all our people regardless of age, disability, wealth, gender, race or religious beliefs.

Table 2

Venues and Events Services Stakeholders

Stakeholder and Community	Area of Interest	Engagement
Community Use - private	<ul style="list-style-type: none"> • Small group or private function • Weddings • Funerals • Other social occasions (birthdays / dinners / social clubs) 	Face-to-face, survey, consult
Community Use - Public	<ul style="list-style-type: none"> • Local production shows • Small group seminars or training (community) • Tertiary and school groups (Productions and Prize giving) • Dance / Music / stage productions • Religious services • Community events (kids day / multi-culture day / relay for life) • Open days 	Face-to-face, survey, consult
Commercial Use	<ul style="list-style-type: none"> • Road shows (carpet / antiques / book sales) • Trade shows • Large group seminars and conferences • Corporate and training meetings • Small group seminars 	Face-to-face, survey, consult
National/International	<ul style="list-style-type: none"> • National / International touring shows • Music concerts • Dance/ballet concerns • Sports events 	Face-to-face, survey, consult
Sports	<ul style="list-style-type: none"> • Rugby • League • Football • Kids tri, motorsport • Casual recreation and fitness 	Face-to-face, survey, consult
Outdoors events	<ul style="list-style-type: none"> • Trade shows • Exhibitions • Sporting and cultural • Concerts • Markets 	Face-to-face, survey, consult

Our Levels of Service

The Venues and Events Services Activity **enhances our city** through operating and marketing quality event venues, ensuring promotion of the most appropriate venues for events, attracting touring shows and events and enabling local productions and events to be undertaken.

The Venues and Events Services Activity **preserves the character** of our city through maintaining The Civic Theatre (a Category 1 Building of National Significance, as classified by the Heritage New Zealand Pouhere Taonga) as a quality performance venue and Scottish Hall (a Category 2 Building of National Significance, as classified by the Heritage New Zealand Pouhere Taonga) and Rugby Park.

Table 3

Venues and Events Services Measures for Levels of Service

KPI 2021-2031	MEASURE
Increase public use of venue services through the attraction and support for a range of community events through to touring shows and performances.	Civic Theatre: - 10 regional events - 6 special interest - 35 community events - 104 bookings
	Scottish Hall: - 30 community events - 10 special interest events - 18% occupancy rate
	Rugby Park: - 13 regional events - 12 community events - 8% occupancy rate
Number of visits per head of (Invercargill City) population	0.4 visits per head = 22,480 visits across all venues
Percentage of Venues and Events Services customers (hirers and patrons) who rate the experience or the venue as good or very good	80% rate as satisfactory or above

Table 4*Venues and Events Services Baseline Measures and Targets**

Baseline	Measure	2021/22 Target	2022/23 Target	2023/2024 Target	2024-31 Target	
55 bookings 28% occupancy rate # audience	Increase public use of venue services through the attraction and support for a range of community events through to touring shows and performances.	Auditorium	>55 (>28%)	>55 (>28%)	>55 (>28%)	>55 (>28%)
70 bookings 11% occupancy rate # visitors		Victoria and Drawing Rooms	>70 (>11%)	>70 (>11%)	>70 (>11%)	>70 (>11%)
10 regional events		Increasing public awareness and use of the Civic Theatre complex and its range of facilities	>10	>10	>10	>10
6 Special interest events			>6	>6	>6	>6
35 Community events			>35	>35	>35	>35
40 bookings 18% occupancy rate # visitors		Expanding the use and awareness of the Scottish Hall as a venue for meetings and a range of social and cultural experiences	>40 (>18%)	>40 (>18%)	>40 (>18%)	>40 (>18%)
10 Special interest events			>10	>10	>10	>10
30 Community events			>30	>30	>30	>30
25 bookings 8% occupancy rate # visitors		Expanding the use and awareness of the Rugby Park as a venue for meetings and a range of social, cultural and sporting experiences	>25 (>8%)	>25 (>8%)	>25 (>8%)	>25 (>8%)
13 Regional events			>13	>13	>13	>13
12 Community events			>12	>12	>12	>12
New measure		Number of visits per head of Invercargill City population	0.4	0.4	0.4	0.4

New measure	Percentage of Venues and Events Services customers (hirers and patrons) who rate the experience or the venue as good or very good	>80%	>80%	>80%	>80%
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* As this Activity Management Plan reflects a service recently transferred to Council from a C.C.O and undergoing change and improvement to respond to an evolving operating context the performance measures and targets will be monitored through the life of the LTP to ensure appropriate benchmarks have been set.

Assessing demand - current and future

The Venues and Events Services Activity is dependent on the public of Invercargill, Southland and domestic tourism supporting venues by hiring them or attending events. While some elements of the current situation are unpredictable and the market is highly volatile, certain changes can be predicted or anticipated

Economic trends and Employment

Whilst the impact of the pandemic and the national lockdown is clearly reflected in terms of job losses and an economic downturn, New Zealand has not been affected to the same extent as other countries.

Employment levels are expected to remain relatively stable, though there are job losses in the tourism sector which will impact on customer spending patterns, and will dictate how much spare money people have to spend on entertainment and hiring venues. This is variable currently, but gradually stabilising.

Changes in income are reflected in reduced patronage of higher priced shows/events, but there is still steady attendance at lower/mid-priced events, and daytime events, that are targeted to the older demographic. Older adults will also attend shows in the evening, if they are of interest.

Events and entertainment

The impact of the Covid-19 pandemic on venues has been devastating, with many shows and events needing to be cancelled in the 2020 year. Anecdotal evidence and advance pencil bookings has shown a greater than expected recovery rate but with much lower confidence to committing advance contracting resulting in shorter lead in times. Consumer ticketing is following a similar trend with increasing demand to return to mass gatherings but purchasing tickets much closer to event days than prior to COVID- 19 and the collapse of Ticket Rocket.

International events have been cancelled and the future of touring international events is still an uncertain. Loss of international 'product' changes the venue offering and is likely to impact on audiences. Government support and stimulus packages for the arts, culture and sporting sectors may conversely increase touring to and hosting of events in Southland. In particular nationally significant hirers like the New Zealand Symphony Orchestra and Royal New Zealand Ballet Company are touring to Invercargill. People are seeking and engaging in social, sporting and cultural events following the move to Level One or BAU.

In addition, Invercargill has experienced increased supply of meeting, conference and event venues being offered by education, licensing trust and commercial organisations. These venues are often dual use (museum/events, teaching space/performance venue).

Customer service issues and trends

Customers will be concerned about health and safety and the value they experience with their discretionary money, at the same time as putting value on experiences rather than assets as they seek more personal experiences with family or friends.

The additional impact from Covid-19 has been the issue of our ticketing provider going into receivership. This has caused major concerns from many Promoters on the security of their future ticketing funds, under the terms of our new ticketing provider, Ticketek. Another challenge we face due to Covid-19 and the failure of our ticketing provider, is the impact on the public's confidence to purchase tickets to upcoming events.

Repeat experience and comfort seeking

Fulfilling experiences that meet customer expectations create a wish to repeat that experience, or share it with others. Word of mouth, sharing on social media can create interest in experiences and places that can influence future users. People wish to publicly celebrate birthdays and marriages, or mourn lost relatives – conducting events postponed during the previous months of 2020. The majority of new bookings for the Scottish Hall are generated from people attending an event and seeing it as a place they might like to hire for their own events (community or personal).

Adaptive business

Businesses post COVID19 are encouraged to be flexible and adaptive. For some this may mean downsizing their long term rentals and taking on more flexible options. Others may want Digital/face to face options for meetings, with provision for meeting rooms including technology to support online interaction.

The venues will need to provide higher levels of cleaning and customer tracing and adapt to user demands for technology such as contactless point of sale terminals and easy to access and video capable wifi.

Consumer consumption trends and audience behaviours have altered, significantly with a rise in on-demand and personally curated content platforms such as Netflix and NEON. Venues will have to develop modes and channels of push communication that are targets and relevant to potential customers to maintain and grow patronage.

Projected Growth or Decline in Demand for the Service

Population profile

The Southland region is home to 97,467 people, which increased by 4.4 percent, since the 2013 Census. Over the next few years, there is a forecast increase¹ in population for the Southland region: ranging from a high estimate of 104,600, to a low estimate of 95,600. More than half (57,100)² of those in the Southland region live in Invercargill City, which is growing at the same rate as the region. Invercargill's population growth is expected to be minimal in the short term as a result of Covid-19 limiting the ability of students and migrant workers to travel, along with continued aging of the population.

There is currently no baseline data that indicates the profile of users of Venues and Events Services. An increase in population is likely to increase utilisation of the venues.

The COVID – 19 lockdowns of 2020 and the impact the Alert Level restrictions had on the event sector (e.g., limited gatherings to 100 or less) had a noticeable and swift impact on the number of shows to be booked and run at our venues. However, we have seen a fairly quick bounce back on the level of bookings for shows and other event activities and we expect this to continue unless there is another Alert Level change.

¹ Figure.nz

² Stats nz.

Anecdotal evidence suggest an increase of demand for unique New Zealand experiences through domestic tourism. There is an opportunity to expand service demand by catering to the needs of a wider New Zealand audience and user profile in order to deliver greater economic impact to locals and reduce the financial risk to ratepayers.

Figure 1

Impact on total bookings, 2016-2019

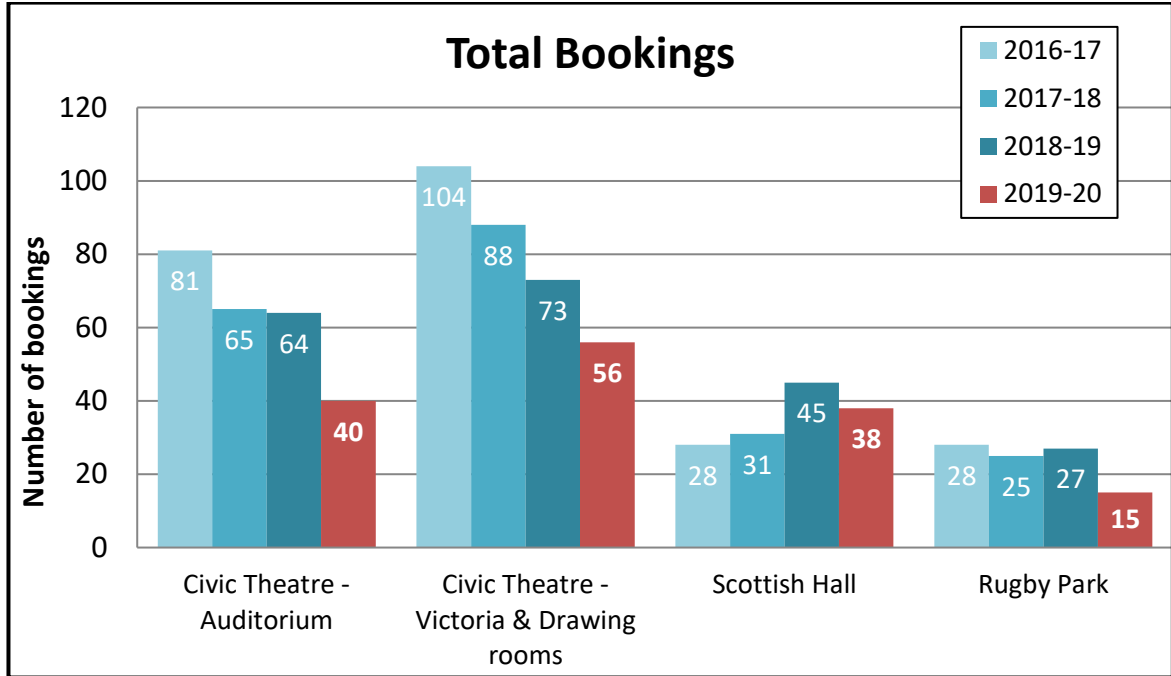
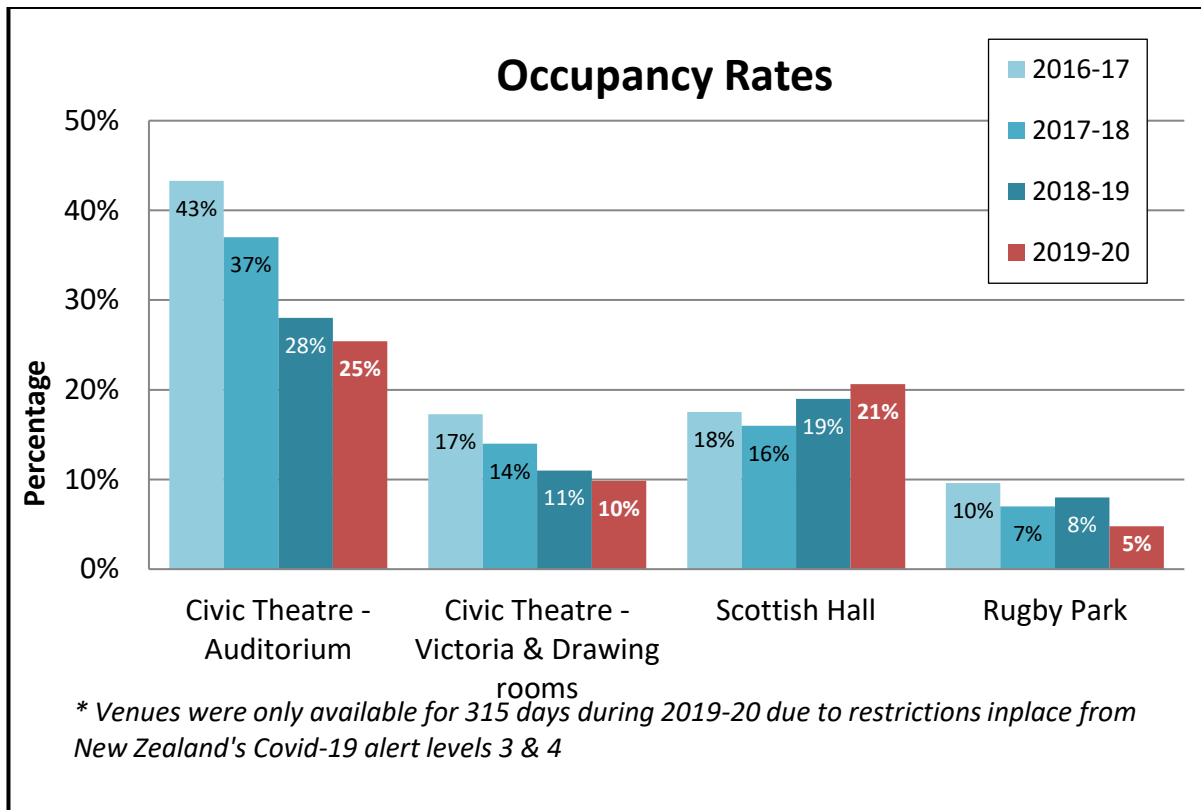


Figure 2

Impact on occupancy rates, 2016-2019



Note the drop in bookings in 2019/2020 was due to the Covid19 Pandemic. We have seen, as noted earlier, a fairly quick bounce back from the events sector promoters and producers of shows. The long term impact will as much be determined by future lockdown and alert level changes but we can likely expect that the sector will return to a new normal over the next 10-year period.

Changing demographics will also influence demand on the facility. An aging population will require different or modified services in order to meet their requirements, particularly the programming mix and marketing approaches.

Changes in service expectations

Community Outcomes are central to the activities of the Venues and Events Services. The activity contributes to the outcomes in a number of different ways, and these outcomes then dictate to some extent the Levels of Service.

Expected Implications for the activity

Levels of Service may need to change in relation to the type of event or show and associated audience. For example, national shows with low levels of technical demand may reduce the capability of the venue and its staff over time. Technical staff need sufficient exposure to a variety of shows and events and their various expectations to maintain technical currency, and in particular the specific requirements of a high-quality complex facility such as the Civic Theatre. Conversely, an increase in the numbers of major national tours could increase demand for technical staff, and shorter seasons with quicker pack in/pack out times will require appropriate levels of staffing.

While demand may decrease for some of the Venues and Event Services, there are minimum expectations of standards that will need to be maintained, including cleaning, preventative maintenance and staffing.

A key role of Venues and Events Services is both marketing to potential hirers (local and national) and marketing shows and events to the wider Southland community. A proactive marketing campaign for each of these will be required, demanding specialist technical expertise and an appropriate operational budget. A wider range of audience profiles will be required, with both product and promotion matched to meet diverse audience needs.

Future demand issues and challenges

As a result of the COVID-19 border restrictions, the lack of international touring acts and conference bookings are likely to have a significant impact on bookings and revenue for the venues in the short-term (1-2 years). In addition, changes to the domestic and international rugby schedule will change the supply and therefore demand for Rugby Park. These will have an impact on the ongoing financial sustainability of both venues.

Slow increase in population will increase attendance over time, however it is unlikely to reach full capacity.

Changing hirer demand for current technology will require ongoing investment to ensure facilities meet hirer expectations.

Possible demand related responses

The issue most likely to affect Levels of Service is decreased events booked and associated decrease in attendance numbers. A number of responses, including non-asset related responses could be implemented to mitigate this.

Table 5

Demand-related responses – pro and contra

Response	Pro (Outcome)	Contra (Outcome)
Review hire rates to ensure market comparability and tailored options	Increase occupancy by venue hirers	Reduce hire revenue and limited discretionary dollar spreads audiences more thinly; no significant change in gross attendance
Increase marketing and diversify communication channels	Increase bookings and attendance and reach non attendees and new markets	Quality of events may be variable and no proven audience
Substitute international events with high quality domestic events	Sustains range of events therefore potentially maintaining utilisation and revenue	No additional demand based on lack of international appeal
Work collaboratively with other venue providers to pitch for larger events	Increases utilisation of all venues City-wide economic impact	Marketing cost not necessarily recouped in bookings

Possible Non-Asset solutions

Options for non-asset demand related solutions could include:

- Simply reducing fees for venue hirers, could increase occupancy but will also reduce hire revenue; the likelihood of increasing audiences is unknown this may create loss leader or upside down hires where increased hireage will cost ratepayers more and an unpalatable correction required in latter years of the LTP. However a review could enable tailored packages to better fit and be affordable to a more diverse range of hirers.
- Increase marketing to attract new event bookings from a wider range of event/show types and increase audiences by enhanced marketing to diverse audiences.
- A diversification of activities to include free and passive engagement with the venues that would in turn create community value and opportunities to direct market to new audiences. Such activities could include foyer or grounds access for a scalable range of self-directed activities for the community.

Managing expectations

Changes in supply of shows and events due to closed borders and downstream implications of Covid-19 are unclear in terms of audience demand. It is possible that audience preferences are transferred to other entertainment options that are offered, or that they curtail their engagement in Venues and Event Services. Lack of control over what is available in New Zealand will require a careful marketing approach that books events that appeal to the Southland market, and then ensures effective promotion to generate audience.

Marketing campaigns also needs to consider the wide range of audience segments in the Southland community, and how best to connect shows and events with these segments.

What we're planning

Key issues and challenges

The Venues and Events Services Activity is aligned with Council's strategic issues and challenges, specifically:

- Responding to the changing environment (both natural and technological) and retaining Invercargill's character, including the built environment - in particular, revitalising the inner city;
- Meeting our long-term renewal expectations for infrastructure;
- Ensuring the Council works in a financially prudent manner that promotes the current and future interests of the community; and
- The City's changing demographic profile and its ability and willingness to pay.

Key operational issues

Day to day operations is managed by the Venues and Events Services team operating in accordance with guidelines set by EVANZ and Entertainment Technology New Zealand's Safe Working Practices in the Theatre and Entertainment Industry. Plant/Building operations and asset maintenance is supervised by the Venues and Events Services Technicians in conjunction with the Building Asset team.

Key operational issues include:

- Business Planning;
- Securing venue hires appropriate to the venue through targeted and proactive initiatives;
- Personnel able to meet venue hirers technical requirements;
- Ensuring a range of events that consider ticket affordability;
- Generating an audience to meet venue hirers expectations;

Develop new ways to engage the community with Invercargill's iconic venues.

Business planning

The Business Plan will include:

- marketing plan and implementation;
- strategic partnerships and delivery; and
- plans for enhancing operational effectiveness
- a programming framework to ensure a diverse content and activating the non-engaged.

The Venues and Events Services team will:

- Develop and implement an internal stakeholder communication strategy that builds an accurate and current understanding of the venues and features, target audiences, and range of services available to support use, and use this as the basis of securing appropriate venue hires.

Securing venue hires appropriate to the venue

This requires strategic alignment achieved through a comprehensive Stakeholder Engagement Plan across a number of partners from the Arts and culture spaces and places; community, cultural, social and sports events and destination marketing including Great South and the Arts Murihiku Destination Strategy.

The Venues and Events Services will actively promote venues, particularly Scottish Hall and Rugby Park, to potential user groups including local business community.

Personnel able to meet venue hirers technical requirements

Job descriptions outline clear accountabilities from management that reflect the roles and responsibilities of venues management and operations and include clearly articulated expectations. The Business Plan describes this complex mix, across three different venue types, identifying priorities for action and an ongoing forward work programme.

The Venues and Events Services team:

- Work together with across the venues and with other ICC teams including Parks and Recreation, Community Development, Marketing, and CBD and Asset Management.
- Meet venue hirers and audience customer expectations of space, availability and cleanliness.
- Ensure that there is increased H&S measures in place due to Covid-19 [temporary only].
- Maintain and develop all venues to meet sustainable expectations and where relevant to meet requirements for maintenance of heritage-status buildings.
- Work closely with the Parks Performance Team to identify opportunities for further use of Rugby Park.

Managing ticket prices to meet audience expectations

The venue pricing should reflect a comprehensive suite of offerings for each venue, reflecting different price points to ensure opportunities for promoters and community event organisers to set affordable ticket prices.

- Make greater use of the events fund managed by ICC's Events Committee to promote events (local and touring) that use the Civic Theatre, the Scottish Hall and Rugby Park. Continue subsidy of community-group use of the Civic Theatre.
- Resolve current issues with previous ticketing provider and support implementation of new ticketing provider to rebuild audience trust.

Generating an audience to meet venue hirers expectations.

The focus of this priority is ensuring that programming venues is conducted with an audience focus, incorporating a range of offerings that reflects an understanding who key audiences and hirers are, or might be. It also requires a clear understanding of the markets that are currently serviced by other competitors including Stadium Southland, Bill Richardson Transport World, ILT venues, Corinthian Convention Centre, and SIT CentreStage.

A detailed marketing plan that includes audience analysis and venue analysis should be prepared annually, with specific packages and services for all of the Invercargill venues for hire, including Civic Theatre, Scottish Hall and Rugby Park. This will require telling the unique story of each venue, and effective promotion through the web and social media, and careful monitoring and evaluation to influence marketing plan review and refresh.

Venues and Events Services will proactively programme and activate the venues by:

- partnering with touring shows to increase the range of opportunities available to the Invercargill and Southland communities; and
- working with Great South and Arts Murihiku to establish a regional touring network within the Otago/Southland region, for shows that are appropriate for the Civic Theatre and the Scottish Hall.

Venues and Events Services will establish a comprehensive programme of monitoring and evaluation that includes:

- setting customer service targets and monitor performance against these;
- actively monitoring the effectiveness of marketing on awareness, enquiries, bookings and ticketing/attendance; and
- performance against targets for types of audience (youth, family etc).

Operation/Maintenance Options and Alternatives

An alternative to the existing arrangement could involve sole asset management of the Civic Theatre, Scottish Hall and Rugby Park facility by Venues and Events Services staff. This however would require a paradigm shift in Council's asset philosophy, particularly of building assets which delivers a consistent approach to asset management across all Council buildings.

The cost to do this within the Venues and Events Services staff would increase and may cost more than the internal services charge already charged by the Assets team, as costs are shared across a range of Council's building assets.

It is acknowledged that there is an intrinsic link between the performance of the assets and the ability to deliver the services of this activity. Asset performance relates to the physical condition, usability and amenity values of the venues.

Maintenance

Each building is visually inspected monthly for building warrant of fitness purposes; any reactive maintenance is noted during these inspections and forwarded to contractors for action. Further scheduled maintenance, renewal and improvements are documented in the Service Level Agreement. Any other repairs or maintenance are undertaken in run to failure manner.

Recommended activity programme

The maintenance for each venue is undertaken the Property Management Team, and covered in their Service Level Agreement.

- **Civic Theatre:** There is a thorough timetable of scheduled maintenance, and improvements for this venue, which are outlined in the Service Level Agreement.
- **Scottish Hall:** The maintenance for the Scottish Hall is also scheduled in the Service Level Agreement. There are further improvements that can be implemented at the Scottish Hall, that are not specifically identified in the Service Level Agreement, such as improved vinyl in the hallway; handwashing sinks in kitchen and toilet area; stage curtain; door security system; fire exit at back of building.
- **Rugby Park:** Property Management is currently working on the Service Level Agreement which covers all the required maintenance, repairs, and improvement works at Rugby Park.

There is no recommendation to change the relationship between Venues and Events Services and the Building Assets function provided by the respective part of Council's Infrastructure Services directorate.

What's changing and why?

Table 6

Consequences and Benefits of Investment

Project	Do Minimum	Current	Invest
Rugby park	\$4.6M investment in deferred maintenance and strengthening only.		\$8.5M proposed (includes Do Minimum option) and also includes development work on Eastern, Western and Northern aspects of the venue to enable multi-purpose event space.
Scottish Hall Current levels maintained business improvement within budgets			
Civic Theatre Current levels maintained business improvement within budgets			

The assumptions we've made

The assumptions specifically relevant to the Venues and Events Services Activity are shown below. Economic pressures mean this discretionary activity will struggle financially. A full list of the assumptions can be found online.

Table 7

Key Assumptions from 2021-2031 LTP related to Venues and Events Services

Population				
	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	<p>Population growth At 30 June 2020, the estimated population of Invercargill was approximately 57,100³⁴.</p> <p>The population growth for Invercargill is around 1%⁵. This rate has been observed during eight of approximately the past twelve years, making it a reasonable assumption for the current plan.</p> <p>Based on a 1% growth assumption, the expected population for 2031 is estimated to be around 62,810.</p> <p>Covid-19 might significantly change the previous growth forecasts for Council. Population growth is expected to be minimal in the short term as a result of Covid-19 limiting</p>	Medium	<p>Council is not planning for a major change in population during the life of the current plan.</p> <p>There are multiple uncertainties related to population growth in Invercargill:</p> <ul style="list-style-type: none"> • While International students currently in New Zealand are able to return to SIT for study, the number of EFTS⁶ to date for 2021 is only 337. This is compared to 775 in 2020. • Riding out recession impacts of Covid-19 Alert Levels 4 and 3 • Proposed Tiwai Aluminium Smelter closure • Mid-range population forecast but noting underlying increase in population that has already surpassed StatsNZ estimates 	<p>The critical infrastructure and resources that Council provides were designed for a city with a population larger than we are now. Council has appropriate infrastructure and resources to service our population without significant financial impact as we have plenty of room to grow.</p> <p>This is in line with the higher forecast of the Southland Regional Development Strategy.</p> <p>Council will continue to monitor change in population growth during the life of the current long</p>

³ [Subnational population estimates \(TA, SA2\), by age and sex, at 30 June 1996-2020 \(2020 boundaries\) \(stats.govt.nz\)](#)

⁴ [Stats NZ Overview of data quality ratings, interim coverage and response rates, and data sources for 2018 census](#)

⁵ As above.

⁶ EFTS – Equivalent Full Time Student

	the ability of students and migrant workers to travel, along with continued aging of the population.			term plan to prepare for/respond to any significant changes realised from the multiple uncertainties identified.
Significant Assumption	Diversity The population will continue to become more diverse. The Maori population will grow from 17% to 19% ⁷ . The Asian population will grow from 6% to 9% ⁸ .	Medium	Interruptions to travel may affect international migration although it is not expected to effect this assumption significantly. Impact of uncertainty is low.	Council continues to explore new ways of engaging and ensures a balanced sample in customer research to ensure it understands changing needs and expectations.
Significant Assumption	Ageing population Those aged 65 and older will form 23% of the population in 2031, which is higher than the current aged population in 2020 ⁹ (estimated at 10,000 of 57,100, or 17.51%) ¹⁰ .	High	The pattern of aging in the population is a long-term trend which is not expected to be disrupted.	The needs of older people and younger people are different from those in the working age and Council will continue to consider the needs of all users of its services.
Significant Assumption	Households The number of households will increase as the population ages. The size of households will decrease slightly and may vary between 2.35 and 2.25 people over the time of the infrastructure strategy ¹¹	Medium	The impact of a potential decline in numbers of students and migrant workers on demand for housing is uncertain.	Council's infrastructure has sufficient capacity to accommodate the potential increase in population and/or demand.

⁷ Growth in line with NZ stats estimate of 2% growth in the Southland region (NZ. Stats, population projections)

⁸ Growth in line with NZ stats estimate of 3% growth in the Southland region (NZ. Stats, population projections)

⁹ NZ Census Area unit forecast

¹⁰ [Subnational population estimates \(TA, subdivision\), by age and sex, at 30 June 2018-20 \(2020 boundaries\)](#)

¹¹ To calculate the projected average occupancy rates we took past and projected population data from Statistics New Zealand and cross referenced this to past and projected number of households. The average occupancy is the total population divided by the total occupied households.

Economy				
	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	<p>COVID-19 The lockdown and potential future impacts of COVID-19 may negatively impact residents' ability to pay rates. This could lead to a short term cashflow impact and increased rates arrears. Rates arrears could increase further.</p>	Medium	To date there has been little impact on our rates receipts and the response to the new rates postponement and remission policy has led to a number of ratepayers contacting Council to go onto a payment plan for their rates.	Council has adopted an additional policy for postponement and remission of rates. This policy allows ratepayers financially impacted by COVID-19, to delay payment of up to 1 year's rates. Council staff will work with affected ratepayers to set up affordable payment plans.
Significant Assumption	<p>Economy A recessionary period is expected for the first five years of the LTP and longer-term structural changes to the economy beyond this time. This will lead to higher unemployment and lower GDP.¹²</p>	Medium	The shape of the recession (u or v) is as yet unknown. The relative impact across regions, based on industries impacted most by COVID-19, as well as potential impacts of proposed Tiwai closure and SIT becoming a subsidiary of Te Pūkenga needs to be better understood by Council in order to reduce this uncertainty. Significant errors in this area could have a significant impact on Councils budgets over the forecast period ¹³ .	<p>Council will focus on efficiency savings. Investment will only be made in activities which can be serviced.</p> <p>Council will continue to review its work programme and priorities as the level of uncertainty reduces.</p>
Significant Assumption	<p>Community funding Council can expect to see increased funding applications from groups as a result of Covid-19 and its impact on</p>	Medium	The immediate impact of Covid-19 has been seen in the local community, with reduced funding available from major community funders including the	Council acknowledges the potential community expectation that Council will be positioned to

¹² BERL Local Government Cost Adjustor Forecasts – Three Scenarios Reference No: #6109

¹³ <https://www.infometrics.co.nz/industry-concentrations-and-the-fall-of-think-big/> ; <https://www.infometrics.co.nz/examining-the-nz-industries-hit-hardest-by-the-covid-19-pandemic/> ; BERL Local Government Cost Adjustor Forecasts – Three Scenarios Reference No: #6109

	Community Trust of Southland and Invercargill Licencing Trust's ability to fund.		Community Trust of Southland and Invercargill Licencing Trust and Foundation.	distribute grants to fund community wellbeing related activities.
Significant Assumption	Economic diversification Volatility in the global economy may affect one or more of Invercargill's key export industries. This will drive diversification but will slow growth. There may be a delayed effect through the risk of impacted industries abandoning properties.	Medium	The relative impact needs to be better understood by Council to reduce uncertainty, as significant errors could have a significant impact on Council budgets over the forecast period ¹⁴ . This may directly impact rates and ability of Council to fund projects.	Council will continue to monitor changes in the global markets.
Asset /Activity Level	Central Business District Following a period of static activity until 2023 when the City Block development is complete, the CBD will become more vibrant and have increased connectivity. Council will work in collaboration with others to enable strategic activities and initiatives to support the success of the CBD.	High	The city centre is at the centre of Council's vision. As with any major investment of this type there is a level of uncertainty as to the impact of the development on future use patterns within the city. If the development does not succeed in drawing people to the city centre it will have an impact on Council strategy.	Council strategic activities and economic development activities delivered through Great South will align to support the success of the city centre projects Streetscape works will be designed to support connectivity to the city centre. Council will need to plan for the structural change this is anticipated to involve. Council has support for heritage buildings through the Regional Heritage Strategy and associated funds to support businesses managing high costs of older buildings.

¹⁴ <https://www.infometrics.co.nz/industry-concentrations-and-the-fall-of-think-big/> and <https://www.infometrics.co.nz/examining-the-nz-industries-hit-hardest-by-the-covid-19-pandemic/>

Significant Assumption	Tourism Tourism numbers will slowly increase, returning to 2019 levels by 2031.	Low	The tourism sector is the hardest hit in the economy and is not expected to fully recover out to 2030. This may have an impact on the Airport and other infrastructure needs that may or may not be required in short term as tourist numbers reduce.	Council expects some impact, but tourism is not a major proportion of Invercargill's GDP so the effect is expected to be relatively minor.
Significant Assumption	International education The numbers of International students studying at the Southern Institute of Technology will slowly increase back to 2019 levels by 2031.	Low	Students are an important part of the economy, creating significant demand. The impact on retail, hospitality and housing could be significant.	Council is working with Great South on economic development.

Social and cultural				
	Assumption	Level of certainty	Impact of uncertainty	Council response
Asset / Activity Level	Māori culture Māori culture will become more visible in the city.	Medium	Increased awareness of the need to recognise Maori culture and tikanga (methodology), with a particular focus on partnership, participation and protection.	Council will invest more in Maori engagement to ensure strategic projects reflect Maori culture in the city.
Asset / Activity Level Significant Assumption	Socio-economic The impact of COVID-19 is yet to be realised, and there may be changes in Invercargill's socio-economic patterns over time. Māori have been disproportionately affected by the economic crisis brought about by the COVID-19 containment measures, and it is expected to continue to play out over the ten year recovery period. ¹⁵	Medium	With GDP softening the long range economic outlook will hinge largely on the ability for the current and successive governments to provide economic stimulus. This may have an impact on Council activities that rely on users discretionary spend for revenue	Council acknowledges the potential community expectation that Council will be positioned to distribute grants to fund community wellbeing related activities.

¹⁵ BERL (July 2020). Economic Scenarios to 2030. The post-COVID-19 scene.

Resilience				
	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	Community wellbeing The COVID-19 response measures will have long term impacts on the wellbeing of communities, requiring a long term perspective response.	Medium	The situation is evolving and will continue to be monitored.	Council has tasked Great South, the regional development agency, to focus on resilience and economic diversification. A Community Wellbeing Fund has been established.
Asset/ Activity Level	Community resilience The amalgamation of Southern Institute of Technology with Te Pūkenga, and the potential loss of zero fees advantage, will have an uncertain long-term effect on Invercargill's population and economy.	Medium	The effects of COVID-19 on immigration will impact student numbers in the short to medium term. The risk of losing the zero fees advantage could have an impact on our growth strategy.	Council funds Great South to promote the region and continues to monitor and plan for the impact.
Asset/ Activity Level	Community resilience Tiwai Point Aluminium Smelter will continue to operate until 31 December 2024.	Medium	A transition plan will be developed to prepare for the eventual closure. It is not yet clear where and how the impact will be felt in the community.	Council is working with the Just Transition team and Great South on economic diversification.
Significant Assumption	Natural disaster No natural disaster is expected to impact the City during the life of the plan.	Medium	The impacts of a disaster will be assessed at the time and an appropriate response prepared. Infrastructure renewals are undertaken using resilient design practices.	Council has a focus on resilience. Council continues to support and invest in Emergency Management Southland.

Environment – Climate Change

Climate change impacts will vary across regions in Southland. The following is a summary of impacts taken from the *Southland climate change impact assessment, August 2018* report.

	Assumption	Level of certainty	Impact of uncertainty	Management response
Significant Assumption	<p>Mean annual and extreme temperatures (days where temp. exceeds 25°C) are expected to increase with time: By 2040: mean annual temperature increase of 0.5-1°C with 0-10 more hot days per annum. By 2090: mean annual temperature increase of 0.7-3°C, with 5-55 more hot days per annum.</p>	High	<p>Water - Longer period of drought may result in increased demand, whilst flood events create turbidity and increase the cost to treat for consumption.</p> <p>Flood Banks – increased temperature results in more extreme weather events, with a corresponding increase in height and frequency of storm surges.</p>	A planned pathway for the review of these assumptions and the impacts will minimise large impacts upon activities.
Significant Assumption	<p>Annual rainfall is expected to increase: By 2040: +0-10% By 2090: +5-20% Increased frequency of high rainfall days, i.e. increase in intensity of rainfall.</p>	High	<p>Roading - increased frequency and intensity of rainfall may require extra drainage works in the road network that may alter long-term maintenance costs</p> <p>Stormwater – increased frequency and intensity of rainfall events resulting in increased demand on the network.</p> <p>Wastewater - Increased frequency and intensity of rainfall events results in infiltration and inflows that increase volumes to be treated.</p>	A planned pathway for the review of these assumptions and the impacts will minimise large impacts upon activities.
Significant Assumption	<p>Mean sea level is expected to rise. By 2040: 0.2-0.3 m By 2090: 0.4-0.9 m</p>	High	<p>Errors in modelling will have significant impact on capital works programme required</p> <p>Stormwater – increased tailwater levels require consideration for outfall design.</p> <p>Flood Banks – Renewals need to consider increased sea level during design life.</p> <p>Sewerage – Clifton outfall may need to be pumped long term.</p>	A planned pathway for the review of these assumptions and the impacts will minimise large impacts upon activities.

Council operations				
	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	Council services and structure Council is planning for the current structure to deliver the current set of services, with the exception of water and sewerage.	Medium	If amalgamation does occur, costs to the ratepayer will remain the same, although revenue and financing will be done by a different operator.	Council will proactively engage with neighbouring authorities and central government to ensure that the best result is achieved from any amalgamation.
Asset/Activity Level	Water Reform As a result of the Central Government directed Waters Reform, it is assumed there will be a change in water reticulation and sewerage delivery services within the life of the plan. This will result in a structural change for Council in relation to the ownership of assets and associated debt capacity. The services will continue to be delivered, but these will be provided by another party. This will include increased regulatory requirements as required by the new regulatory authority.	High	The services will continue to be delivered but these will be provided by another party. This will be managed in line with Government best practice, and will remain within the Council financial and 10-year assumptions.	Council will assess proposed reform options when Central Government has provided their final recommendations to Local Government entities. Council will proactively engage with neighbouring authorities and central government to ensure that the best result is achieved from any reforms. Council is incorporating management of this potential outcome through planning for management of debt.
Asset/Activity Level Significant Assumption	Legislative changes There will be changes to legislation that have an impact on how Council will provide services. These changes may affect the Council organizational structure but not change the level of service received by the customer/ratepayer.	High	Changes may affect the Council organizational structure but not change the level of service received by the customer/ratepayer.	Management will continue to engage with Government and plan for changes in services in response to policy and regulation changes as these arise.

Asset/Activity Level	Consents Council will continue to carry out legislation-directed ordinary functions while factoring in an increase to required quality for consent conditions.	Medium	If unexpected consent conditions are imposed there may be unexpected costs to compliance.	Council will work with the Regional Council early to minimise the risk of unexpected consent conditions. The cost of obtaining consents, knowing environmental standards are increasing, will be built into activities.
Asset/Activity Level	The Funding Assistance Rate (as advised from Waka Kotahi NZTA) will reduce by 1% each year until reaching 51% funding assistance in the 2023/2024 and then remain at 51% for the life of the plan.	High	Increase in demand on rate funding for roading activities, including the forecast NZTA portion of the city centre streetscape project.	Continue to engage with NZTA on funding assistance.
Asset/Activity Level Significant Assumption	Asset life Assets will remain useful until the end of their average useful life, assuming asset average life expectancy assumptions are correct. ¹⁶ Infrastructure installed in the 1920s are nearing the end of their lives and require renewal within the term of the Infrastructure Strategy.	High	Assets may need renewal earlier if this assumption is incorrect and change the renewal profile. Or may allow delayed renewal in other cases.	Review the appropriateness of assets at the time of renewal including, where appropriate, whole of life cycle assessment. Increase knowledge of asset conditions to better predict the average use of life if assumptions are lower than expected.
Asset/Activity Level Significant Assumption	Investment property and Forestry Investment Property and Forestry Assets are valued on a yearly basis. They are expected to increase in line with inflation. This is reflected in our Financial Strategy, and Accounting policies.	High	Variation in valuations have no cash flow implications for Council.	Continue to value Investment Property and Forestry assets on an annual basis.

¹⁶ Council will use national standards is asset revaluation.

<p>Asset/Activity Level</p>	<p>Capital programme delivery Implementation of a Project Management Office will increase effectiveness of delivery of the capital programme over the Long-term Plan. 75% of the capital programme will be delivered In Year 1, 80% in Year 2, 85% in Year 3.</p>	<p>High</p>	<p>It may take longer to implement the Project Management Office than expected, including as a result of challenges in attracting qualified personnel. Availability of contractors may have a greater impact than expected. Delay in the programme will result in higher costs as a result of inflation.</p>	<p>Active management of project processes, including engaging consultants as required, active and early engagement with contractors. Management of the programme rather than individual projects will enable contractor availability as well as funding levels to be actively managed. The financial risk of higher levels of delivery than expected across multiple areas will be monitored. Any impact of delayed capital expenditure on renewals on maintenance budgets will be actively managed.</p>
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Financial forecasting				
	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	Inflation Operational forecasts and capital work programmes will increase by the accumulated Local Government Cost Index inflation forecast by BERL.	Medium	Cost change factors are based on information developed for Council's by Business and Economic Research Limited (BERL). Significant variations to inflation would have an impact on Council's financial management.	Council will continue on the planned pathway for the Capital Works programme and review operational revenue & expenses each year.
Significant Assumption	Asset revaluation Asset values will increase by the accumulated Local Government Cost Index inflation forecast be BERL on the last valuation value. Revaluation occurs in 2021/22 and every third year therefore.	Medium	Changes in the valuation or life of Council assets may have a significant impact on Council's financial management and capital programme.	Council will continue on the planned pathway for the Capital Works programme and monitor with after each revaluation cycle.
Asset / Activity Level	Interest rates - Borrowing Expected interest rates on borrowing will be 2.5%.	High	The treasury report from Bancorp projects the ICC Borrowing interest rate are currently at 2.20% in 2020, and is expected to fall and remain under 2% for the next 10 years. Significantly higher interest rates would impact Council's financial position.	2.5% would allow some upside if the situation changed (interest rates increase or credit rating decreases); but Council have potential to go to 2.25% or 2% to lower costs.
Asset / Activity Level	Interest rates – Cash and Deposits Return on cash and term deposits are forecasted to expect a negative rate at some stage within 2020/2021.	Medium	Term deposit rates currently vary from 0.5% for under 6 months to a flat 1% for longer. Most forecasts still expect a negative rate at some stage within 2020/2021.	An assumption of 0.5% should be comfortable and if rates do increase again in the future, this will put Council in a more positive position.
Asset / Activity Level	Dividends from ICHL will be \$4.8m + CPI.	Medium	This would have a negative impact on Council's overall revenue and cash position, which would increase the burden on ratepayers.	Council will consider strategic reliance on dividends noting increased levels of economic

				uncertainty.
Asset / Activity Level	External Funding It is assumed Council will achieve the level of external funding as estimated.	High	The immediate impact of Covid-19 has been seen in the local community, with reduced funding available from major community funders including the Community Trust of Southland and Invercargill Licencing Trust and Foundation.	Council acknowledges the challenge of obtaining external funding at this time. Should Council not be able to obtain funding as indicated this would impact project scope and in some cases require further consultation.

Sustainability

The Local Government Act requires Council to take into account the social, economic and cultural interests of people and communities, the need to maintain and enhance the quality of the environment and the reasonably foreseeable needs of future generations by taking a sustainable development approach. Sustainability can be defined as:

Development which meets the needs of the present generation without compromising the future generation from meeting their own needs (Brundtland Report, 1987).

The operation of infrastructure has ongoing impacts - particularly as they relate to energy use and emissions, runoff, noise, light, ecological impacts, safety etc. Operation can provide ongoing employment and economic benefit.

Social and Cultural

Venues and Events Services assists our community with opportunities for equity, social cohesion and inclusiveness, free from any prejudice. We want to promote intergenerational equality, meeting the needs of the present generation without compromising the needs of future generations.

We provide the meeting places for our community to become empowered and enabled to express and celebrate our ever diversifying heritages and communities. We recognise and value the significance of Māori culture and our special relationship with and Tangata Whenua and our responsibilities to outcomes for Māori and our commitments to *Te Tiriti o Waitangi*.

Environmental

The core buildings owned by the Invercargill City Council have not been designed for sustainability. Sustainability is a recent trend which seeks to reduce consumption of resources and the effects of development on the environment. Relevant aspects of sustainable design will be incorporated into future building developments.

Electricity supplied to Council is managed by the Building Assets. Electricity is supplied under a 3 year contract "Non-half Hourly" by Contact Energy and "Time of Use" by Trust Power. The current contract period runs to February 2020. Consumption data is collected for analysis by Energy Technical Services (ETS) and input to 'e-Bench', an analysis and reporting service.

Traditionally event venues are problematic in the way they consume energy, there are opportunities for Venues and Events Services to reduce carbon footprint and operating costs through operational practices and gradual replacement of high energy fixtures and plant.

Economic and Financial

The purpose of Asset Management is to provide the desired level of service in the most cost effective manner through the management of assets for present and future customers. We do this by:

- Taking a Lifecycle approach to managing capital expenditure
- Recognising the consumption of assets and appropriately funding it
- Categorising capital versus operational expenditure
- Allocating costs and preparing forecasts over the long-term (30 years or more)
- Reporting on financial performance
- Ensuring a programme of scheduled maintenance to enable assets to reach their maximum life

Summary of Sustainability Challenges and Issues

Environmental issues are addressed mostly in the design phase of any project being undertaken. Venues and Events Services hopes to work with EECA (Energy Efficiency and Conservation Authority) in the future to undertake audits on our buildings prior to any major renewal.

To be more financially sustainable Council wants to move towards funded depreciation. This will steadily increase the renewal expenditure and capital reserve movements to match depreciation.

Risk

Council recognises that it is obliged to manage effectively and to review regularly its risks at a strategic, operational and project level. Council has done this by developing a Risk Management Framework and a range of risk management processes that apply across the organisation. Risk assessment is a major consideration in planning and budgeting processes at all levels within Council. Risks must be considered and documented as part of the justification for undertaking our activities. Risk assessment and monitoring must form part of the management of operational activities. The Chief Executive and the Council encourage the taking of controlled risks to better improve the effectiveness and efficiency of the services and functions that the Council provides on behalf of the community, provided the resultant exposures are acceptable.

Risk Framework/Standard

Council has previously adopted a risk management process that is consistent with Australian/New Zealand Standard AS/NZ 4360 which defines risk assessment and management. The key risk criteria adopted for assessing the consequences of identified risks are:

- Community Health and Safety
- Loss of Service – Extent/Duration
- Service Delivery – Customer Impact
- Invercargill City Council Financial Impact
- Financial Community
- Corporate Image and Reputation
- Legal Compliance.

Health and Safety Risk Identification and Assessment

Table 8

Health and Safety Risk Identification and Assessment

Level of Service Indicator	Caused By	Consequence							Weighted Averaged Consequences Score	Likelihood	Risk Severity	Controls	
		Health and Safety (0.20)	Service Delivery – Customer Impact (0.15)	ICC Financial Impact (0.20)	Financial – Community (0.15)	Corporate Image and Reputation (0.10)	Legal Compliance (0.20)	Current Practice				Recommended Actions	
Serious harm incident to a member of the public.	Slip, fall, accident.	5	4	2	1	3	2	2.85	E	L	Health and Safety Training First Aid training. Facilities for first aid, defib etc.	Continue current practice.	
Serious harm incident to a staff member.	Slip, fall, electrocution, accidental assault, armed hold-up.	3	1	2	1	1	2	1.8	E	L	Compliance with ETNZ Workplace Safety Working from Heights training	Continue current practice.	
Super-spreader event or causal mass gathering community infection	Pandemic response systems failing due to unknown or changing risk profiles or characteristics of Viral mutations.	5	4	2	1	3	2	2.85	E	L	Compliance to guidance as set out by the Health Ministry and relevant Government departments. Additional operational precautions as per Council's pandemic planning	Continue with current practices and advice from relevant Government ministries and departments.	

Note: risk schedules will be updated following implementation of corporate framework.

Summary of Key Health and Safety Risk Issues

In general terms, the highest risk to the Venues and Events Services is injury to a member of public or staff member. This is mitigated through ETNZ Workplace Safety Guidelines and the ongoing training and testing of staff.

Possible Approaches to Risk Mitigation

All Technicians hold a current Working from Heights certification, a current first aid certificate and are trained in emergency management. All other operational staff hold a current first aid certificate and are trained in emergency management

Council-wide natural disaster, pandemic, terrorism and civil unrest.

Venues and Events Services understand the risks associated with mass gatherings and operate in accordance with the wider policies and procedures developed by the Invercargill City Council and aligned with national emergency and health and safety guidelines.

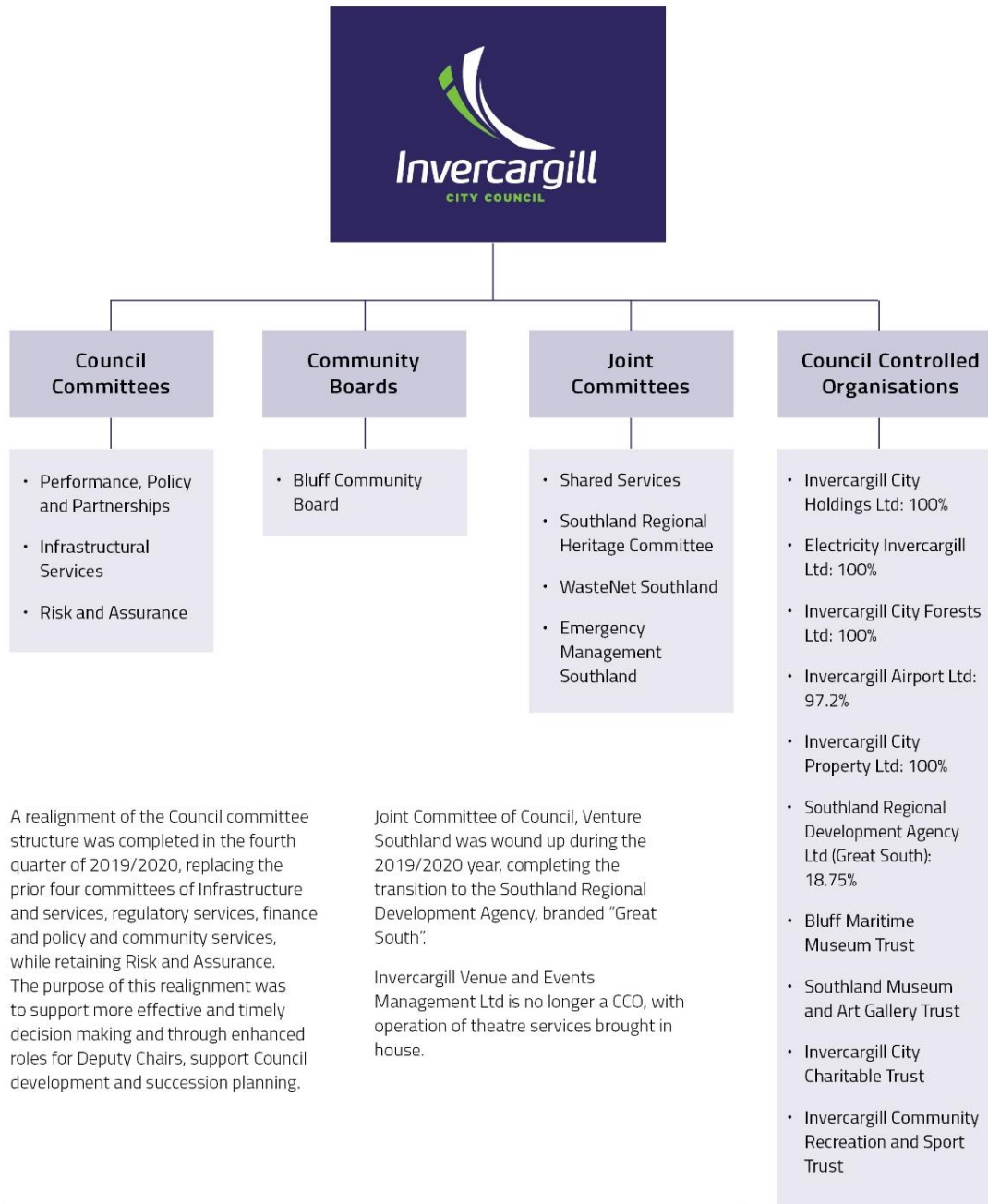
Business continuity Risks

In addition to the monitoring and management of risk through the framework Council acknowledges and plans for the additional consequences of business continuity where circumstances such as environmental conditions, emergency declarations and pandemic alert level measures prevent the Venues and Events Services from operating at full capacity.

Business performance is further impacted by audience behaviours such as a reticence towards advance ticket and venue bookings after closedowns.

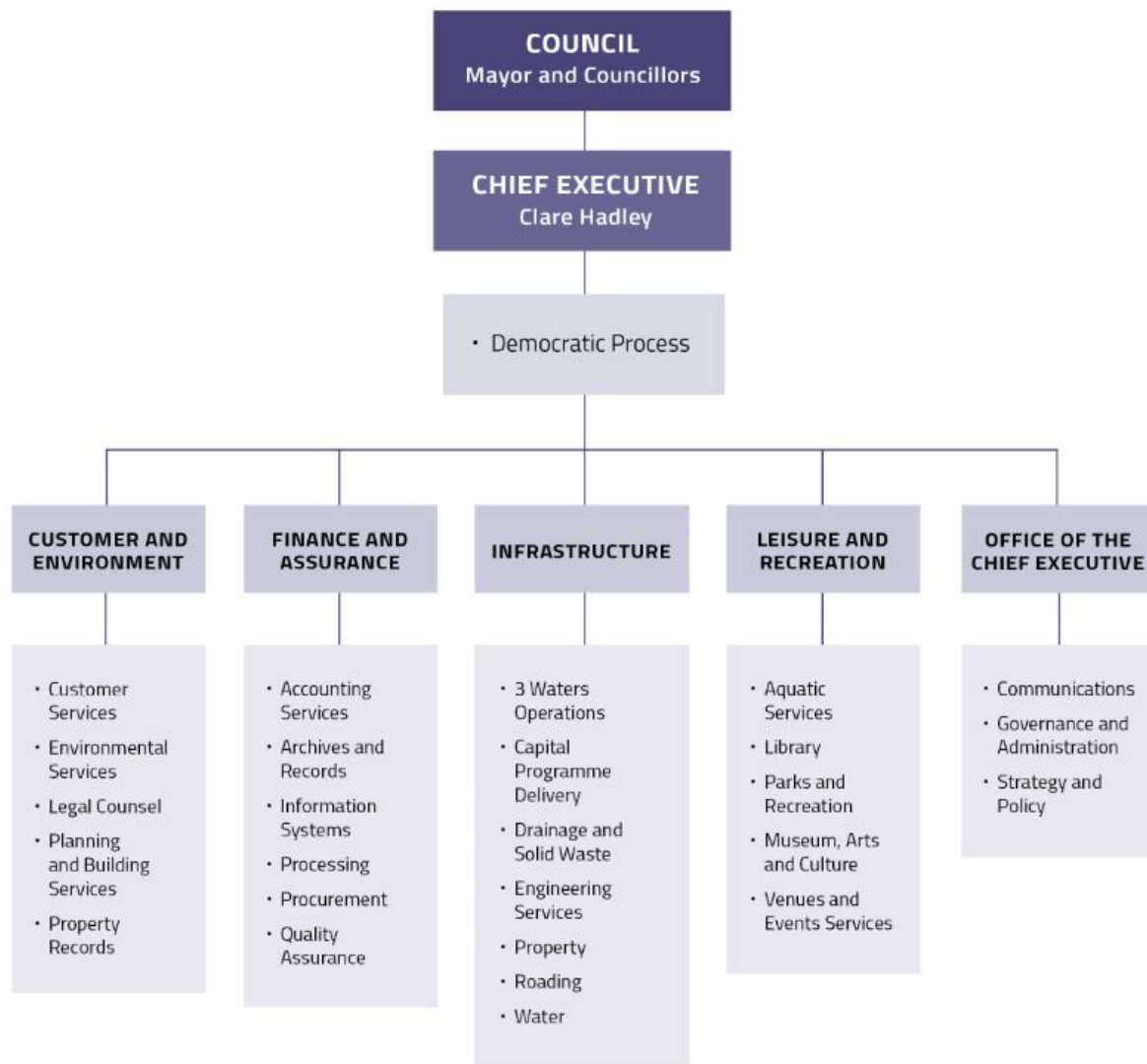
How we'll manage what we do

Council Structure



Invercargill introduced

Management Structure



Responsibility and resourcing

The strategy for development or growth is assessed and prioritised by Council through community engagement, research and the development of sound business cases.

Each growth or increase to service level project is required to fill in a one page concept assessment case. The concept assessment case documents the problem the project is solving, the benefits, risks, estimated capital and operational costs and how it aligns with the Community Outcomes.

The understanding is, if the concept assessment case is accepted by Senior Leadership or Council (if significant) a feasibility study will be undertaken; if accepted, a better business case will be required.

Invercargill City Council is developing a greater understanding of the business case approach developed by Treasury. This approach is used to make better informed investment

decisions, better value for money and better outcomes for the community. More training for staff will be sought in this discipline.

The team is comprised the following staff:

Table 9

Venues and Events Services – Staff Positions

Position	Number employed in role
Manager – Invercargill Venues and Events	1
Operations Manager	1
Venues Technicians	2
Events Specialist - Invercargill Venues and Events	1
Casual Housekeepers	4
Casual Front of House staff	12

Managing the condition and performance of our assets

The assets required to deliver the Venues and Events Services Activity are managed by the Property Services team of the Invercargill City Council. The Property Services team are responsible for the buildings and plant maintenance. Contractors are engaged to carry out electrical, mechanical and speciality maintenance work at the three venues.

A Service Level Agreement has been prepared by the Property Services team, for Venues and Events Services, for the Civic Theatre, and the Scottish Hall. A Service Level Agreement for Rugby Park is currently being worked on.

Strategic planning and customer demand and strategic partner input of the Venues and Events Services will help inform and prioritise investment decisions relating to our assets.

How we'll fund it

Table 10

Funding for Venues and Events Services Activity

Activity	Source of Funding		
	User Charge / Fees	Targeted Rate	Loans
Maintenance and Operation	✓		
Renewals	✓		
Capital for Improvement	✓		

Table 11

Venues and Events Services Total Expenditure OPEX and CAPEX 10 years

	2020/21 Annual Plan (\$000)	2020/21 Forecast (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
OPERATING												
Rates revenue	1,319	1,319	276	289	302	316	331	346	359	371	385	399
Subsidies and grants (Capital)	-	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (Operational)	-	-	-	-	-	-	-	-	-	-	-	-
Direct charges revenue	467	167	280	401	530	552	574	597	614	633	652	671
Rental revenue	2	2	2	2	2	2	2	2	2	2	2	3
Finance revenue	5	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	48	28	28	28	30	30	31	32	33	34	34	36
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	1,841	1,516	586	720	864	900	938	977	1,008	1,040	1,073	1,109
Employee expenses	491	264	252	259	266	273	280	287	294	302	310	319
Administration expenses	170	11	16	22	27	28	29	30	30	31	32	32
Grants & subsidies expenses	111	61	61	61	61	61	61	61	61	61	61	61
Operational expenses	111	167	177	192	208	213	218	224	229	236	242	249
Repairs & maintenance expenses	125	50	50	52	53	54	56	57	59	60	62	63
Depreciation and amortisation	17	17	17	17	17	17	17	17	17	17	17	17
Finance expenses	-	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	157	-	-	-	-	-	-	-	-	-	-	-
Total expenses	1,182	570	573	603	632	646	661	676	690	707	724	741
OPERATING SURPLUS / (DEFICIT)	659	946	13	117	232	254	277	301	318	333	349	368
CAPITAL EXPENDITURE												
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	-	-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-	-

Table 12*Venues and Events Services Total Expenditure OPEX and CAPEX 30 years*

	2022-2026	2027-2031	2032-2036	2037-2041	2042-2046	2047-2051
	LTP	LTP	LTP	LTP	LTP	LTP
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
OPERATING						
Rates revenue	1,514	1,860	2,221	2,654	3,170	3,786
Subsidies and grants (Capital)	-	-	-	-	-	-
Subsidies and grants (Operational)	-	-	-	-	-	-
Direct charges revenue	2,337	3,167	3,672	4,257	4,934	5,721
Rental revenue	10	11	15	15	15	20
Finance revenue	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Fines	-	-	-	-	-	-
Other revenue	147	169	189	211	234	263
Internal charges	-	-	-	-	-	-
Total revenue	4,008	5,207	6,097	7,137	8,353	9,790
Employee expenses	1,330	1,512	1,699	1,893	2,112	2,355
Administration expenses	122	155	176	195	219	242
Grants & subsidies expenses	305	305	305	305	305	305
Operational expenses	1,008	1,180	1,326	1,480	1,649	1,840
Repairs & maintenance expenses	265	301	336	376	419	468
Depreciation and amortisation	85	85	85	85	85	85
Finance expenses	-	-	-	-	-	-
Internal charges	-	-	-	-	-	-
Total expenses	3,115	3,538	3,927	4,334	4,789	5,295
OPERATING SURPLUS / (DEFICIT)	893	1,669	2,170	2,803	3,564	4,495
CAPITAL EXPENDITURE						
• to meet additional demand	-	-	-	-	-	-
• to improve the level of service	-	-	-	-	-	-
• to replace existing assets	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-

Figure 4

Venues and Events Services Operating Revenue – 10 Years

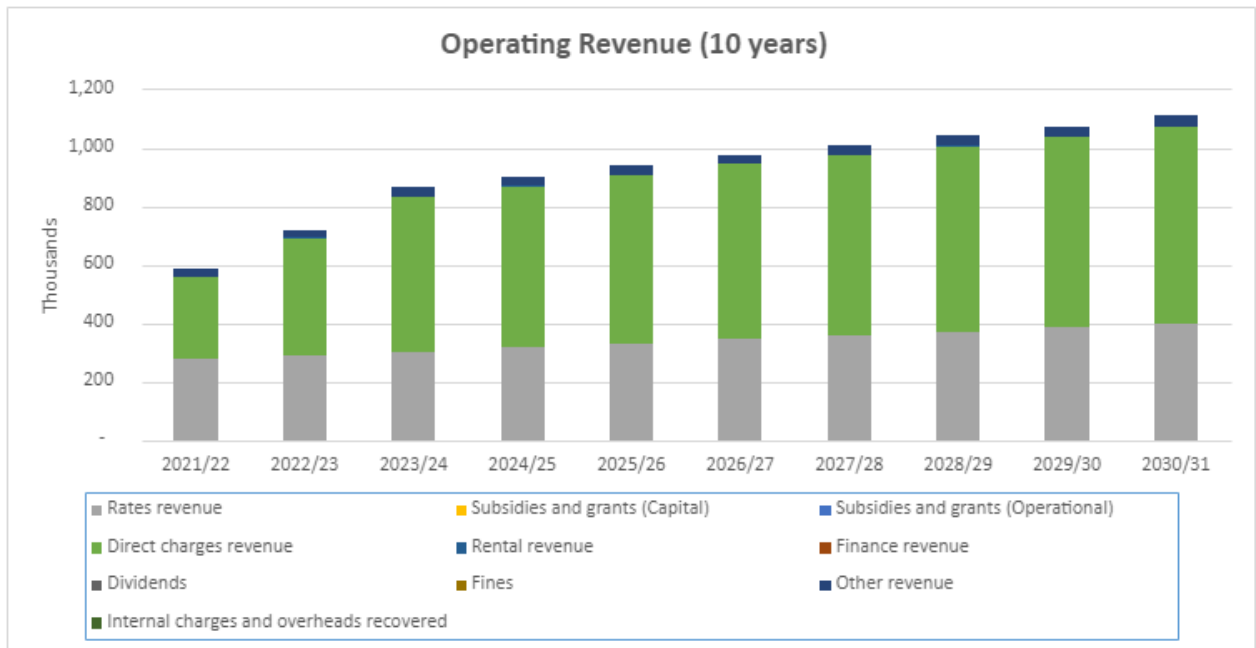


Figure 5

Venues and Events Services Operating Revenue – 30 Years

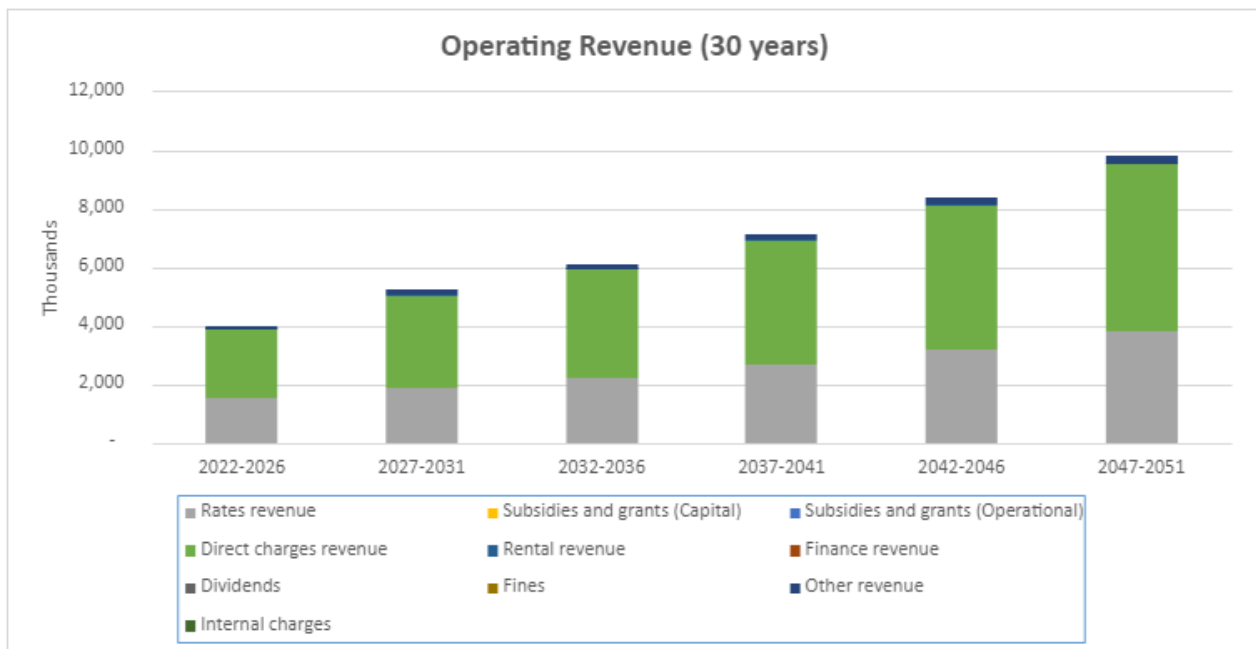


Figure 6

Venues and Events Services Operating Expenditure – 10 Years

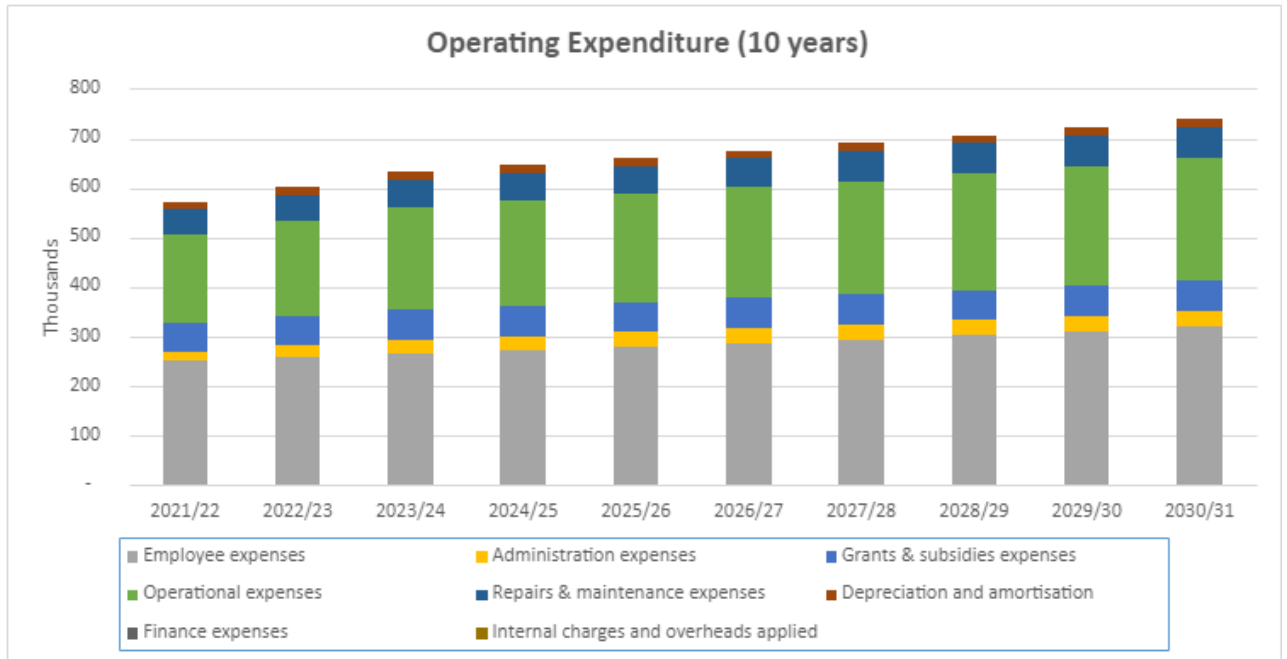
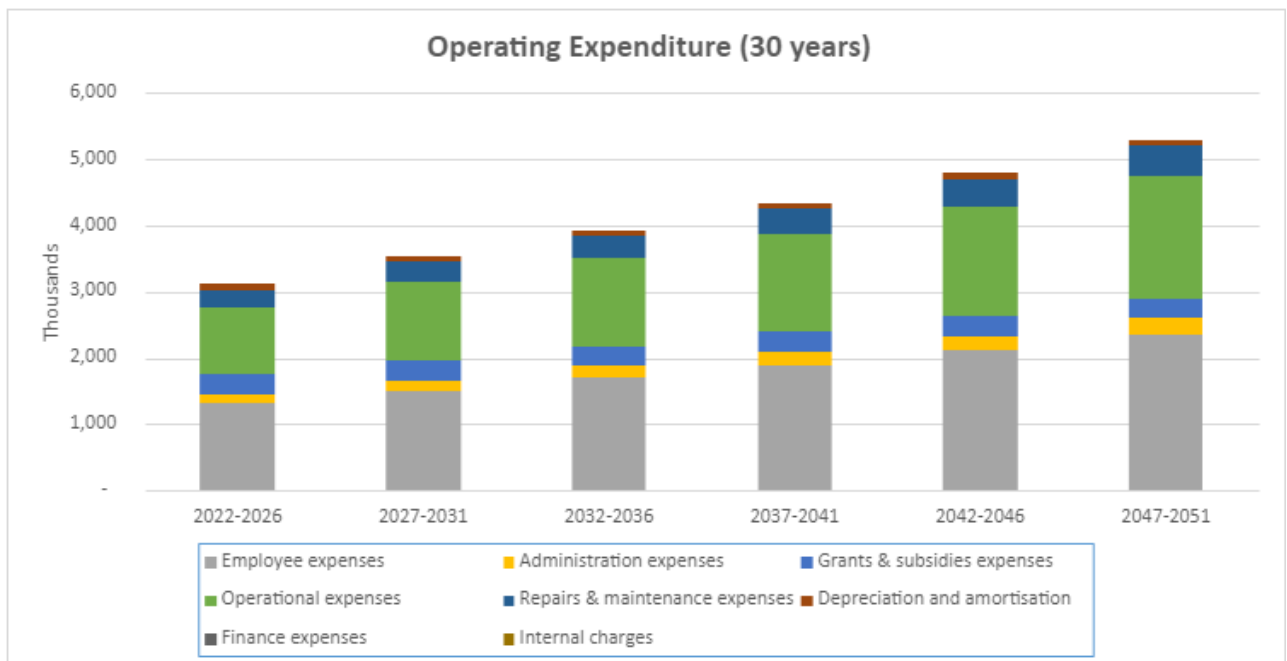


Figure 7

Venues and Events Services Operating Expenditure – 30 Years



What funding we'll use

Funding sources

From 1 July 2020 (from ICC). Venue hire fees are reviewed annually.

Table 13

Venues and Events Services Funding Sources

Civic Theatre – Auditorium (seating capacity 1,000)	
Hire charge per performance	\$ 3,065.00
Second performance	\$ 2,025.00
Matinee or rehearsals with an audience	\$ 2,025.00
Dark days pack in/out rehearsals	\$ 1,250.00
Security deposit per performance	\$ 600.00
Tailored services are also available at an additional charge	
Civic Theatre – Function Rooms	
Weddings – basic hire for a day	Price by negotiation
Drawing Room	
Day booking	\$ 250.00
Half day booking (maximum four hours)	\$ 135.00
Day/night	\$ 375.00
Down Day charge	\$ 90.00
Victoria Room – whole room	
Day booking	\$ 390.00
Half day booking (maximum four hours)	\$ 200.00
Day/night	\$ 580.00
Down Day charge	\$ 110.00
Victoria Room – Venue 1 or Venue 2	
Day booking	\$ 250.00
Half day booking (maximum four hours)	\$ 135.00
Day/night	\$ 375.00
Down Day charge	\$ 90.00
Scottish Hall	
Hall (full complex)	\$ 370.00
Supper Room	\$ 90.00
Kitchen	\$ 90.00
Down Day charge	\$ 90.00
Rugby Park	
	Price by negotiation

Alteration of fees

Fees and charges may be refunded, remitted or waived by the Manager, Venues and Events Services.

Ticketing

ICC has a contract with Ticketek to provide ticketing services for shows and bookings across all ICC venues. The contract currently runs for 5 years and next expires in August 2025.

ICC receive a commission percentage of the inside charges from Ticketek for tickets sold.

The inside charge is the commission a Ticketing company charges a promoter for their services, it usually represents a small percentage of the overall cost of a ticket and excludes the cost of the show and transaction charges such as booking and credit card fees.

Food and Beverages

Melba Bar

The Melba Bar at the Civic Theatre sells a range of non-alcoholic drinks, chips, ice creams, lollies and chocolates, generating income for the Civic Theatre. Prices and the range of goods sold are reviewed by management and staff regularly.

Alcoholic drinks and Catering

All alcoholic drinks and catering for functions at the Civic Theatre are contracted to the Invercargill Licensing Trust (ILT). The contract is up for renewal every 2 years and next expires in March 2022.

ICC receive a 7.5% commission from ILT on food and beverage sales over \$250 + GST per event. Food is on-charged to the customer with no administration fee added.

The food and beverage provision at venues is a commercial activity receiving no ratepayer subsidy and as such its delivery and service levels are designed and evaluated with a commercial lens and may change from time to time to meet financial targets and consumer demand.

How we'll know we're delivering

How we'll manage improvements

Council operates on a four-weekly cycle with meetings for the two committees of Infrastructural Services Committee and Performance, Policy and Partnership Committee. These Committees monitor and consider reports on levels of services for activities and assets alongside monthly financial accounts for each department. Committee members question these reports with Managers present to answer any questions that arise from the reports.

The information for these reports is entered into various software systems. This monitors the performance both fiscal, and service based against targets and budgets from Council's Long-term Plan. Targets can be key performance indicators, internally driven targets or provided from a Ministry that oversees that area, i.e. Department of Internal Affairs. At a full Council meeting these reports are then received.

Frequency of Review

Every financial year Council prepares an Annual Report that is the key document in ensuring the expenditure for the year was efficient and is pertinent in ensuring accountability to the community and ratepayers.

The Annual Report does not just show the current financial status, but also shows the levels of service for all Council activities and assets measured against the yearly targets set in the Long-Term Plan. These are measured and reported quarterly in the Council meetings. The Annual Report is a holistic overview of their performance.

Appendices

Strategic alignment	<p>Lead a strategic alignment process with key strategic partners, focusing on:</p> <ul style="list-style-type: none"> • Arts and culture spaces and places • Community, cultural, social and sports events • Destination marketing including the Arts Murihiku Destination Strategy • The business community, retailers, major employers and manufacturers
Strategic partnerships	<p>Develop a stakeholder engagement plan delivering enhances relationships that increase awareness, generate bookings and building reputation with:</p> <ul style="list-style-type: none"> • Great South – events, arts, marketing • Southern Institute of Technology (SIT) careers and hospitality, performing arts and events departments • Community funders • Arts and cultural institutions – Arts Murihiku, Southland Museum and Arts Gallery • Venues managers – Stadium Southland, SIT, Invercargill Licensing Trust (ILT), Otago/Southland theatre managers • Producers, promoters and tour makers – PANNZ (Performing Arts Network New Zealand), individual promoters, Creative New Zealand • Regional sports and recreation organisations – Sport Southland, YMCA, regional codes • Local arts community – Invercargill Musical Theatre Inc, dance studios, theatre groups
Great South	<p>Actively facilitate a strategic partnership with Great South focusing on strategy, policy, investment and delivery</p>