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## NOTICE OF MEETING

**Notice is hereby given of the Extraordinary Meeting  
of the Invercargill City Council  
to be held in the Council Chamber, First Floor,  
Civic Theatre, 88 Tay Street, Invercargill on  
Tuesday 13 May 2025 at the Conclusion of the  
Infrastructure and Projects Committee Meeting**

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

MICHAEL DAY  
CHIEF EXECUTIVE

## Extraordinary Council - Public

13 May 2025

Agenda Topic	Page
1. Apologies	
2. Declaration of Interest	
3. <a href="#">Minutes of the Hearings for the Annual Plan Held on 29 April 2025 and 30 April 2025 (A5883620)</a>	3
4. <a href="#">2025/2026 Annual Plan Deliberations (A5853882)</a>	22

**MINUTES OF THE HEARINGS FOR THE ANNUAL PLAN, HELD IN THE COUNCIL CHAMBERS,  
FIRST FLOOR, CIVIC THEATRE, 88 TAY STREET, INVERCARGILL ON TUESDAY 29 APRIL 2025  
AT 9.00 AM**

**Present:**

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

**In Attendance:**

- Rev E Cook – Māngai – Waihōpai
- Mrs P Coote – Kaikaunihera Māori – Awarua
- Mr M Day – Chief Executive
- Mrs P Christie – Group Manager – Finance and Assurance
- Mrs T Hurst – Group Manager – Community Engagement and Corporate Services
- Mr R Capil – Group Manager – Community Spaces and Places
- Mr J Shaw – Group Manager - Consenting and Environment
- Mr J Garnett – Group Manager Capital Portfolio
- Mr M Morris – Manager – Governance and Legal
- Ms H Kennedy – Policy Analyst
- Ms C Manera – Engagement Coordinator
- Ms L Knight – Manager – Communications and Marketing
- Mr M Butler – Digital and Communications Advisor
- Mrs L Williams – Team Leader - Executive Support
- Mrs L Cook – Executive Support

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## 1. Apologies

Cr Kett  
Cr Dermody – apology from 11am on 29 April 2025  
Cr Ludlow - apology from midday 29 April 2025  
Cr Soper - apology for 30 April 2025  
Cr Crackett - apology for 30 April 2025 - away on Council business

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

## 2. Declaration of Interest

- Cr Campbell noted that he was Chair of the Stadium Trust as Council's appointee
- Cr Broad noted that Active Southland was his employer.
- Cr Boyle noted that she was a member of IPAG.
- Mrs Coote noted that she was Chair of Connected Murihiku.
- Rev Cook noted that she was the Iwi representative on the Southland Regional Heritage Committee.

The Chair noted that those members could remain but not participate in the conversation.

## 3. 2025/2026 Annual Plan Hearings

A5845958

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

1. Receives the report "2025/2026 Annual Plan Hearings"
2. Receives the submissions on the Annual Plan (Appendix 2 –Submissions to be Heard and Appendix 3 –Submissions not to be Heard (A5878653)).
3. Receives the summary of submissions (A5878696).
4. Agrees to receive the following late submissions:
  - a. L001 Jonathan Howe
  - b. L002 Kane Johnson
  - c. L003 Dave Kennedy
  - d. L004 Cathy Peters
  - e. L005 Rohan and Tessa Mahon
  - f. L007 Ann Boyle
  - g. L008 Peter Moynihan
  - h. L009 Daniel Poole
5. Notes the submissions to be heard listed in the hearing timetable (Appendix 1-A5878948).
6. Receives the Social Media Report (A5871150).
7. Notes that deliberations on the Annual Plan will take place on 13 May 2025.
8. Delegates to the Finance and Policy Committee to deliberate on the proposed change to the Rating Policy – stormwater rating boundary.

### **3.1 Hearings Slot 1 - Submission 349 - Daryl Pile**

Mr Pile spoke to his submission and noted that his submission was around stormwater and rating boundaries. He required water flow across land and added that also had natural downflow of water and that cannot be restricted or charged for, his query was what was Council trying to achieve. He noted that 10% of his property was not in the boundary area and queried what would happen, he added that he was already charged rates.

The Chair advised that Mr Pile would not receive answers at this meeting but staff would come back to him with respect to his property and the wider issue.

A query was raised around the services that Council provided, Mr Pile noted that he owned the Anderson Park land and that he provided services to Council, roads, drains etc all ran through his property.

The Chair thanked the submitter for attending.

### **3.2 Hearings Slot 2 - Submission 484 - Jane Hanan**

Ms Hanan read her submission to Councillors and requested that funding not be paused for Heritage Buildings, and urged that even if minor, funding be retained. She added that the costs of owning heritage buildings continued to rise and noted that the funding had been beneficial. She noted that work was done by locals and that it was important that the work be done by local tradespeople as that provided an additional benefit to the City. She requested that work be done to create a coordinated colour palette and also lighting to show the upper part of these buildings.

A question was asked around economic issues and if there was a pause that it may be for this year only, and if the submitter would be comfortable with that, the submitter noted that she felt that a pause may actually be a stop.

The Chair thanked the submitter for attending.

### **3.3 Hearings Slot 3 - Submission 396 - William Uru**

Mr Uru spoke to his submission and raised stormwater issues. He noted that the land he owned was not useable while the water evaporated. He added that he sprayed and cleared the drains himself. His query was what support he had to enable him to do this work and what he could expect with additional rating.

A query was raised around if the submitter had looked at harvesting the water, the submitter noted that he was planning to do that, but did hope that would also get better drainage. He added that perhaps sealing the road would also assist.

The Chair thanked the submitter for attending.

### **3.4 Hearings Slot 4 - Submission 309 - Dean Tither**

Mr Tither spoke to his submission and noted that his submission was around stormwater in Ōtātara, he added the need for drains along Dunns Road. He added that there had been no upkeep and that the water ran towards the golf course and he noted that his understanding was that the upkeep was now and would be 'zero'. He also queried the

access to view the Estuary, could not see from the road. He added that there were many ethnicities in the City and that there was nothing to reflect this at the Airport area.

The Chair noted that there would be an obligation to maintain if there was a targeted rate.

It was clarified that the Pump Station was an Environment Southland asset.

The Chair thanked the submitter for attending.

### **3.5 Hearings Slot 5 - Late Submission 4 - Cathy Peters**

Ms Peters spoke to her submission and noted that she wanted to emphasise her support for Play into the City and the distributed model and that urban play places were for all ages and that added to a thriving community, to create a place people wanted to come and live and visit and spend. She felt that people wanted to see something happen and also partner with relevant organisations. She added that felt that it was important that people have the ability to use facilities like the Wachner Place toilets, especially where people were safe, not just homeless but also for children.

A query was raised what could be provided for teenage children, it was responded that there were a number of organisations that could help with that.

A question was asked why the submitter supported distributed play, she responded that the distributed model would help people access in their own environment, the need to build momentum across the city.

A question was asked if play was paused if the submitter felt it would be detrimental, the submitter responded that yes she felt it would and that a huge amount of work had been done over the years and the community was waiting, and needed "sparks of joy".

A question around customer centric transport and if there was anywhere that Council could look at, the submitter felt that put the user at the heart of what is looked at, what can be done and be open minded and look for practical solutions.

A question was asked about the play areas and that had 54 across the city and if there was a need to enhance with new investment or reinvest in existing areas, e.g. Bluff. The submitter noted that was a positive and that if there was a main road in between (the park and where the residents lived), then accessibility may be an issue, she added that did not always require a large investment.

A query was raised around the Stadium and if could look to improve the play areas and accessibility, the submitter noted the Stadium was a huge asset and that could include that and ICL, having spaces that were under cover.

A question was asked about Wachner Place toilets and wayfinding and if not good at that, the submitter noted that she felt that not good at that and letting people know where facilities were. An additional question was raised around showering facilities, the submitter noted that would expect Council to partner with organisations that specialised in the issues.

A question was asked if the submitter had seen an example of a "spark of joy", the submitter noted that anywhere where you can meet people, relax and children can play. A simple example of making things easier for people was access to alleyways/walkways for prams and bikes, by simply removing two pieces of wood enabled access.

The Chair thanked the submitter for attending.

### **3.6 Hearings Slot 6 - Submission 341 - Courtney Ellison and Beryl Wilcox - South Alive**

Ms Ellison and Ms Wilcox spoke to their submission and noted that the Community Wellbeing Fund was so important for the City and a number of organisations relied on the funding provided and that even small amounts of funding were important to a number of community groups. With respect to Urban Play the submitter supported distributed play as access and transport was a major issue for many residents and ratepayers and that there was an ability to work on and expand existing spaces.

A query was raised around accessibility for the disabled and if the submitter could provide examples, the submitter noted the submission was more around access to transport. The submitter also talked of taking events etc to the people and noted the success of recent pop up events.

A question was asked if felt could be mobile play, the submitter noted that yes and pop up events and a combination of the two.

The Chair thanked the submitter for attending.

### **3.7 Hearings Slot 7 - Submission 340 - Roxy Robertson, Brent Crawford and Mike Butler (South Pacific Meats and Open Country Dairy) (via Zoom)**

Ms Robertson spoke to their submission and reaffirmed the companies positions. There were three main points; increase to water and waste and that was not sustainable. Secondly the lack of consultation on the increases and especially given the significant increase, hindering development. It was added that a simple phone call could have been made to ensure that letters had been received. It was noted that happy to continue and wished to meet separately to address. It was further added that every year had a 5% increase, and that last year the higher increase was unplanned and therefore not budgeted for. It was added that pay the same rates as ratepayers, equivalent to 4,500 properties, on one pipeline and did not make sense and subsidising residential. There was a need to support business and not put at risk, and could hinder development and the attraction of businesses.

A question was asked about graduated increases, the submitter noted that there was a need to spend on the infrastructure and that the non-notified jumps were not realistic and the need to budget for those. A five year plan would be acceptable.

The submitter noted the key point was that there was a need to facilitate discussion and the ability to plan and align and no surprises.

A question was raised around looking at different models as noted in the submission and how that would affect the businesses, the submitter noted that flatlined it across a season

and could budget for it, also added that working overnight and working with power companies around turning boilers on and off when people slept and load not so high.

The Chair thanked the submitter for attending.

### **3.8 Hearings Slot 8 - Submission 361 - Vanessa Hughey-Pol - Active Southland**

Ms Hughey-Pol spoke to her submission and noted that would focus on Urban Play and the funding model. She noted that councils were champions in supporting play areas and also enabled and facilitated planning for the future. She added that Active Southland were in support of the distributed model and it allowed resource to go where needed, and also supported utilising the Stadium.

A question was asked around the distributed model and access and if the submitter could provide examples of where this had been done, the submitter noted the need to make information accessible and that Christchurch did that well post the earthquakes, activations and the ability to get around the City.

A question was asked if could minimise the number of existing spaces and if could combine. The submitter noted that accessibility meant different things to different people and that transport could be a barrier and the need to be thoughtful of that and possible impacts.

A question was asked around the Stadium funding and it being a regional facility and if regional funding options should be used and perhaps a user fee, the submitter felt that Council should look at a recent Sport New Zealand publication around this and that there would be benefit for councils working together. With respect to a modest door charge, the submitter noted that the risk would be that alienate people that cannot afford or had limited means to pay and that could have unintended consequences, multiple visits and multiple children attending during a week for example, could limit revenue take with café and reduce social connection.

A question was asked around unstructured play in addition to areas like Queens park and how that could be balanced, and how make people aware. The submitter noted that Council did not have sole responsibility in that space but that could be a champion in that space when planning and looking at opportunities.

A query was raised around having a number of play spaces and the model around selling some land and using the money to fund other play areas, the submitter noted that that was not for her to address, but there was a need to look at and understanding the true needs.

The Chair thanked the submitter for attending.

### **3.9 Hearings Slot 9 - Submission 347 - Nick Hamlin - Southland Football**

Mr Hamlin spoke to his submission and noted that addressing the work to be done around Turnbull Thompson Park, parking etc and speaking in support as this was critical to provide for the growth. He added that Southland Football, had applications in for \$1.5 million to replace aging turf, that would allow multi-use.



A query was raised the access off Tay into a play area and what was planned to resolve the carparking issue, the submitter noted that he understood that there were plans to create a new turn form Tay Street to create a drop-off zone and that keen to move the playground closer to the turf and develop and then could add carparking. He added that they were working closely with Councils parks team.

A further question was asked if planned to move parking up higher up on the slope, the submitter noted that had created a masterplan and that had proposed two or three different areas, and added that keen to utilise slope for play area and there was an ability to expand to the Touch area parking, and added that also access at the back of the area – David Street.

A question was asked if work had been done around the slope, the submitter noted that had met with contractors and that would be easy to do.

The Chair thanked the submitter for attending.

### **3.10 Hearings Slot 10 - Submission 345 - Cathy Macfie - Heritage South**

Ms Macfie spoke to her submission and noted that there were two things that she would address and that there were opportunities around heritage and that in 2026 celebrate 170 years and that working with Parks around how to celebrate Anderson Park's 120<sup>th</sup> anniversary. She raised Heritage Tourism and had been having conversations around this initiative as had untapped potential in Murihiku Southland. She added that the funding received allowed a lot of this work to be done. Secondly, the submitter felt that the Long Term Plan did not place importance on heritage, she felt that the withdrawal from SRHC by ICC was a step backwards and would disadvantage local Heritage and organisations like hers.

A question was asked if the submitter had a view of the future use of Anderson House, the submitter noted that had not addressed that but would be happy to be part of any discussions.

The Chair thanked the submitter for attending.

**Note: The hearing adjourned at 10.39 am and reconvened at 11.02am.**

**Note: Cr Dermody left the meeting during the adjournment.**

### **3.11 Hearings Slot 11 - Submission 188 - Donna Milne - Volley South Regional Association**

Ms Milne noted that Volley South had over 4,000 players, the ILT Stadium was not just a venue, it's a second home. Cutting the funding would raise the cost and affect some of their families within the club. Volley South felt the funding cut would affect their fees.

Mental wellbeing connection and belonging were noted by the submitter as being important.

It was noted that volleyball tournaments brought economic benefits to the community through accommodation providers being busy, spend at cafes etc. If the funding for the ILT Stadium was cut the cost becomes unaffordable for the club members. There were many youth who benefitted from the club.

Wasteful Council spending was raised and the submitter noted that funding for the Stadium may be a small line in Council budget but if it was having a large impact on the community and youth.

It was noted the ILT Stadium was not a luxury it was essential infrastructure. They did not want additional funding they just wanted the funding to stay the same.

A query was raised from Council around the significant growth of the sport and how many members were Invercargill residents. It was confirmed 70% were and the other 30% came from around the other districts such as Gore, Lumsden, and Te Anau stretching as far as Queenstown.

The Chair thanked the submitter for attending.

### **3.12 Hearings Slot 12 - Submission 201 - Joan Scarlet and Morgan Pearce - The Troopers Memorial Corner Charitable Trust**

Mr Pearce, Chair of the Troopers Memorial Corner Charitable Trust and Ms Scarlet, secretary and treasurer spoke to their submission. It was noted they were opposed to the pause of the Built Heritage Fund. The Trust had undertaken two large restoration projects, being the old Bank of New South Wales building and Yule House and these were a testament to the Trust.

The Trust recently acquired the Dee Street Victoria Hospital and this would be a challenging but a rewarding project. There had been assessments and reports done on the building and they hoped to embark on the next stage by the end of year. The business plan set out the intent of gallery or museum space, as well as community room and a commercial space. The Trust had enjoyed funding from the built heritage fund to enable reduced costs of the engineering, structural and heritage assessments. As they look to commence restoration the Built Heritage Fund would be an important local funder.

Mr Pearce said the long-term consequences outweighed the short-term relief, and noted that the city was fortunate to be surrounded by heritage buildings which made our city unique.

A query was raised around the vision for the hospital site once the restoration was complete, did the Trust intend to continue to own it, it was confirmed yes, they would, they had it for the benefit of the community. They would like to see this as a museum, gallery or community rooms.

A query was raised around the Victoria Hospital gaining funding from the Built Heritage Fund and that being a drop in the bucket, essentially meaning it would take an extremely long time for the funds from the fund to allow for completion. It was confirmed it would be done in stages – the exterior and asbestos would need to be done first. The exterior would be broken down into stages also. It was added that the Built heritage Fund was not the only way of funding

A query was raised around heritage not just being buildings, there was nothing to address the heritage that was around us and how did the Trust propose to balance out the

building with the neglect of other types of heritage. It was noted that as buildings were undertaken there were conversations and connections made.

The Chair thanked the submitter for attending.

### **3.13 Hearings Slot 13 - Submission 295 - Carly Bennet (via Zoom)**

Ms Bennet noted she is a ratepayer of Invercargill, studying with Lincoln University and had five children both in school and attending SIT.

All of Ms Bennet's children used the city buses. The bus fare increases meant a significant cost would be imposed on Ms Bennet's family.

Ms Bennet suggested a student concession fare. She understood that the city was not in the position to have free buses but to have a student fare would be helpful.

It was noted around the bus timings and students having to leave class early to catch the bus, having a 5.40 pm bus would allow for those students to be able to catch the bus home without missing out on their education.

The Chair thanked the submitter for attending.

### **3.14 Hearings Slot 14 - Submission 411 - Mary O'Brien - CCS Disability Action**

Ms O'Brien noted she supported the play strategy and the document was enjoyable to read. Option one was her preference however, this did not mean the inner-city play was not important.

It was noted they were opposed to Wachner Place toilet closure as these were used by a broad range of people. There was a need to look into the intended consequences of closing these.

It was noted total mobility was an essential service, it was used for going to the doctor, the pharmacy, supermarket etc. They do not support the reduction of the subsidy.

Ms O'Brien did not support the cut of funding to the Community Wellbeing Fund.

A query was raised around the subsidy being 75% and some taxi companies did not ask for the 25% and did this encourage the use of those providers. It was hard to answer as there were a lot of complexities. There had been an increase in use, this could be because of aging population or awareness. It was noted that Ms O'Brien had not heard of other places around the city honouring the 25%.

A query was raised around a weekly or monthly cap on some of the trips. Some councils had a targeted rate. It was complex and there was a need to wait and see what came out the National Total Mobility review which was being undertaken.

A query was raised around Wachner Place toilets being important as others were difficult to access and were they aware of the library toilets. Ms O'Brien suggested taking a step back and finding out who used them. A query was raised around the sensory aspects of the toilets which were automated, it was confirmed the flashing lights and the fear of

being locked in or out and the doors being opened when they are not ready. The local autistic community could clarify more.

The Chair thanked the submitter for attending.

### **3.15 Hearings Slot 15 - Submission 276 - Jo Hutton - ILT Stadium Southland**

The Stadium was deeply woven into the lives of Invercargill people. 490,000 people walked through the Stadium that was 10 visits for every person in Invercargill. Council maintaining the current level of funding was essential. The court fees, events, or spectators' fees would face challenges and would need to be increase if funding was cut. It was noted around the Stadium playing an important part of emergency management and a service centre to Surrey Park.

The cost of running the Stadium was increasing. There would be a need for maintenance to be undertaken. An example of this was the LED floodlighting, recoating of the courts and the roof panelling. They were actively working on attracting events and internal food and beverage promotions.

It was strongly noted around the urge to maintain current level of funding.

A query was raised around the percentage of people who used the Stadium and where they were from, the 75% of Invercargill would be broadly correct. There were also a lot of people who come in from out of town.

A query was raised around the sustainability, and the plan they had in place in the event the funding was cut. It was noted food and beverage provided a huge opportunity and they would carefully manage the asset plan.

A query was raised around if the clubs would be impacted, it would not be significant, it would just be the normal inflation costs.

A query was raised around a small door charge and the management of this logistically. It had been done in the past however, this kept people out of the Stadium, and made for unaccompanied children. Lots of those coming through the door were already paying through hire charges.

It was noted that cost cuts could impact televised games.

A query was raised around a donation box, there was one and Stadium Southland were looking at a second. There would need to be communication around this that it is a one-off donation.

The Chair thanked the submitter for attending.

### **3.16 Hearings Slot 16 - Submission 173 - Hamish Anderson and Sarah Ferguson**

Mr Anderson was on tank wate, and noted when going through the building process they had to have an overflow, therefore they were not connected to the stormwater services. Mr Anderson questioned if they were not connected to a stormwater, why would a large rate increase be received. Conformation was sought that the

understanding was this should not be the case if they were not connected to the stormwater.

A query was raised around why it was rated on capital value.

It was confirmed the Chief Executive would write a letter regarding the points raised.

The Chair thanked the submitter for attending.

### **3.17 Hearings Slot 17 - Submission 334 - Geoffrey Louis Mahon**

Mr Mahon talked through a letter which he received from Council and talked Council through his property layout.

It was noted that anything that did not go down the drain ended up on his property. There was a blocked tile drain which had been blocked for many years. To process the water Mr Mahon had had to put in his own drains and pipework in place. Mr Mahon felt hamstrung by the drainage layout.

It was noted Council had cleaned a drain out however, the flow was still insufficient.

It was noted if Council wanted to rate the stormwater, then the stormwater needed to work. There would be a site visit arranged at Mr Mahon's property.

A query was raised around approaching the neighbour's, it was noted there was no interest in spending the money from them.

A query was raised around the grey water and if a complaint had been made to Council, it was confirmed he had. It was suspected to be sewerage, if the drain worked this would not be an issue.

### **3.18 Hearings Slot 18 - Submission 266 - Lee-Ana Kauta**

Did not attend.

### **3.19 Hearings Slot 19 - Submission 331 - Invercargill City Youth Council**

It was noted around the bus fares and they believed this was an important service, but they recognised the financial pressures. Raising the prices may discourage the use of buses for youth. They believed there could be improvements to accessibility. They felt there was lack of engagement with the Youth Council on the regional public transport plan.

Splash Palace was accessible and beneficial place for youth and they did not support the increase in fees and charges.

Youth Council supported the urban play centralised model.

A query was raised around the buses and had the Youth Council seen the documentation around this and the government wanting Council to have a more user pays approach. The library was a free service, the Stadium was somewhat user pays and the so was the pool. Youth Council were asked for views on whether ratepayers

should take the cost or the user. It was confirmed they understand someone must pay this and it would just deter the use of the buses.

A query was raised around the bus fares and bus route, and how did Youth Council feel about the bus timetable. There was a Youth Council discussion around the timetable and there could be improvement on the timing's buses run.

A query was raised around the lack of engagement and that in the past there had been push back on the engagement and how Council engaged Youth Council and what Council engaged with Youth Council on. It was confirmed that public transport was something that affected youth, and it was noted there could be more engagement through workshops.

A query was raised around Wachner Place toilets and did they look at this from a disability angle, it was confirmed a lot of youth did not know these existed and noted that had the library and the mall which are close by.

The Chair thanked the submitter for attending.

### **3.20 Hearings Slot 20 - Submission 74 - Chris Dawson**

Mr Dawson was in favour of option two of a Council controlled water organisation. He noted his knowledge and experience in the water industry and the history of Invercargill's water.

It was noted the threat to water was having those operate it who did not know anything about it. It was noted around having enough contractors to do the work, this would not be an issue if there was in-house staff.

It was noted around building capacity to do it in-house. Mr Dawson voiced his support for having an in-house crew who would be for perpetuity. There was need for more operators. There was a health and safety issue for those on the ground now. Mr Dawson was opposed to relying on contractors.

A query was raised around the Wachner Place toilets and converting this into a night shelter. Mr Dawson felt as though this could be expanded on and felt it was a good idea.

A query was raised around was the core of Mr Dawson's argument that Council should be internally resourcing work instead of contracting and why was this more likely in a CCO situation than internally. Mr Dawson felt it would be more efficient in the long run.

It was noted perhaps Council could shrink the bus operation with shuttle buses.

It was noted from Mr Dawson this was not the time for urban play, it could be put aside for a couple of years and dusted off once bricks and waters were better equipped.

The Chair thanked the submitter for attending.

**3.21 Hearings Slot 21 - Submission 350 - Christine Ellen Henderson**

Ms Henderson noted the Andrew Barsby submission and being in support of this. It was noted around heritage buildings looking their best when they were well loved. It was noted around cleaning spouting to prevent earthquake damage. It was noted how lucky Invercargill was to have such gems of heritage. Ms Henderson supported not building on Donovan Park.

It was noted around the old Briscoes building and that it should be strengthened and not lost for demolition. It was suggested The Troopers Trust could take this and help with funding.

The Chair thanked the submitter for attending.

**Note: The meeting adjourned at 1.12pm and would resume on Wednesday 30 April 2024 at 2.00 pm.**

**MINUTES OF THE HEARINGS FOR THE ANNUAL PLAN, HELD IN THE COUNCIL CHAMBERS,  
FIRST FLOOR, CIVIC THEATRE, 88 TAY STREET, INVERCARGILL ON WEDNESDAY 30 APRIL  
2025 AT 2.00 PM**

**Present:** Cr T Campbell (Chair)  
Mayor W S Clark  
Cr A J Arnold  
Cr R I D Bond  
Cr P M Boyle  
Cr S J Broad  
Cr G M Dermody  
Cr D J Ludlow  
Cr B R Stewart

**In Attendance:** Rev E Cook – Māngai – Waihōpai  
Mrs P Coote – Kaikaunihera Māori – Awarua  
Mrs P Christie – Group Manager – Finance and Assurance  
Mrs T Hurst – Group Manager – Community Engagement and Corporate Services  
Mr R Capil – Group Manager – Community Spaces and Places  
Mr J Shaw – Group Manager - Consenting and Environment  
Mr J Garnett – Group Manager – Capital Portfolio  
Mr M Morris – Manager – Governance and Legal  
Ms C Manera – Engagement Coordinator  
Mr M Butler – Digital and Communications Advisor  
Ms M Sievwright – Senior Executive Support

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#### **4. Apologies**

Cr Kett, Cr Pottinger, Cr Soper, Cr Crackett, and Mayor Clark for leaving early.

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

#### **5. 2025/2026 Annual Plan Hearings**

A5845958

##### **5.1 Hearings Slot 22 - Submission 483 - Wendy Joy Baker**

Ms Baker read through her submission. She asked where the bylaw information regarding dogs on leads was. She noted it was not fair to members of the public who had to deal with dogs off leads. It was about making irresponsible dog owners do the right thing. She noted there was a lot of rubbish particularly around the cenotaph and also a lot of anti social behaviour in this area. She then took the meeting through her Anzac poem.



In response to a question regarding dog signage and if that would be an effective deterrent, it was noted this would note a presence. Dog control was a serious issue which should not be swept under the carpet.

In response to a question regarding any other areas of concern about dog control or if it was just Queens Park, it was noted that dog excrement was also an issue.

The Chair thanked the submitter for attending.

### **5.2 Hearings Slot 23 - Submission 418 - Jennifer Campbell**

Ms Campbell read through her submission.

In response to a question regarding total mobility percentage rate of use, it was noted this comment was hearsay and was concerned regarding the impact of rates that may have.

The Chair thanked the submitter for attending.

Note: Mayor Clark left the meeting at this time.

### **5.3 Hearings Slot 24 - Submission 480 - Carolyn G Weston - Association of Blind Citizens - Southland Branch**

Ms Weston took the meeting through her submission, focusing on the regional transport system. Blind citizens could use the buses more if the buses were more accessible. As buses were not accessible to blind users they were using the total mobility system more. There was an issue with the total mobility funding and she took the meeting through the issue. The other issue was total mobility was designed for disabled people however there was a perception that others were using this system.

In response to a question regarding the cost of total mobility, it was noted Council had held a meeting which indicated a small cost would be made towards total mobility.

In response to a question regarding buses and if there was a practical change which could be applied now, it was suggested that kneeling buses were used but there was a gap between the footpath and the bus which was not safe for blind users. Drivers needed to be trained better and audio announcements used.

The Chair thanked the submitter for attending.

### **5.4 Hearings Slot 25 - Submission 416 - Mark Shirley**

Mr Shirley spoke to his submission regarding stormwater drainage. His property did not benefit from any stormwater and relied on soak holes and aerators.

It was noted that conversations regarding individual properties should be directed to Council staff.

The Chair thanked the submitter for attending.

### **5.5 Hearings Slot 26 - Submission 481 - Bob Simpson**

Mr Simpson spoke to his submission. He suggested simplifying the cost and scope of the museum which could be \$56.5 million which was a budget reduction of \$26 million. The current design was complex and expensive and could be simplified. He recommended converting the west building into a two story building instead of single story.

In response to a question regarding the museum, it was noted there was a shortage of evidence around where vehicles go or the complexity of the build.

The Chair thanked the submitter for attending.

### **5.6 Hearings Slot 27 - Submission 406 - Becs Amundsen - Connected Murihiku**

Ms Amundsen spoke to her submission.

Ms Amundsen spoke about the training and activities which Connected Murihiku were undertaking. The focus of her submission was the Community Wellbeing Fund and asked Council to consider this reduction as it supported the vibrancy in the community. There was a community concern around the closing of the Wachner Place toilets, especially those who did not feel welcome at the mall.

In response to a question regarding Connected Murihiku and if this was the role of Council, it was noted this was about funders all having different application forms and asking different questions and if there was a more cohesive way this could be done.

In response to a question regarding operational funding from Community Wellbeing and what else could be done to support sustainable funding in the community, it was noted that access to the funding database was being looked at.

The Chair thanked the submitter for attending.

### **5.7 Hearings Slot 28 - Submission 401 - Kathy Obers - CCS Disability Action**

Mrs Obers spoke to her submission. She supported the rates increase to be 9.4% as if there was not an increase now there would be bigger increase next time. She noted that many were not aware of the closure planned for the Wachner Place toilets. It was suggested that more research was required on bus users.

In response to a question regarding the concern of the closure of Wachner Place toilets and what the issue with mall toilets were, it was suggested that the Wachner Place toilets were ideal as it was a safe to take children to them.

In response to a question regarding the rates increase, it was noted that this was a personal perspective.

In response to a question regarding the total mobility scheme and the functionality for disabled patrons, it was noted that patrons utilised the bus with the voice automation as it was easier to use.

The Chair thanked the submitter for attending.

**5.8 Hearings Slot 29 - Submission 410 - Rodney Tribe**

Mr Tribe did not attend.

**5.9 Hearings Slot 30 - Submission 330 - Neil Boniface - Kumagaya Friendship Association**

Mr Boniface, Mr Moir and Mrs Neave spoke to their submission. Mr Boniface understood the difficult decisions Council had to make and he spoke of the passion the Kumagaya Friendship Association members had in assisting with the Council to host members from Kumagaya. They were concerned the pause in funding would send the wrong message to Kumagaya. He said it would be wise to have some budget for this.

Mrs Neave was dedicated to the sister cities and noted that it was important to continue cultural exchanges. The Friendship Committee continued to support delegates from Kumagaya through formal and informal gatherings. It was important to maintain support and ties to the sister city relationship.

In response to a question regarding the student exchanges and the significance of this, it was noted that some of the schools did not have a relationship with a sister school but Southland Boys' High School and Southland Girls' High School had visited and been home hosted, and vice versa. School visits and education were the most important in Japanese society and this education exchange was valued by Kumagaya City Hall.

In response to a question regarding commercial funding, it was noted that this had not been looked into.

The Chair thanked the submitter for attending.

**5.10 Hearings Slot 31 - Late Submission 3 - David John Kennedy - Invercargill Public Art Gallery Inc**

Mr Kennedy took the meeting through his submission.

In response to a question regarding art as part of the play strategy, it was noted this was providing experiences for children which covered design, and creative thinking. Construction of play activities could be considered.

The Chair thanked the submitter for attending.

**5.11 Hearings Slot 32 - Submission 351 - Patricia Rosborough**

Ms Rosborough did not attend.

**5.12 Hearings Slot 33 - Late Submission 6 - Louise O'Callaghan**

Ms O'Callaghan did not attend.

### **5.13 Hearings Slot 34 - Submission 355 - Cain Duncan**

Mr Duncan spoke to his submission. It was noted that \$5 million had been put aside for a play strategy and this was a way to attract people into the city centre. It was important to support retailers and businesses in ways to bring people into the city. He noted there was no masterplan which set this out. He encouraged Council to maintain this funding.

Mr Duncan said it was hard to get information regarding a targeted rate for stormwater, and had no idea what this rate was for.

In response to a question regarding urban play, there was a strong focus in bringing people into the heart of the city and supported other regions.

In response to a question regarding urban play and if it could be more pop ups, it was noted that the masterplan had not been seen without realising the vision.

The Chair thanked the submitter for attending.

Note: The meeting adjourned at 3.54 pm and resumed at 4.07 pm.

### **5.14 Hearings Slot 35 - Submission 275 - Ian Reeves**

Mr Reeves took the meeting through his submission. The main item was a financial cap on rates over a three year period so ratepayers had a chance to budget, although he understood this was a difficult issue.

The other item was an external review of operational budgets for the library, civic theatre, rugby park, museum etc. to reduce additional costs.

In response to a question regarding the suggestion of rates cap, and what would happen when the cap was hit and what service would be reduced. It was noted that would hate to have a reduction in service but Council did need to do something.

In response to a question regarding getting ratepayers to understand, it was noted this was about communication. There would always be some who would not listen.

In response to a question regarding duplication of roles and what roles these were, it was noted that they were all a bit top heavy and the decisions could be made by an overseeing body.

In response to a question regarding public transport plan and buses, it was noted that Council needed to make decisions on this service but the service needed to be there. There were some who could not get around with this service.

The Chair thanked the submitter for attending.

### **5.15 Hearings Slot 36 - Submission 199 - Nicholas Pask**

Mr Pask did not attend.

**5.16 Hearings Slot 37 - Submission 169 - Patrick Murphy**

Mr Murphy did not attend.

There being no further business, the meeting finished at 4.25 pm.

## 2025/2026 ANNUAL PLAN DELIBERATIONS

<b>To:</b>	Council
<b>Meeting Date:</b>	Tuesday 13 May 2025
<b>From:</b>	Rhiannon Suter - Manager – Strategy, Policy and Engagement
<b>Approved:</b>	Patricia Christie - Group Manager - Finance and Assurance
<b>Approved Date:</b>	Thursday 8 May 2025
<b>Open Agenda:</b>	Yes

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### Purpose and Summary

This report provides Council with information to support deliberations on the 2025/2026 Annual Plan following hearings which took place on 29 and 30 April 2025.

### Recommendations

That Council:

1. Receives the report "2025/2026 Annual Plan Deliberations".
2. Notes the information provided in the report to 29 April 2025 Council meeting "2025/2026 Annual Plan Hearings".
3. Notes the forecast rates increase at the time of consultation: (Water: 20.46%/ Non-water: 3.67%, combined: 9.47%).
4. Notes all rates impacts listed in this report are in relation to the forecast rates increase at the time of consultation.
5. Notes the forecast rates increase if all maximum savings options in this paper are chosen: (Water: 14.04%, Non-water: 2.60%, combined: 6.55%).

#### ***Economic and regulatory environment***

6. Notes the following further changes to the economic and regulatory environment and associated impact on rates:
  - a. Minor adjustments to investments and interest rates assumptions for 2025/2026 (-0.11% water rates impact. +0.06% non-water rates impact (0% combined rates impact))
    - i. Term deposit interest rate reduction from 5% to 4% (+0.03% water rates, +0.47% non-water rates impact, combined +0.32%).
    - ii. Borrowing interest rate reduction from 4.5% to 4.25% (-0.14% water rates, -0.51% non-water rates impact, combined -0.38%).
    - iii. Invercargill Central Limited loan advance revenue reduction due to lower balance projected (0.1% non-water rates impact, combined +0.06%).

- b. Legal advice that an LTP amendment will not be required for Council's preferred option at the time of consultation – ICC Enhanced Water Service Delivery Option(– 0.61% reduction in water rates (-0.21% combined rates increase)).
7. Notes the updated position as a result of the economic and regulatory environment changes: 19.74% water rates impact, 3.73% non-water rates impact (9.26% combined rates impact).

**Consultation issues**

8. **Agrees/ Disagrees** to one of the following options for Wachner Place Toilets (**delete as appropriate**):
- a. **As consulted on:** Close Wachner Place Toilets (0% non-water rates impact (0% combined rates impact)).
  - b. Retain Wachner Place Toilets on the existing operational basis (+0.39% non-water rates impact (+0.26% combined rates impact)).
  - c. Retain Wachner Place Toilets on a reduced schedule of 9am – 12noon Monday to Friday (+0.22% non-water rates impact (+0.14% combined rates impact)).
9. **Agrees/ Disagrees** the following proposed bus fares with adjustments in response to consultation and following further negotiation with NZTA, noting the \$29,000 additional rates funding required (+0.06% non-water rates impact (+0.04% combined rates impact)):

Ticket Type	Proposed FY2025/26 Fare
Card Payment	
Children under 13	Free
Youth (14-18)	\$1.75
Adult and U25 (19-24)	\$3.50
Community Service Card	\$1.75
Senior	\$1.75
Senior Gold Card (off peak)	Free
Cash Payment	
Youth (14-18)	\$2
Adult and U25 (19-24)	\$4
Community Service Card	\$2
Senior	\$2

10. **Agrees/ Disagrees** to adopt the Regional Public Transport Plan with the following changes noted:
- a. Update of the bus fares to reflect the changes after consultation agreed in negotiation with NZTA.
  - b. Summary of the issues raised during consultation in the section of the plan outlining community feedback.
11. **Agrees** the following option for Urban Play (**Delete as appropriate**):
- a. Option 1 – Distributed option (Council's preferred option) – Invest in play across the city centre, Bluff, South Invercargill and North Invercargill (No rates impact).
  - b. Option 2 – City Centre programme (No rates impact).

- c. Option 3 – Not to proceed with urban play at this time (No rates impact in 2025/2026; 0.60% saving across future years).
12. **Agrees/ Disagrees** to adopt the Play Strategy
13. **Notes** the preferred option and any associated rates impact for Water Service Delivery (to be tabled).

**Annual Plan Budget Items**

14. **Confirms** the following Annual Plan budget items as a result of consultation:
- a. Community Wellbeing Fund (**Delete as appropriate**)
    - i. **As consulted on:** Reduce the annual funding by \$200,000 to \$365,000 for 2025/2026 (0% non-water rates impact (0% combined rates impact)).  
**Or**
    - ii. Retain the annual funding at \$565,000 for 2025/2026 (+0.39% non-water rates impact (+0.26% combined rates impact)).  
**Or**
    - iii. Reduce annual funding at a lower level of \$100,000 (5%) to \$465,000 for 2025/2026(+0.20% non-water rates impact (+0.13% combined rates impact)).
  - b. Built Heritage Funding (**Delete as appropriate**)
    - i. **As consulted on:** Pause the annual funding for one year; \$200,000 reduction for 2025/2026 (0% non-water rates impact (0% combined rates impact)).  
**Or**
    - ii. Retain the annual funding at \$200,000 for 2025/2026 (+0.39% non-water rates impact (+0.26% combined rates impact)).  
**Or**
    - iii. Reduce annual funding at a lower level of \$100,000 to \$100,000 for 2025/2026(+0.20% non-water rates impact (+0.13% combined rates impact)).
  - c. Sister City Programme (**Delete as appropriate**)
    - i. **As consulted on:** Do not reinstate the annual funding for one year; \$50,000 reduction for 2025/2026(0% non-water rates impact (0% combined rates impact)).  
**Or**
    - ii. Reinstate the annual funding at \$50,000 for 2025/2026 (+0.10% non-water rates impact (+0.06% combined rates impact)).  
**Or**
    - iii. Reinstate annual funding at a lower level of \$25,000 for 2025/2026 and \$50,000 thereafter (+0.05% non-water rates impact (+0.03% combined rates impact)).
  - d. Great South (**Delete as appropriate**)
    - i. **As consulted on:** \$195,138 reduction in contract funding (10% reduction in total Great South funding). (+0% non-water rates impact (+0% combined rates impact)).  
**Or**
    - ii. Retain the funding at the same level for 2025/2026 as originally planned \$1,951,385.(+0.38% non-waters rates impact (+0.25% combined impact)).





- iii. Adjusted (based on agreement of all the relevant budget changes outlined above) and introduce a discount for high water meter users for annual usage over 100,000 cubic metres of 15% off the standard rate (+1% water rates impact (+0.35% combined rates impact))

(Non-residential rating units) Annual Consumption m3:	2025/26 \$ incl. GST
0 to 249	-
250 to 100,000	\$2.35
100,000 and above	\$2.00

- b. Commercial Sewerage Fees
    - i. As consulted on at \$1.242 per m<sup>3</sup> for the volume charge and \$37.72/tonne for Tanker waste to the Clifton Waste Water Treatment Plan.  
**Or**
    - ii. Adjusted (based on agreement of all the relevant budget changes outlined above and 90% depreciation funding) from \$1.242 to \$1.199 per m<sup>3</sup> for the volume charge and from \$37.72/tonne to \$36.95/tonne for tanker waste with lower revenue recovered via rates (+0.28% water rates impact (+0.10% combined rates impact)).  
**Or**
    - iii. Adjusted (based on agreement of all the relevant budget changes outlined above and 85% depreciation funding) from \$1.242 to \$1.160 per m<sup>3</sup> for the volume charge and from \$37.72/tonne to \$36.12/tonne for tanker waste with lower revenue recovered via rates (+0.60% water rates impact (+0.21% combined rates impact)).  
**Or**
    - iv. Adjusted (based on agreement of all the relevant budget changes outlined above and 80% depreciation funding) from \$1.242 to \$1.121 per m<sup>3</sup> for the volume charge and from \$37.72/tonne to \$35.30/tonne for tanker waste with lower revenue recovered via rates (+0.90% water rates impact (+0.31% combined rates impact)).
  - c. Note the required changes for rounding in relation to compliance fees to align with the requirements of the Dog Control Act.
  - d. Note the change to failure to comply with any bylaw authorised by the section of the Dog Control Act which was listed incorrectly as \$750 and should have been \$300.
17. Notes the rates increase for the Annual Plan as a result of the decisions above: to be tabled.

## Background

Council consulted on the Annual Plan between 13 March and 13 April 2025. Hearings were held on 29 and 30 April.

This paper should be read with consideration to the Hearings Report from 29 and 30 April 2025 and the Budget Adjustments Report from 25 February 2025 which include further relevant background and analysis.

**All rates impact percentages in this report are variances to the Annual Plan as consulted on.**

The exception to this is the financial implications section which also provides analysis of variance to Year 2 of the Long-term Plan.

## **Issues and Options**

### **Analysis**

Council has a number of specific challenges to deal with for this Annual Plan:

- The Government's reform programme for three waters is advancing and Council is required to undertake a number of actions in preparation for development of a Water Service Delivery Plan. This includes selecting the preferred option for Water Service Delivery on which the plan will be based which will be determined by the Infrastructure and Projects Committee on 13 May 2025. Other elements which impact the Annual Plan budget include ringfencing of water related costs, budgeting for set up of the new organisation and preparation for increased depreciation funding.
- Rephasing and realignment of some aspects of the capital programme in response to updated forecasts.
- Response to Government policy on user pays including addressing bus fare take and reviewing the draft Regional Public Transport Plan.
- Finalising decision on options for the urban play project.
- Identifying options to reduce the rates increase for 2025/2026 which was originally planned in the Long-term Plan to be 8.5%.

### **Significance**

The changes proposed in the Annual Plan were significant and have been consulted on in line with the Significance and Engagement Policy.

### **Options**

#### ***Wachner Place Toilets***

Of all the submissions received, 181 specifically commented on the proposal to close the toilets at Wachner Place. Of these, 76 were supportive of the proposal and 73 were against. Seven were unsure, noting pros and cons to the decision. The remainder were indifferent or asked questions about the proposal without indicating how they felt about it. Further analysis on submissions was provided in the Hearings Report.

In response to feedback about the importance of ensuring access to this facility for people needing to shower, the following additional option is provided:

#### **Reduce the daily opening hours to 9.00 am – 12 noon**

The current opening hours are 8.00 am – 8.00 pm. It is estimated that the reduction in opening hours to 9.00 am – 12 noon would result in an annual \$107,000 saving on the current \$200,000 annual costs. The cost for 2025/2026 would be \$111,000 due to contract timing. It is important to note that this is an estimate and would be subject to contract negotiation.

It is also important to note that while this is still a saving, it is a lesser one than that of full closure included in the budget for consultation. As a result, if this option is chosen the rates impact would be +0.22% non waters (+0.14% combined).

**Bus Fares and Regional Public Transport Plan**

Council consulted on proposed changes to bus fares in response to Government policy change required in order to increase the amount of revenue received from fares (user pays).

It was noted at the time of adoption for consultation that officers would continue to engage with NZTA in order to seek a revised position on fares which is acceptable to them.

24 submissions were made specifically on bus fares and a further 30 comments were raised on bus fares in relation to the Regional Public Transport Plan. Issues raised included the impact on children and young people, the need for a sustainable solution for everyone, the cost to run the service and the suitability of the timetable and schedule for people's needs.

Following feedback from the consultation and engagement with NZTA, officers have been able to agree a lower level of fare for young people under 18.

The new fare structure proposed is outlined below:

<b>Ticket Type</b>	<b>Proposed FY2025/26 Fare</b>
<b>Card Payment</b>	
Children under 13	Free
Youth (14-18)	\$1.75
Adult and U25 (19-24)	\$3.50
Community Service Card	\$1.75
Senior	\$1.75
Senior Gold Card (off peak)	Free
<b>Cash Payment</b>	
Youth (14-18)	\$2
Adult and U25 (19-24)	\$4
Community Service Card	\$2
Senior	\$2

It is forecast that these agreed changes to the fare structure will result in an additional \$10,000 funding requirement from rates.

Council consulted on free services for under 13s and further consultation would be required to change this further. NZTA at this point has indicated the minimum charge they would support for this age group would be \$1.75. To maintain free travel for under 13s as consulted on, will require additional funding from Council of \$19,000.

The combined impact of this proposed change is \$29,000 additional rates investment (+0.06% non-waters rates increase) (+0.04% combined).

171 submissions were received on Regional Public Transport Plan. 19 were in support of the Plan and five opposed. More submitters were sharing specific feedback or particularly focused on bus fares. Further analysis is available in the hearings report.

The most commonly raised issue was affordability and the need to keep bus fares low raised by over 30 people, followed by support for a more financially sustainable approach, raised by 20 plus people, including some who thought the service may need to be reduced to achieve this. Some believed vision and a changed approach was needed whether that was an on-demand service or one which was cheaper to access or region-wide. A similar number noted that public transport was a critical public service which needs to be supported and some mentioned the importance of Total Mobility. Others mentioned improvements were needed to either schedule, routes or bus stops. Trains and cycling were raised by a small number of people. Some submissions spoke to extending the service out more broadly, with Dunedin, Otago, Bluff, Ōtātara and the Airport mentioned. Feedback from Environment Southland was incorporated into the development of the plan and has also been provided by the Otago-Southland Regional Transport Committee.

A number of changes to the Regional Public Transport Plan are proposed as a result of consultation:

- Update of the bus fares to reflect the changes after consultation agreed in negotiation with NZTA.
- Summary of the issues raised during consultation in the section of the plan outlining community feedback.

Following Council direction, the final version of the plan will be provided to the May Council meeting with the minutes from this meeting.

### ***Urban Play Options and Play Strategy***

Three options were consulted on for urban play.

#### **Option 1: Distributed Programme Invest in play across the City Centre, Bluff, South Invercargill and North Invercargill**

The Distributed Programme is about providing high quality contemporary play opportunities across the Invercargill district, investing in key locations where planning work is underway in order to enhance facilities in Bluff and transform Elizabeth Park in South Invercargill into destination-level play offerings. This district-wide approach includes a scaled down city centre programme, alongside improvements to Queens Park, ensuring exceptional play experiences are accessible to all communities across the city.

- Level of service increase.
- \$4.96 million capital expenditure across four years with the option to seek further additional external funding.
- No additional impact on debt as this item is already budgeted for.
- No additional impact on rates as this item is already budgeted for.

### **Option 2: City Centre Programme**

Keep the play investment in play in the city centre, likely with a focus on a play trail and activations as all the identified potential hub locations have limitations - The City Centre Programme is about transforming Invercargill's heart with a vibrant central play hub, designed as a unique all-ages destination that celebrates local heritage and is connected to other inner city sites through an engaging trail of playable street furniture and interactive art. This network of permanent play spaces will be kept fresh and exciting through regular events and temporary installations during the investment period, creating a dynamic city centre that encourages exploration, community gathering, and year-round activity.

- Level of service increase.
- \$4.96 million capital expenditure across four years with the option to seek further additional external funding.
- No additional impact on debt as this item is already budgeted for.
- No additional impact on rates as this item is already budgeted for.

### **Option 3: Not to proceed with an urban play option at this time**

- No debt taken on to fund the project resulting in averted debt repayment costs.
- 0.60% saving in rates (no impact on 2025/2026 rates).

291 submissions were received on urban play options. 47% of submissions chose Option 1 – Distributed Option – Invest in play across Bluff, South Invercargill, the City Centre and North Invercargill (Council's preferred option). 16% preferred Option 2 – City Centre Play and 37% preferred Option 3 – not to proceed with urban play at this time. Further analysis is provided in the Hearings Report.

The dispersed option which is the most popular option would allow a higher level of investment across a range of play spaces in the district. For context approximately a quarter of the annual parks maintenance is currently spent on play spaces – this amount varies depending on the equipment and landscaping being restored. Across 10 years this equates to approximately \$1 million in comparison to the additional \$4.6 million investment across the next four years proposed under Options 1 and 2.

If Council chooses Option 3 but wishes to review the level of renewals budget for playground equipment this could be done as part of the next Long-term Plan.

111 submissions were received on the Play Strategy. 31 were in support and 56 were not in support of the play strategy. Others were not clear as to whether they were in support or were speaking to the urban play options more specifically. Further analysis is provided in the Hearings Report.

The Play Strategy was well supported through submissions and those who provided alternative feedback did not present information that would inform changes required prior to adoption. The primary concern of those who were opposed to the play strategy was related to affordability. It is important to note that Strategic Outcome 4 - Affordable, Sustainable, and Flexible Solutions detailing investment in our play environments appropriately balances cost-effectiveness, quality, and affordability for users. Invercargill's play opportunities are

adaptable to changing community needs which addresses this concern. No specific budget allocations are proposed to implement the strategy.

Following Council direction, the final version of the play strategy will be provided to Council with the minutes from this meeting.

### **Water Service Delivery Option**

The Infrastructure and Projects Committee will deliberate on the Water Service Delivery Option at the 13 May 2025 meeting.

### **Budget Items**

Council included the following savings options within the budget for consultation.

#### **Community Wellbeing Fund**

The following was included for consultation:

A \$200,000 reduction in the Community Wellbeing Fund.

Other options include:

- Retaining the current level of funding (\$565,000) (+0.39% non-waters rates increase) (+0.26% combined).
- A lower level of reduced funding (\$465,000) (+0.20% non-waters rates increase) (+0.13% combined).

One submission was in favour and 9 opposed to a reduction in Community Wellbeing Funding. Submitters noted the importance of community funding in maintaining community projects and events which was particularly important in difficult times. The submitter opposed recognised the value but noted that savings needed to be made somewhere.

#### **Heritage Building and Seismic Strengthening Fund**

The following was included for consultation:

Pausing \$200,000 funding linked to the Heritage Strategy for one year.

Other options include:

- Retain the funding at the existing level of \$200,000 for 2025/2026. (+0.39% non-waters rates increase) (+0.26% combined).
- Reduce the fund by a lower level of \$100,000 for 2025/2026 (+0.20% non-waters rates increase) (+0.13% combined).

Fifteen submissions were opposed to a pause in Built Heritage Funding. Submitters noted the importance of built heritage to Invercargill, the important role the funding played in implementing the Heritage Strategy, as well as the impact this may have on building owners.

### **Sister City Programme**

The following was included for consultation:

To pause the Sister City programme activity for one year resulting in a \$50,000 funding increase delayed until 2026/2027.

Other options include:

- Reinstating \$50,000 funding for 2025/2026 (+0.10% non-waters rates increase) (+0.06% combined).

This option would allow for the full programme to be run, including both hosting (including school programme) and return visit to either Kumagaya or Suqian.

- Reinstating a lower level of funding of \$25,000 for 2025/2026 (+0.05% non-waters rates increase) (+0.03% combined).

This option would allow for partial operation of the programme with either hosting or a return visit but not both.

One submission was received in opposition to the Sister City Programme funding reduction.

The Kumagaya Friendship Association submitted that pausing the Sister City programme funding sends the wrong message to Kumagaya and those who participate in exchanges.

They noted that whilst the school exchange programme is self-supporting, it relies on leadership support from Council. By showing an interest in the programme, Council clearly signals the significance of the Sister City relationship.

### **Great South**

The following was included in the budget for consultation:

- \$195,138 reduction in contract funding (10% reduction in total Great South funding from ICC). -0.38% non-waters rates impact (included).

Other options include:

- Retain the funding at the same level for 2025/2026 as originally planned \$1,951,385. +0.38% non-waters rates impact (+0.25% combined impact).
- \$88,894 reduction in contract funding (10% of contract funding/4.5% reduction in total Great South funding from ICC). +0.21% non-waters rates impact (+0.14% combined impact).

Three submissions were opposed and one in favour of a reduction in Great South funding. The impact on Kidzone was mentioned in five submissions.

Great South submitted that reductions to funding would result in material losses, loss of momentum and detrimental impacts on the region as a whole. They highlighted concerns that funding cuts would likely mean having to revisit staff numbers, noting that they have recently undergone a restructure leading to a 25% reduction in personnel. Since their staff work across the region rather than being assigned to particular councils, any further staffing cuts would



impact regional deliverables and Great South's ability to meet their obligations to all the funding councils. Great South also fear a flow on impact if the other funding Councils similarly reduce funding as a result of any cuts by ICC.

### **Stadium Southland**

The following was included in the budget for consultation:

- A 10% reduction in funding equating to a \$70,000 saving (\$630,000 funding). (-0.14% non-waters rates impact).

Other options include:

- Retain the funding at the current level (\$700,000) +0.14% non-waters rates impact (+0.09% combined impact).
- Reduce the funding by a lower level of \$35,000 (\$665,000) +0.07% non-waters rates impact (+0.04% combined impact).

38 submissions were opposed to reduction in funding for the Stadium.

ILT Stadium Southland submitted that the proposed cuts would have a significantly disproportionate negative impact on the wider community, for a rates saving of less than \$3 per rateable property. They submitted that reduced funding would lead to increased court hire costs and event fees, which could in turn limit access for community groups, event organisers and local sports teams, pricing some users out so they are no longer able to participate. They were also concerned about their ability to do essential maintenance and upgrades for compliance and event specifications, affecting their ability to attract and retain the major events which have huge benefits for the local economy.

### **Further Options for Savings**

#### **Further Rephasing of Capital Programme**

A range of rephasing of the capital programme was proposed during consultation. This included delaying the Bluff Service Centre toilet and some renewals, and the Splash Palace changing rooms by one year. Other work which would be delayed includes the Bluff Senior Citizens Centre renewal, Crematorium renewals, archives exterior painting, Leven Street carpark renewals, and elderly persons housing and parks buildings renewals, as well as some road improvements and footpaths projects.

As summer work concluded and end of year financial work commenced, some additional rephasing requirements have been identified, which will increase the capital programme for 2025/2026 by \$5.5 million. These include:

- Rephasing of \$4.0 million from 2026/2027 the Te Hīnaki Civic Building redevelopment budget into 2025/2026 to allow for fit out of ICL/ HWR Tower to facilitate staff move.
- Rephasing of \$1.5 million from 2024/2025 for work that will continue into 2025/2026. These include Branxholme duplication pipeline (\$0.7 million), Mersey Street Waste Water Main duplication (\$0.3 million) and Elderly Housing next site development (\$0.5 million).

There is no further direct impact on rates for the Annual Plan as a result of this rephasing, with the exception of depreciation where there is a saving as a result of work being deferred to

later years. (-1.10% water rates impact, -0.33% non-water rates impact (-0.60% combined rates impact)).

***Request receipt of dividend from ICHL and rephase grants for Project 1225 with associated reduced debt funding impact***

External grant funding was forecast for Project 1225 as part of the Long-term Plan. This anticipated grant funding is phased across the whole project. There is the opportunity to bring receipt of some of this grant forward which will reduce loan funding costs of the project.

Discussions have commenced with ICHL regarding receipt of an additional dividend following asset sales which have been completed. Following direction from Council on this matter Council will formally request timing of this dividend prior to 30 June 2025. (-0.86% non-water rates (-0.56% combined rates impact)).

***Loan fund a portion of the Water Service Delivery Option structure set-up***

One intention of the Government's reform programme is to provide Water Service Delivery organisations with greater flexibility on how to fund the activity, including through loan funding. The Government's Better Off funding which has been supporting the transition process has concluded. The remainder of the process needs to be funded by Council and has been largely budgeted for through the Annual Plan. Engagement with the DIA has identified that there is the opportunity to reduce the cost of this through loan funding.

Loan funding the \$200,000 for Water Service Delivery Option structure set-up -0.65% Waters rates impact (-0.22% combined impact)

***Reversal of adjustment of depreciation funding for sewerage and stormwater from 90% to 85% or 80%***

The final option which Council could take is to wholly or partially reverse the adjustment of depreciation funding for sewerage and stormwater. An increase in depreciation funding for these classes was included in the Annual Plan in order to move in steps from the current 80% funding level to 90%, in preparation for the Government's requirement for 100% funding in two years' time. This is intended to spread the impact of increased costs across a number of years.

Delaying this increase, either wholly or partially presents a savings opportunity for the 2025/2026 Annual Plan but will increase the impact in future years. It increases the time which it will take to return Council to a balanced budget and increases risk to the Council's ability to align with Government direction and ensure appropriate levels of investment for three waters infrastructure.

Reduce depreciation funding for sewerage and stormwater from 90% to 85%. -2.56% Waters rates impact (-0.89% combined impact).

**Or**

Reduce depreciation funding for sewerage and stormwater from 90% to 80%. -5.13% Waters rates impact (-1.78% combined impact).

## **Fees and Charges**

Changes to forecast costs for the water entity set up for 2025/2026 and any change in depreciation needs to be reflected in the commercial water and sewerage fees. In addition, there is the opportunity to consider a further strategy to reduce impact on those particularly impacted. It is proposed that a discount be offered to large commercial water users (those using over 100,000 cubic metres per annum. Submissions were provided that commercial water users were significantly impacted. At present there are three commercial users with an annual usage over 100,000 cubic metres per annum. It is proposed that a discount to the standard rate of 15% be offered.

This would reduce fees and charges revenue by approximately \$270,000 which will be covered through rates.

There are a number of other minor amendments which will be required to the fees and charges schedule which will be brought to the May Council meeting for adoption:

- Removal of incorrect rounding on a number of compliance fees which are not appropriate in relation to the Dog Control Act.
- Amendment of an incorrect figure for failure to comply with the bylaw which was listed as \$750 rather than \$300.
- Amendment to the bus fares as noted above in this report.

## **Community Views**

Consultation took place between 13 March and 13 April and a summary of community views was provided to Council at the time of hearings.

## **Implications and Risks**

### **Strategic Consistency**

The Annual Plan describes the variances to the second year of the Long-term Plan.

### **Financial Implications**

Note these financial implications are based on maximum savings options being chosen. Finalised figures will be available at the time of adoption of the Annual Plan.

Operational expenditure (excluding depreciation) for Year 2 of the Long-term Plan was planned at \$112.2 million, the Annual Plan now projects this at \$110.6 million.

Capital expenditure for Year 2 of the Long-term Plan was planned at \$75.9 million, the Annual Plan now projects this at \$93.1 million. This includes matching the budget with the planned build phases of Te Unua accurately (\$36.8 million for 2025/2026), rephasing of the next Elderly Housing build to now start in 2025/2026 (\$2.8 million) and the earlier start on the Rising Main pipe duplication project on Mersey Street than planned (\$7.5 million).

The average three waters rates increase for 2025/2026 with all the most significant savings options in this paper agreed will be 14.04%. The average non-waters rates increase with all most significant savings options chosen will be 2.60%.

The average rates increase for Year 2 of the Long-term Plan was set at 8.50%. The average rates increase (across both areas above) for 2025/2026 with all the maximum savings options in this paper included would be 6.55%.

Net debt for Year 2 of the Long-term Plan was planned to be \$169 million. It is now expected to be \$166 million.

The Essential Services benchmark, which measures spending on network assets, compared to depreciation, was expected not to be met in 2025/2026 and this is still the case at 96.5%. This was 93.4% at consultation stage and has improved due to the capital programme increasing for 2025/2026.

Council intended to run an unbalanced budget for 2025/2026 and this remains the case at 94.6% (planned revenue less than planned operating expenses). The benchmark would be lower than the 94.7% at consultation stage, however an increase to capital subsidy revenue for Project 1225 has offset this.

### **Legal Implications**

Any changes to the Wachner Place Toilets operation will be subject to contract negotiation.

### **Climate Change**

The Annual Plan includes a reduction in the budget for climate change mitigation activities.

### **Risk**

The Annual Plan addresses a number of risks identified within the Long-term Plan assumptions.

These include adjustments in key financial assumptions (interest rates) and the deliverability of the capital programme.

There remain a number of significant risks to be managed through the implementation of this Annual Plan.

### **Water Service Delivery**

The transition to the new Water Service Delivery approach remains contingent on acceptance of the Water Service Delivery Plan by the DIA. There remain details still to be finalised which have potential significant financial impact, including for example, treatment of depreciation. Reduction of depreciation funding from 90% puts Council at risk of misalignment with Central Government policy. There is potential for a very large one year impact on the community if Council is immediately required to reach 100% of depreciation funding for sewerage and stormwater. Regular engagement is taking place with the DIA on these matters in order to manage this risk.

### ***Efficiency programme***

As outlined in the February budget paper significant operational savings are factored into this Annual Plan for consultation. Following additional final quarter movements for 2024/2025, these savings are sitting close to \$6.5 million across a range of factors including consultancy, contracting, staffing, IT contract efficiencies and other factors. While no impact on service has been identified, these savings are contingent on a number of factors and any delay in achieving these savings will impact on delivery of the plan.

### ***Capital programme***

Deliverability of the capital programme was a matter of emphasis for this Long-term Plan and remains a challenge for 2025/2026. Programme rephasing, despite delays of some non-critical work as outlined in this and the February budget report, has resulted in a significant increase in the value of this programme for 2025/2026 and deliverability continues to be a risk factor.

### ***Rates smoothing and debt cap management***

Council is smoothing rates through the early years of the Long-term Plan recognising the impact of Project 1225 and other major capital works. As a result of this smoothing strategy, rates increases required for 2025/2026 are already being spread across future years. A short-term focus on keeping rates low has the flow on risk of requiring further higher rates increases in later years at the same time as increased rates linked to waters are required. This will be a challenge to be actively managed by the next Council.

### ***Unbalanced budget***

Council intended to run an unbalanced budget for Year 2 of the Long-term Plan and this remains the case through this Annual Plan. Delay in increase of depreciation funding makes a return to a balanced budget, as required by the Local Government Act, more difficult to achieve. This will be a core focus for the next Long-term Plan.

### ***Legislative changes in relation to Local Government Act (rates and funding cap)***

The Government has signalled that it is intending further reform of the Local Government Act including focusing on options for capping of rates and funding for "non-core" activities.

Strategies to keep rates low in the short term, relying on increases in later years to make up the shortfall (rates smoothing) carries an extra risk in this environment that efficiencies made will not be able to be effectively recovered, putting service delivery at potential risk.

### **Next Steps**

The Annual Plan will be brought to Council in June for adoption.

### **Attachments**

None.