



Agenda

Southland District Council

Wednesday, 11 February 2026, 10am
Council Chamber, Level 2, 20 Don Street, Invercargill



Mayor
Deputy mayor
Councillors

Rob Scott
Christine Menzies
Jaspreet Boparai
Don Byars
Phil Dobson
Paul Duffy
Sarah Greaney
Julie Keast
Tom O'Brien
Brian Somerville
Jon Spraggon
Michael Weusten
Matt Wilson

What is important to us?

Our strategic framework is a big picture of what Council is planning to achieve for our communities in the next three years.

Council vision

Together, with our people, for our future. It's our Southland!

Council mission

Working together for a better Southland.

Our focus is

Strategic priorities



Connected and resilient communities - we collaboratively engage with our partners and communities, along with investing in agile and sustainable practices, to support a vibrant and thriving Southland.



Ease of doing business - we transform the customer experience through partnership, technology and continuous improvement.



Providing equity - we enable all residents to be able to access the same services and tools as part of a fair society.



Robust infrastructure - we deliver innovative and sustainable community focused infrastructure and facilities for the future



Thinking strategically and innovatively - we look for solutions outside of the norm and are not afraid to do something that we have not done before, and we think long-term about the solutions we are providing, while having the flexibility and agility to change direction as necessary.

Our goals for the LTP 2024-2034 are

Outcomes



Social - communities that are connected and have an affordable and attractive lifestyle.



Environmental - communities committed to the protection of our land and water.



Cultural - communities with a sense of belonging for all.



Economic - communities with the infrastructure to grow.



1 Opening

The Mayor will open the meeting with a Karakia Timatanga.

2 Apologies

At the close of the agenda no apologies had been received.

3 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

4 Conflict of interest

Councillors are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a councillor and any private or other external interest they might have.

5 Additional agenda items

Any additions to the agenda must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

6 Confirmation of minutes

[Minutes](#) of the Council Meeting held on 28 January 2026.

Confidential Minutes of the Council Meeting held on 28 January 2026.

7 Public participation

Requests to speak should be made by midday of the day before the meeting. Further information is available on www.southlanddc.govt.nz or phoning 0800 732 732.

8 Reports

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8.2 Chorus New Zealand update to Council

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8.3 Taumata Arowai update to Council

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8.4 Southland Regional Heritage Fund - interim funding round

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8.5 Te Anau Airport Manapouri newsletter

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9 Closure

The Mayor will close the meeting.

Summary of reports

	Report name	Purpose	Report type	Page
8.1	Submissions to Central Government on legislative reform	This report gives Council the opportunity to provide feedback on five submissions to Central Government on proposed reform impacting Local Government.	Recommendation	7
8.2	Chorus New Zealand update to Council	Jo Seddon the Community Relations Lead at Chorus New Zealand will be present to speak to Council about Chorus, what it does and its plans for the network area.	Information	39
8.3	Taumata Arowai update to Council	Tim Cadogan the engagement specialist for Water Service Authority – Taumata Arowai, will be present via video link to engage with Council, give an overview of the Authority and to answer questions.	Information	41
8.4	Southland Regional Heritage Fund - interim funding round	The purpose of this report is for Council to decide whether to implement an interim funding round in March 2026 for the Southland Regional Heritage Fund, and to provide an update on the transition process.	Decision	43
8.5	Te Anau Airport Manapouri newsletter	A copy of the latest Te Anau Airport Manapouri newsletter, created by Great South, is attached for your information.	Information	49

Submissions to Central Government on legislative reform

Record no: R/26/1/2959
Author: Ana Bremer, Senior policy analyst
Approved by: Vibhuti Chopra, Group manager strategy and partnerships
Report type: Recommendation

Purpose

- 1 This report gives Council the opportunity to provide feedback on five submissions to Central Government on proposed reform impacting Local Government.

Staff recommendations

That Council:

- a) notes the information contained in the report.
- b) notes that the matter or decision in this report is assessed as some importance based on Council's Significance and Engagement Policy but is not considered significant. Public consultation is not required.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) note Council's submission on the Rates Capping Proposal (submitted 4 February 2026).
- e) reviews and provides feedback on draft submissions.
- f) approves, subject to completion of any amendments recommended by Council, submission of the:
 - i) Submission to Governance and Administration Committee - Emergency Management Bill, by Friday 13 February
 - ii) Submission to Environment Committee - Planning Bill, by Friday 13 February
 - iii) Submission to Finance and Expenditure Committee - Infrastructure Funding and Financing Amendment Bill, by Friday 20 February
 - iv) Submission to Department of Internal Affairs - Local Government (Infrastructure funding) Amendment Bill (Development Levies System), by Friday 20 February
 - v) Submission to Department of Internal Affairs - Simplifying Local Government proposal, by Friday 20 February.

Executive summary

- 2 The Government is undertaking a range of reform which propose significant changes to the structure and operation of Local Government.
- 3 Council was presented a high level assessment of the proposed reforms at their workshop on 21 January 2026. Staff have prepared the six attached submissions. These have been reviewed by Executive Leadership Team prior to Council review.

Discussion

- 4 Five submissions are presented for feedback by Council, before being submitted to the relevant agencies:
 - a) Submission to Governance and Administration Committee - Emergency Management Bill, by Friday 13 February
 - b) Submission to Environment Committee - Planning Bill, by Friday 13 February
 - c) Submission to Finance and Expenditure Committee - Infrastructure Funding and Financing Amendment Bill, by Friday 20 February
 - d) Submission to Department of Internal Affairs - Local Government (Infrastructure funding) Amendment Bill (Development Levies System), by Friday 20 February
 - e) Submission to Department of Internal Affairs - Simplifying Local Government proposal, by Friday 20 February.
- 5 Council staff provided the submission on the Rates Capping Proposal to Department of Internal Affairs on February 4, within the required deadlines. This is provided for information.

Options

- 6 It is recommended Council provides feedback on and approves the draft submissions, subject to completion of recommended amendments, for submission to their respective Government agencies by their due dates.

Legal considerations

- 7 Council must ensure submissions are prepared in line with the Local Government Act's decision making requirements and its statutory purpose to represent community wellbeing.

Strategic alignment

- 8 Providing submissions on national reforms aligns with Council's strategic direction by ensuring Southland's communities are represented in central decision making and that future systems remain workable, affordable, and fit for purpose.

Financial considerations

- 9 There are no financial considerations required for the preparation and submission of these documents.

Significance assessment

- 10 The submissions are determined as being of some importance, and Council will not carry out any engagement.

Level	Likelihood of engagement
Some importance or administrative	Council is not likely to carry out any engagement.
Moderate importance	Council may choose whether it carries out engagement, which may be targeted to directly affected individuals or groups.
Significant	Council will engage with directly affected individuals and groups, and wider community engagement is likely, unless there are reasons under policy not to.
Critical	Council will engage with directly affected individuals and groups, and wider community engagement is highly likely, unless there are reasons under policy not to.

Community views

- 11 Each submission reflects potential impacts for communities related to specific reform proposals. Community views are not required as part of the process for developing submission.

Climate change considerations

- 12 Climate change considerations have been reflected where relevant, particularly in the Planning Bill, Rate Capping, and Emergency Management submissions.

Risk and mitigations

- 13 Any risks or opportunities associated with the specific reform proposals are considered within the attached submissions.
- 14 The strategic and reputational opportunities associated with the decision sought, such as the ability to inform national policy discussions and advocate for best outcomes for district, are considered to outweigh the risks, particularly where the reforms submitted on might have material impact on the role of local government, its funding, or autonomy.

Next steps

- 15 Staff will make any recommended amendments and finalise the submissions.
- 16 Submissions will be provided to the respective government agency or committee before the closing dates for consultation.

Attachments

- A Submission to Governance and Administration Committee - Emergency Management Bill - Southland District Council [↓](#)
- B Submission to Environment Committee - Planning Bill - Southland District Council [↓](#)
- C Submission to Department of Internal Affairs - Local Government Infrastructure Funding Bill (Development Levies System) - Southland District Council [↓](#)
- D Submission to Finance and Expenditure Committee - Infrastructure Funding and Financing Amendment Bill - Southland District Council [↓](#)
- E Submission to Department of Internal Affairs - Simplifying Local Government proposal - Southland District Council [↓](#)
- F Submission to Department of Internal Affairs - Proposed Local Government rates target model - FINAL [↓](#)



13 February 2026

Submission to Governance and Administration Committee - Emergency Management Bill (No 2)

Southland District has a geographically extensive jurisdiction with dispersed rural settlements, a long coastline, and multiple natural hazard exposures including flood, wind, earthquake, tsunami, and increasingly, climate-related weather events. Our communities rely on both strong local coordination and clear national support for emergency management.

Accordingly, SDC has an interest in ensuring that new legislative obligations for emergency management are practical, properly resourced, and shaped around the strengths and realities of our rural and remote communities.

SDC supports the Bill's overall intent to:

- Strengthen national leadership and local delivery of emergency management functions
- Strengthening iwi/Māori participation across governance and planning
- Embed a risk-reduction approach across local and regional planning
- Increase focus on recovery and welfare, including animal welfare
- Clarify lead agencies, roles, and responsibilities across central and local government and iwi/Māori partners.

SDC's submission addresses the following main areas of change:

1. System leadership and governance
2. Clarification of national and local responsibilities
3. Implementation implications
4. Risk reduction and resilience planning
5. Operational areas and powers
6. Readiness and recovery provisions, and recognition of community realities.

We wish to be heard with regard to our submission. Further correspondence on Committee Hearings can be directed to Cameron McIntosh, Chief executive: Cameron.McIntosh@southlanddc.govt.nz

System Leadership and Governance

Relationship with local government governance

SDC supports the intent to strengthen governance consistency and achieve national standards for coordination. The Bill should clarify how Emergency Management Committees interact with local government decision-making processes, particularly where funding, staffing, or policy conflicts arise.

Partnership with Iwi and Māori

Iwi Māori have unique knowledge, skills, and resources to contribute to emergency management and there is a need for stronger recognition of iwi Māori as Treaty partners in the emergency management system. The Bill introduces explicit requirements for partnership and shared decision-making with iwi and Māori across all levels of emergency management.

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

0800 732 732
@ sdc@southlanddc.govt.nz
📍 southlanddc.govt.nz

SDC supports this inclusion, consistent with Te Tiriti o Waitangi principles and with Southland's existing collaboration with Te Ao Mārama Inc., representing Ngāi Tahu interests across Murihiku.

However, effective implementation will require resourcing for iwi partners, and recognition of existing relationships, avoiding duplication or confusion about representation. SDC recommends including an explicit clause allowing local flexibility in partnership structures, tailored to regional context, provided the principles of shared decision-making and mutual capability building are met.

National, Regional, and Local Responsibilities

Clarity of roles

The Bill sets out clearer delineation of accountability between national, regional, and local levels. SDC supports this clarity but notes risks of overlap and ambiguity, especially in operational response where lines between national coordination and local autonomy may blur. There are also concerns around community and volunteer roles, which are addressed in the final section of this submission.

We support the Bill identifying national lead agencies for particular hazards. To enable implementation of this provision, we support the recommendations from Taituarā that triggers are needed, regarding the scale of the emergency and when the lead agency has responsibility.

Enhanced Chief Executive duties

The requirement for chief executives (CEs) to co-ordinate the use of personnel, material, information, and other resources (outside of an emergency) represents a significant expansion of accountability to enhance emergency preparedness. It will require guidance to support implementation.

District Controllers and Recovery Managers may be CE - potentially creating role confusion or workload issues. The line of accountability to CE's means they remain responsible even when Controllers and Recovery Managers are separate appointees.

SDC also note several key provisions don't commence until 12 months after Royal assent, which may result in uncertainty for transition period.

Implementation implications

Funding and Capability

The financial impacts of a new emergency management regime will fall unevenly, with smaller and rural councils and those facing higher natural hazard risks likely to bear a greater share of costs. This Bill arrives alongside other major legislative changes, all requiring substantial local government implementation and investment at a time of fiscal constraint. Councils will struggle to meet new obligations without compromising essential services or affordability for ratepayers.

The Regulatory Impact Statement highlights existing capacity, capability, and resource limitations within local government, underscoring the need to either reduce unrealistic legislative demands or ensure adequate central government funding.

The Bill's provisions appear to assume a scale and level of administrative support not typical of smaller councils. The proposed duties for local authorities under clauses relating to planning, risk assessment, and reporting will significantly increase compliance workloads.

Council urges the Committee to recognise these funding pressures and amend the Bill to ensure implementation is fully and fairly resourced, to ensure local government has the necessary tools and funding to carry out its emergency management functions in an integrated manner.

Monitoring, Evaluation, and Reporting

The Bill introduces strong accountability and reporting expectations, including performance audits and consistency with national emergency management plans. Controller reporting to the Director-General and Parliament is strengthened, but there is no clear, recurring statutory mechanism for independent after-action reviews, publication of lessons, and tracking of implementation of recommendations across the system. SDC further notes that supporting stronger minimum standards across the system may require increased baseline funding.

Risk Reduction and Resilience Planning

The Bill elevates risk reduction and resilience building as core functions, requiring comprehensive assessments and integration with planning instruments (e.g., LTPs, spatial plans, climate adaptation strategies).

SDC welcomes this reframing but notes that duplicating these processes under a separate emergency management framework could create inefficiency. Further, small councils may lack specialist staff to produce the required detailed risk profiles or impact assessment methodologies.

Alignment with other legislation

The purposes, functions, and planning requirements across the Emergency Management Bill (No 2), the Planning Bill, the Natural Environment Bill, and the Local Government (System Improvements) Bill are inconsistent and overlapping, particularly regarding well-being objectives, natural hazard management, and emergency management roles.

These overlaps risk confusion over local authority responsibilities, as each Bill assigns similar or conflicting duties for hazard identification, planning, and service delivery, without aligning funding mechanisms or integration requirements across the legislative framework.

SDC recommend alignment of the purposes, functions, and terminology across the Emergency Management, Planning, Natural Environment, and Local Government (System Improvements) Bills to ensure consistency. Joint planning, shared data systems, and funding arrangements will enable further local authorities to efficiently deliver their statutory duties.

Operational Areas and Powers

The Bill introduces the new concept of “operational areas” and updates the powers of Controllers and Recovery Managers. While intended to streamline coordination, the use of “operational areas” across overlapping jurisdictions may be confusing. For Southland’s dispersed rural localities, operational boundaries should align with existing regional structures unless special circumstances require otherwise.

SDC supports enhancing powers of Controllers to take decisive action but seeks assurance that Controllers’ statutory powers remain subject to clear accountability and reporting mechanisms to elected members. Standing arrangements for shared Controllers and Recovery Managers must be retained within the new system to enable sustained operational effectiveness for small councils.

Readiness and Recovery Provisions

The Bill does not tackle the structural issue of a thin national pool of trained Controllers/Recovery Managers, nor mechanisms for shared or deployable expertise across regions. Councils gain new responsibilities (chief executive accountability, enhanced engagement with disproportionately affected communities and iwi, higher planning standards) without corresponding statutory mechanisms for sustained training, baseline staffing, or minimum capability funding.

The new Bill reframes readiness and recovery to address immediate to medium-term community resilience rather than short-term response. SDC supports this modernisation but notes potential gaps:

- Many recovery actions increasingly overlap with managed retreat, infrastructure relocation, or adaptation planning under other legislation. The Bill should ensure flexibility for coordinated multi-legislative implementation.
- Recovery Managers may have expanded statutory responsibilities post-event. For small councils, sustaining recovery roles beyond the immediate emergency is difficult without dedicated resource.
- The Bill could strengthen its provisions for long-term wellbeing, mental health, and social services coordination by requiring partnership frameworks with Te Whatu Ora and community providers.

Recognition of Community Realities

Disproportionately affected community

The Bill does not provide a definition of a “disproportionately affected community” but uses the concept to describe people and communities that are likely to experience worse impacts and outcomes from emergencies than the general population. SDC recommend a definition (or further guidance) for disproportionately affected communities that particularly includes rural communities, alongside:

- Seniors
- Disabled people
- Children
- Culturally and linguistically diverse communities
- Those experiencing socio-economic deprivation or isolation.

The Bill requires enhanced engagement with representatives of disproportionately affected communities SDC supports this but notes resource implications for local government in the form of staff time, planning costs, and implementation.

Inclusion of animal welfare considerations

SDC support the inclusion of animal welfare provisions within the bill but note this may increase engagement requirements for rural communities, to develop the necessary emergency management provisions for a broad range of herd animal types and sizes (as well as economic and productivity considerations).

Strengthening the role of communities

Southland’s dispersed rural population and volunteer-based emergency management capacity mean that community empowerment is central to effective resilience. The Bill could go further to strengthening the role of communities in emergency management:

- Simplified provisions for community response plans rather than complex statutory processes, to ensure rural communities can maintain preparedness despite limited resources.
- Explicit reference to lifelines and critical infrastructure networks, including energy and telecommunication dependencies, which are vital for isolated areas following major events.
- SDC also recommends greater recognition of volunteering as a core component of system resilience.

Conclusion

SDC supports the intent of the Emergency Management Bill (No 2) but highlights that practical implementation will require clearer role definitions, realistic resourcing, and alignment with other major reforms. Overall, the Council urges amendments to ensure the new system is workable for rural authorities and strengthens resilience without imposing unfunded or impractical obligations.



13 February 2026

Submission to Environment Committee – Planning Bill

Southland District Council is broadly supportive of the overall direction of the Planning Bill and the wider reform package, which seeks to streamline planning, improve national consistency, and deliver better environmental and land-use outcomes.

Council recognises the scale of this reform as one of the most significant system changes New Zealand has undertaken in decades and agrees with the intent to create a more coherent, efficient planning framework. At the same time, successful implementation depends on realistic timelines, clear sequencing across related reforms, and practical expectations of local government capacity.

We wish to be heard with regard to our submission. Further correspondence on Committee Hearings can be directed to Cameron McIntosh, Chief executive: Cameron.McIntosh@southlanddc.govt.nz

Council offers the following suggestions for consideration by the Environment Committee.

Implementation timeline

The current time frames are not feasible – particularly the time between release of National Direction and national standards and the notification of the regional spatial plan (6 months) and the time between the decision on the regional spatial plan and notification of land use plans (9 months). The proposed sequencing requires regional spatial plans development to start well before key national policy direction, environmental limits, and standards are in place.

During this period, all regions will be preparing spatial plans; external technical advice if needed will be in high demand and limited and costly. Incorporation of national direction will be hampered by these circumstances. Current timeframes place unrealistic demands on councils' capacity, risk less than good-quality plan, and ultimately jeopardise the integrity of the reform.

Additionally, the very tight timeframes proposed constrain Council's ability to consult with Ngai Tahu in the manner outlined in the Charter of Understanding. This limits the ability of risk marginalising local tikanga, mātauranga Māori and place-based solutions, particularly given capacity constraints faced by Papatipu Rūnanga. The Bill also proposes reduced mana whenua involvement in consenting processes in part based on greater certainty in plan making. The proposed timeframes undermine the ability of Council and mana whenua to achieve that certainty.

Council recommends timing be modified to allow 9 - 12 months for incorporation of national direction and standards into the development of regional spatial plans; and modified to allow 12 months between the regional spatial plan decision and notification of a land use plan. A fully integrated and realistic sequencing of national direction, Regional Spatial Plans (RSPs), Natural Environment Plans (NEPs) and LUPs (Land Use Plans) is critical to system success.

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

☎ 0800 732 732
@ sdc@southlanddc.govt.nz
🏠 southlanddc.govt.nz

Transition

The Bills require councils to continue operating under RMA planning instruments, modified by extensive transitional rules and new effects tests, while preparing for the new system. Differences in how effects are treated across consents, designations, plan-making, and enforcement will create uncertainty, inconsistent outcomes, and legal risk.

Additionally, it is unclear of the implication for Council if the Crown and post-settlement entities are unable to reach a resolution of the operation of settlements under the new system within the prescribed two year transition period.

Council recommends limiting changes to the transitional rules. Unnecessary short-term adjustments will only divert resources from developing robust instruments for the new system. Complex transitional arrangements will hinder all users, not just local government and potentially create longer term issues in monitoring and enforcement of permits and conditions decided under transitional rules.

Alignment with legislative reform

Local government is already managing water reform, emergency management changes, development levy updates, and potential structural reforms—all while facing proposed rates caps. These Bills aren't aligned with other reforms, creating conflicting obligations, duplication, and added cost and resource pressures. Without better system-wide coordination, the combined burden risks undermining successful implementation of the new planning system.

Funding and capability

Establishment costs for local government are expected to exceed \$860 million nationally, a level that's unrealistic under current fiscal settings and potential rates caps. This comes on top of likely costs from implementing the Emergency Management Bill and proposed development of local climate adaptation plans by 2032. The sector still doesn't know how much of this burden will fall to local government, but with tight budgets and looming rate caps, the financial risk to implementation is significant.

Regulatory relief

In a general paradigm of standardisation and centralisation, the requirement for local authorities to independently develop regulatory relief frameworks is resource intensive and guaranteed to lead to inequities.

The provisions look unworkable. Regulatory relief conflicts with councils' statutory responsibilities, relies on undefined concepts such as "reasonable use" and "significant impact", creates overlapping appeal pathways, and exposes councils to open-ended financial liabilities.

The framework is to be developed in conjunction with the land use plan, and is subject to the same notification, submissions, hearing and appeals processes. This increases uncertainty for council as the framework may be altered through that process outside of council's control.

Development of the framework requires economic and property valuation expertise that are not core skills of rural local authorities and are probably sufficiently specialised that outsourced expertise will be at a premium. Additionally, this is a new regulatory type of regulation that has not previously been considered by hearing commissioners and little or no precedent will exist for their consideration. Funding from development of an entirely new regulatory instrument and process is constrained under rate capping.

Additionally, the matters affected by the proposed regulatory relief provisions are all matters of national significance and explicitly required by section 11, the goals of the legislation. As national matters it may be more appropriate that regulatory relief is a matter funded by central government as the benefits of meeting these goals are national in effect rather than local.

Section 105 of the Planning Bill (carried over from the RMA) enables a separate and parallel appeal process for the same matters makes the proposed regulatory relief system either unworkable or subject to gaming by persons who appeal against provisions in a proposed plan and then seek relief from controls in the operative plan. This provision subject to further clarification could provide any necessary redress.

Council strongly opposes the introduction of regulatory relief provisions because:

- The provisions create a **significant new unfunded cost** for councils and communities. Southland District Council has one of the **largest areas** of outstanding natural features and landscapes in New Zealand and this is still required to be protected under the new legislation (sections 11 and 14).
- Southland will either fail to meet the requirements (Ss11&14) or potentially face a large and unquantifiable relief obligation
- The Planning Bill strongly emphasises standardisation but **provides no direction** on the method of developing a relief framework of quantifying impacts and relief. The proposed relief framework is subject to the land use plan **submission and hearing** process creating another level of uncertainty for implementation.
- The regulatory relief provisions are duplicated by s105 that allows persons to appeal to the environment court for similar relief.

Council recommends the regulatory relief provisions **be deleted** from the Planning Bill and any consequential amendments made.

Requirements for joint planning, funding and decision making methods

Establishment of these systems either rely on existing arrangements which are currently uncertain in the context of the “Simplifying Local Government” proposals or require establishment of new governance arrangements.

The timing of each phase of the plan making process is tight; adding joint decision making makes achieving those timeframes less plausible. As indicated generally in the implementation timeframe, those time frames should be extended. Council is uncertain who are the respondents for appeals either on points of law or on merit under s2 - each council separately or all councils jointly?

The Bill proposes changes to the provision for transfer of powers removing the mandatory requirements for consultation and removing councils’ ability to transfer powers to an iwi authority or a statutory authority. Removing the ability to transfer powers to an iwi authority limits partnership options agreed to in the Charter between Ngai Tahu and Council.

Council generally supports the standardized planning provisions in association with reduced appeal pathways which will make plan preparation and future amendment quicker.

Council recommends clarification of the respondents for appeals either on points of law or on merit under s2 (either each council separately or all councils jointly).

Plan Change by consent

The proposed pathway for plan change by consent has been amended in a way that significantly reduces the information required to accompany a change request. Under the current legislation, it is explicit that a request must be supported by evidence to a standard comparable to a private plan change, and the process is generally intended to follow the private plan change pathway. In contrast, the new provisions set only minimal requirements for information or evidence to be submitted.

Given the broader objective of simplifying and standardising land-use plan provisions, retaining the plan-change-by-request mechanism introduces unnecessary procedural complexity. It also risks increasing fragmentation within plans and offers even fewer opportunities for public participation than the already streamlined plan-making process. The prohibition on local authority members sitting on hearing panels for plan changes by consent further contradicts the membership criteria for independent hearing panels in Schedule 4.

Council recommends this aspect of the Bill be more robustly tested and that stronger safeguards be established, because:

- The process provides a lower level of public scrutiny than a standard plan change.
- It creates an uncontrolled and potentially significant demand on council time and resources, which may conflict with regional planning goals and strategic directions.
- It sets a lower threshold for initiating a plan change than the private plan change process.
- Applicants are not required to demonstrate any specific interest in the area affected by the proposed change.

Accordingly, Council suggests that the plan change by request and related plan-change-by-consent provisions be amended to require the same level of information and evidential basis as the private plan change process, and that such requests be subject to full notification.

In addition, the plan-change-by-consent pathway raises concerns about long-term infrastructure lock-in. Developments approved through this mechanism could, over time, shape infrastructure expectations in ways that constrain future planning choices. Repeated use of this pathway may also lead to a gradual divergence from the priorities established in the spatial plan, as incremental decisions accumulate outside the strategic framework. These effects are unlikely to be immediately visible and therefore risk being overlooked in the short term, yet collectively they could undermine the coherence and integrity of long-term planning outcomes.

Replacement of effects management framework

The Planning Bill replaces the effects management framework from **Avoid → Remedy → Mitigate** to **Avoid → Minimise → Remedy**, with qualifiers such as “where practicable” and “where appropriate”. This is a significant change. The RMA allowed mitigation through design responses, engineering solutions, and adaptive management, supported by a strong body of case law.

“Mitigation” is well understood and provides flexibility in managing effects. “Minimise” is less clear and more open to interpretation, which narrows the planning toolbox and increases reliance on plan-making decisions. This will at least create a degree of confusion in implementation as the implications of these requirements are developed through practice and precedent.

Council recommends the existing effects management framework is retained.

Regional Spatial Planning

Council supports the proposed regional spatial provisions in part (Southland District is already working towards on spatial planning in the district). The clarification in Schedule 2 Cl.4 that uncertainty of information is not to be a barrier to progression of spatial planning is a welcome clarification given the short timeframes in which to collate existing data for use in regional spatial planning.

Council supports the allowance in s69 (1) 9a) that local authorities are to agree on “key geographical areas, issues and opportunities” is beneficial in enabling the regional spatial plan to be tailored to the actual needs of the region rather than seeking to be all encompassing.

Dispute resolution processes are in all cases referred to the Minister (whose decision is final). This potentially creates a substantial new workload for the Minister and potential for delay in planning processes. In some cases, there are no specified timeframes of triggers for referral of disputes. It is also not clear why process disputes are not referred to the Planning Tribunal.

Council opposes all dispute resolution being referred to the Minister. **Council proposes** that some disputes, particularly on technical matters, may be resolved by the Planning Tribunal

Council opposes mandated development of regional spatial plan by joint committee – “spatial plan committee”. We note that current joint committee structures should be used, as it is administratively inefficient to establish a new specific committee.

Retention of further submissions provisions

Council opposes the retention of the further submissions provisions in the plan change process because:

- The intent of the Planning Bill is to reduce complexity and to streamline planning processes, it seems incongruous to retain the “further submissions” provisions in the process.
- Further submissions add time and complexity to the plan change process
- Other processes for persons to submit on councils’ decision making (such as Local Government Act s83) do not include a further submissions process.

Council recommends the “further submissions” provisions **be deleted** from the Planning Bill and any consequential amendments made.

Conclusion

Southland District Council supports the overall intent of the Planning Bill but is concerned that unrealistic timeframes, complex transitional arrangements, and misalignment with other reforms will undermine successful implementation.

Council highlights significant financial, capacity, and governance challenges—especially the costs of regulatory relief, the feasibility of joint planning requirements, and reduced safeguards in the plan-change-by-consent process.

Council recommends more realistic sequencing, simplified transitions, removal of regulatory relief provisions, stronger safeguards for plan changes, and clearer governance and dispute-resolution arrangements to ensure a workable and coherent planning system.



20 February 2026

Submission to Department of Internal Affairs – Local Government (Infrastructure Funding) Bill

The Local Government Infrastructure Funding Bill proposes replacing Development Contributions with a more standardised Development Levy framework. Development levies would be set through a nationally consistent, zone-based methodology, separated by infrastructure class (three waters, transport, reserves/community infrastructure), and overseen by an independent regulator.

Southland District Council supports improvements to the development levies system that balance “growth pays for growth” with fair, transparent and workable settings for small, rural councils and their communities.

Linking projects to growth

Southland is a geographically large and sparsely populated district with modest but uneven growth, many small townships, and significant infrastructure to maintain. Any changes to development levies must recognise that feasibility margins in Southland are far thinner than in major centres, and that Council has limited capacity to regularly redesign complex charging regimes.

Council supports the core principle that new development should contribute fairly to the additional infrastructure and service costs it generates, rather than shifting these costs onto existing ratepayers. However, poorly designed development levies risk tipping otherwise viable projects into non-feasibility in low-growth, low-value markets, exposing councils when actual costs exceed levy revenue, and creating administrative burdens for small councils without proportional benefit.

Requiring projects to be tied to short- or medium-term growth restricts councils’ ability to recover costs for large-scale upgrades typically planned over 30–50 years. This constraint may undermine the application of high-cost overlays, particularly for individual water schemes.

Regulation-making powers

The development contributions system is complex and resource-intensive. Greater clarity and certainty would assist councils to manage the cost-benefit trade-offs inherent in using development levies. Council supports regulation-making powers that enhance consistency, particularly for smaller councils with limited technical capacity.

Standardisation must retain flexibility to reflect the differing contexts of urban and rural councils. Regulations should provide a clear framework and a “safe harbour” for smaller councils while remaining adaptable for larger or more complex organisations.

Complexity, capability, and administration

The proposed development levies changes appear to move towards more sophisticated, cost-reflective instruments. While this can improve fairness in theory, it risks adding complexity that is difficult to navigate, including:

- The cost of specialist modelling, legal support, and policy updates relative to the scale of development revenue.

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

0800 732 732
@ sdc@southlanddc.govt.nz
southlanddc.govt.nz

- The need to maintain internal capability to explain, apply, and periodically review complex charging regimes.
- The risk of disputes and appeals if methodologies are not clear, transparent, and well communicated.

SDC recommends central government:

- Provide shared analytical tools (for example, standard cost allocation calculators) that small councils can adapt.
- Support training and technical assistance for regional and rural councils implementing new levy approaches.
- Prioritise simplicity and clarity in regulatory detail, even if this requires some approximation in cost allocation.

Transition

The timing of legislative changes, including the development of regulations, must provide sufficient lead-in for councils to incorporate these requirements into the current and upcoming Long Term Plan (LTP) process. If changes are delayed, councils may need to wait for the next LTP cycle or implement changes mid-cycle, which could require an LTP amendment if funding settings need to shift.

Flexibility is essential because councils are at different stages in their Development Contributions frameworks. Any phase-in approach must align with individual councils' LTP cycles and infrastructure planning. Many councils have already begun work on their 2027–2030 LTP, so legislative timing must enable them to integrate new requirements without disruption.

A blanket phase-in approach may assume limited developer ability to absorb increases. Government may wish to consider a remediation mechanism where developers can demonstrate hardship above an affordability threshold.

Any phased implementation adds complexity to funding and investment planning and increases reliance on alternative funding sources, including ratepayers.

Clarity of purpose and scope

The proposed changes appear to move towards a clearer national expectation that development-related charges (whether called development contributions, financial contributions, targeted rates, or levies) should be explicitly tied to identifiable growth-driven costs.

It is also expected that systems should be capable of funding both local (“within subdivision”) and network-level capacity upgrades where those are required because of growth.

Council supports this direction but emphasises the need for:

- A clear statutory purpose statement that recognises both “growth pays for growth” and fair sharing of network-wide benefits between new and existing users.
- Flexibility for councils to tailor the level of granularity to their context. For Southland, highly granular catchment-by-catchment models may not be cost-effective to design or maintain.

Affordability and feasibility in rural and regional markets

A core concern for Southland is that changes designed with high-growth councils in mind may unintentionally harm smaller centres. SDC recommends that any development levies framework:

- Require councils to consider local housing and development feasibility when setting levy levels and structures.

- Encourage or allow staged or deferred payment options (for example, at title, building consent, or sale) where this can help maintain feasibility.
- Avoid layering multiple overlapping charges (e.g., development contributions plus separate growth-targeted rates on the same cost items) without clear justification and communication.

The Council is not seeking exemption from the growth-pays principle, but stresses that cumulative burdens on developments must be considered or growth in small regional towns may stall.

Alignment with planning and infrastructure strategies

SDC supports firmer requirements that any development levy:

- Be clearly linked to projects identified in the Long Term Plan, infrastructure strategy, and (where relevant) spatial or structure plans.
- Reflect realistic estimates of full lifecycle costs, including renewals and resilience upgrades, not just initial capital expenditure.

This alignment is crucial for transparency and for maintaining public confidence that charges are not arbitrary. However, Southland notes that frequent central policy changes can force recurring recalibration of contributions policies, which is resource-intensive. Small councils need stable, durable legislative settings and standardised tools and templates to model growth demand and cost allocation, rather than constantly evolving methodological expectations.

SDC recommends that guidance and any regulations be designed for longevity, and that a national template approach be developed to reduce duplication of technical work across the country.

Fairness between existing and new communities

SDC supports the principle that development levies should avoid both over-charging new residents or businesses for improvements that mainly benefit the wider network, and having existing communities fund most of the cost of capacity made necessary by new growth.

In Southland, where network upgrades (for example, water capacity enhancements serving both existing and new properties, or local road improvements supporting tourism and agriculture) often serve mixed beneficiaries, a rigid growth-only funding approach can be unfair in both directions.

Council therefore supports a framework that:

- Allows costs to be split between growth-related and renewals/network benefits in a transparent way.
- Requires councils to explain, in plain language, how costs have been apportioned between development levies, general rates, and other funding tools.
- Encourages cross-subsidy only where clearly justified and discussed with communities.

Setting Units of Demand for Development Levies

Predictability helps long-term financial planning, and consistency enables benchmarking across councils so developers can compare cost structures between regions. However, regulations must still allow flexibility to reflect local circumstances. For example, this Council sets development contributions at both Board catchment and sub-catchment levels to ensure costs are accurately attributed. Regulations must continue to permit this level of granularity.

Over-standardising the system risks creating a uniform model that fails to reflect meaningful differences between councils or variations within districts, leading to inconsistent or inequitable outcomes for councils, developers, and ratepayers.

Specific comments

Managing developer impacts

A single approach may under-estimate developer capacity to absorb costs. Government may consider a remediation mechanism where developers can demonstrate that additional costs exceed reasonable affordability thresholds.

Impact on infrastructure funding

Phasing adds complexity and increases reliance on alternative funding sources, including ratepayers.

Units of demand

Southland District Council's use of Board catchments and sub-catchment schemes requires regulatory settings that allow this level of granularity.

Development types

SDC currently applies a simpler standard HUE per dwelling, typically not distinguishing between a stand-alone house and a low-rise unit. It likewise does not separately identify Podium Apartments & Retirement Village dwellings. From an SDC perspective these classifications are narrower than the broad approach already taken, but conceptually they make sense given demand impacts for differing levels of dwelling density.

Indicators of demand

These indicators function where development volumes support reliable averages but are less effective in low-growth or specialised markets. Certain development types may require tailored demand models. Government analysis should identify where differentiated treatment is necessary. As a principle, developments generating higher than standard demand should be treated accordingly.

Disclosure requirements

Disclosure templates must be fit-for-purpose for all councils and avoid imposing disproportionate administrative burden, particularly for smaller councils.

Administration charges

A fixed base fee should apply to standard assessments, supplemented by a formula-based component for more complex assessments.

Intangible assets

Council supports the inclusion of design, planning, consenting, legal, and project management costs, which are significant for rural councils.

Conclusion

In summary, Council supports the intent of the LG Infrastructure Funding Bill to improve transparency, consistency, and cost alignment in funding growth infrastructure, and recommends the Bill:

- Balance national consistency with flexibility so rural councils like Southland can tailor levy zones, catchments, and methodologies to local conditions.
- Keep the system simple and workable, avoiding complex modelling and administrative burdens that small councils cannot resource; provide shared tools, templates, and technical support.
- Ensure levy settings reflect development feasibility, particularly in low-growth, low-value markets; enable staged/deferred payments and avoid cumulative charging.
- Allow recovery of long-term infrastructure costs (30–50 years) so councils can fund major upgrades without forcing unrealistic growth links.
- Align levies with LTPs, infrastructure strategies, and lifecycle costs, supported by stable, durable regulatory settings to avoid constant policy redesign.

- Promote fair cost-sharing so growth-driven demand is funded transparently without over-charging new development or shifting undue costs to existing ratepayers.
- Implement changes flexibly and in harmony with LTP cycles, with consideration for developer hardship where genuine affordability constraints exist.

DRAFT



20 February 2026

Submission to Finance and Expenditure Committee – Infrastructure Funding and Financing Amendment Bill

Southland District Council (SDC) welcomes the opportunity to comment on the Infrastructure Funding and Financing Amendment Bill (the Bill). The Bill proposes changes to make the Infrastructure Funding and Financing Act 2020 (the Act) more predictable, accessible, and suitable for a wider range of infrastructure projects.

Southland is a geographically large, sparsely populated district with a small ratepayer base, dispersed settlements, and significant infrastructure needs across three waters, transport, resilience, and community facilities. Funding tools that expand delivery options while maintaining affordability and local accountability are therefore of strong interest to SDC.

SDC broadly supports the intent of the Bill to reduce barriers and uncertainty, broaden the scope of eligible infrastructure, and clarify levy setting, administration, and recovery to support confidence for councils, developers, and investors. Council provides further consideration and recommendations below.

Streamlined Approval and Reduced Discretion

The Bill simplifies IFF approvals by:

- Requiring councils or water entities to endorse levy proposals unless collection risks can be demonstrated.
- Narrowing ministerial discretion, including limiting consideration of affordability and long-term community interests where landowners support a levy.
- Removing some consultation and technical approval steps.

Faster processes may improve certainty, but councils could face strong pressure to endorse levies despite long-term affordability concerns. Reduced central scrutiny shifts risk assessment onto councils, which may challenge smaller or rural authorities with limited analytical capacity.

Council recommend the Bill retains an explicit statutory requirement to consider long-term community interests, affordability, and intergenerational equity, even where landowners initially support the levy.

Broader Scope of Eligible Infrastructure

The Bill expands IFF eligibility to include:

- Transport, community, resilience, and water infrastructure delivered by a wider range of entities.
- Community infrastructure not owned by councils or the Crown.

Benefits for Southland include the potential use of IFF for resilience upgrades, critical local road links, stormwater or flood protection schemes, and tourism-related infrastructure. There may be more flexible partnership models with private or community asset owners.

However, levies could fund non-core or lower-priority projects, adding pressure to property owners without improving essential services. With more entities using the regime, there may be increased coordination complexity across networks.

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

0800 732 732
@ sdc@southlanddc.govt.nz
southlanddc.govt.nz

Council recommends all levy proposals are required to demonstrate clear alignment with councils' LTPs, infrastructure strategies, spatial plans, and regional resilience priorities.

Levy Design and Recovery Mechanisms

Key changes to the Bill include:

- Allowing optional one-off or deferred charges linked to trigger events such as title issue or sale.
- Alignment with the new water services charging framework.
- Strengthened information-sharing provisions between councils and water entities.
- Enabling Special purpose vehicles (SPVs) to use Local Government (Rating) Act recovery tools after non-payment, with restrictions for protected Māori land.
- Introducing an accelerated recovery regime for stalled developments.

However, while deferred or one-off charges may improve affordability for rural landowners, they may add complexity requiring careful communication. Further, while stronger recovery mechanisms may support investor confidence, they may pose social and political challenges in small communities if developments fail. Council recommends robust modelling, disclosure, and plain-language explanation of levy obligations are required to support informed decisions by future property owners.

Implications for Rural and Provincial Councils

From SDC's perspective, the Bill:

- Makes IFF more practically usable and may support both growth and resilience projects within rating and debt constraints.
- Shifts more responsibility to councils and SPVs for assessing long-term affordability and risk, while reducing some central checks.
- Introduces more sophisticated levy and recovery tools that require stronger governance, modelling capability, and community engagement.

Council recommends retaining a clear statutory test around long-term levy affordability and community interests. Further, government should provide targeted guidance, templates, and advisory support to help smaller councils assess financial and social risks.

There should also be a requirement for levy orders to demonstrate alignment with district and regional planning, including climate and resilience priorities, and evidence of engagement with affected communities and mana whenua.

Southland-Specific Considerations

SDC highlights four areas requiring further attention:

- a) **Essential vs. Non-Essential Infrastructure.** Guard against levies funding discretionary or low-priority projects that do not improve core services or resilience.
- b) **Alignment with Local Plans.** Ensure levy-funded projects fit within SDC's LTP, infrastructure strategy, spatial planning, and resilience frameworks.
- c) **Distributional and Rural Impacts.** Safeguards are needed to avoid disproportionate burden on small settlements or lower-income communities, particularly where several charges apply.
- d) **Governance and Accountability.** Where infrastructure is not owned or controlled by councils, strong governance, reporting, and lifecycle cost obligations are essential.

Conclusion

SDC supports the Bill's objective of making IFF a more predictable, flexible, and accessible tool for infrastructure delivery. With appropriate safeguards around affordability, community interests, financial resilience, and planning alignment, the amendments could expand funding options without compromising prudence or local democratic accountability.



20 February 2026

Submission to Department of Internal Affairs – Simplifying Local Government Proposal

Southland District Council welcomes the opportunity to comment on the Simplifying Local Government Proposal. We support the Government’s objective to improve the efficiency, affordability, and long-term sustainability of local government.

In Southland, significant work is already underway through the Local Government Commission’s Southland Murihiku reorganisation investigation. This process provides a region-appropriate pathway for considering future local government structures. It is essential that any national reform aligns with this existing work rather than creating new or parallel pathways.

We wish to be heard with regard to our submission. Further correspondence on Hearings can be directed to Cameron McIntosh, Chief executive: Cameron.McIntosh@southlanddc.govt.nz

Local Government reform

The current government’s priority is to put local government on a more efficient, affordable path. The Simplifying Local Government proposal aims to reduce duplication, clarify responsibilities, and achieve cost savings for better services. However, councils are simultaneously navigating Resource Management reforms, infrastructure pressures, and the potential for rates capping. The cumulative pace and breadth of change introduce uncertainty that risks diverting attention from core service delivery.

To ensure sustainable reform, councils need certainty about future governance arrangements. Without clear guidance, effort invested in transition planning and partnership structures risks being wasted, diverting attention from service delivery and long-term outcomes.

Investigation into reorganisation of local government in Southland Murihiku

Southland District Council recommends the Government explicitly recognise the Southland Murihiku reorganisation investigation as the primary vehicle for structural change in the region.

Southland District Council has sought a reorganisation investigation consistent with the Local Government Act 2002 framework, aligning community aspirations with efficiency goals. After consulting with the four affected councils and engaging with Te Ao Mārama on behalf of Ngāi Tahu ki Murihiku, the Local Government Commission determined on 7 July 2025 that there was sufficient potential to improve local government in Southland Murihiku to warrant a full investigation.

The investigation provides a coordinated, structured, and transparent pathway for identifying the governance model that is most sustainable and fit for purpose for our region.

As the pace of national reform accelerates, it is critical that structural change is well-coordinated, avoids duplication, and does not undermine ongoing regional processes. Introducing new structural requirements

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

☎ 0800 732 732
@ sdc@southlanddc.govt.nz
🏠 southlanddc.govt.nz

or parallel pathways alongside the Local Government Commission's investigation would create conflicting expectations and divert scarce resources.

Southland District Council recommends that the Southland Murihiku investigation is expedited, enabling earlier identification of a preferred structural option.

Accelerating this work within the existing statutory framework would give all parties earlier clarity on future governance arrangements, reduce the period of uncertainty for staff and communities, and ensure that any national simplification measures can be aligned with a clearly defined regional plan.

Conclusion

Southland District Council supports more efficient and affordable local government. However, we do not support progressing structural change in Southland through a new Combined Territory Board process and do not intend to participate in that pathway.

Southland District Council seeks a clear commitment from Government that the existing Southland Murihiku reorganisation investigation will continue as the region's sole process for considering structural change. Continuing with this investigation alone provides the certainty required to maintain service performance, manage risks, and support coherent and fiscally responsible transition planning.

Southland District Council recommends that the investigation be expedited and treated as the primary mechanism for structural change, and to align any national simplification measures with the investigation's outcomes to maintain stability and community confidence.



4 February 2026

Department of Internal Affairs

Southland District Council Submission - consultation on a rates target model for New Zealand

Southland District Council (SDC) recognises the financial pressures households are facing as living costs continue to increase. Feedback from our Long Term Plan consultation shows many in our communities, especially those on fixed incomes, are worried about rising rates and their ability to remain in their homes.

SDC acknowledges affordability pressures; however, a uniform cap does not reduce the underlying cost drivers (depreciation, renewals, regulatory standards) and in fact risks deferring work in ways that increase total costs over time. Affordability pressures are largely driven by external cost drivers and statutory obligations rather than discretionary spending.

A uniform rate cap produces inequitable outcomes, forcing smaller councils to absorb disproportionately higher costs without the flexibility needed to maintain essential services and infrastructure. Any formula should account for the requirements to maintain current assets, to close current infrastructure gaps, and to meet the costs of future growth-related infrastructure. Importantly, for our communities, it should also reflect the increasing expectations of assets and services delivered.

SDC uses a community-led approach where those making decisions about rates are those paying the rates (e.g. community boards). Local authorities need the flexibility to creatively address their financial and infrastructure needs. The decision on whether and how they do this ultimately resides with ratepayers and electors.

We wish to be heard with regard to our submission. Further correspondence on Committee Hearings can be directed to Cameron McIntosh, Chief executive: Cameron.McIntosh@southlanddc.govt.nz

Southland District context

Southland District Council represents one of New Zealand's most geographically extensive and sparsely populated districts, encompassing approximately 30,000 people across 25 settlements and covering nearly a fifth of the South Island's land area. SDC's rating base is particularly constrained due to low population density and a large asset footprint (more than 5,000 km of local roads and numerous water and wastewater schemes servicing small settlements).

Our communities rely on services critical to wellbeing, safety, and regional economic activity including roads, water, wastewater, stormwater, emergency management, and community facilities. These services are delivered without the economies of scale available in urban environments and other provincial councils.

Southland District Council's funding reality

Rates are approximately 64% of SDC revenue, with limited alternatives for revenue compared to central Government. Around 78% of rates are used to fund core services (as defined in the Local Government (System Improvements) Amendment Bill 2025) including:

- Roading, which makes up 32% of rates
- three waters, which makes up 26% of rates.

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

0800 732 732
@ sdc@southlanddc.govt.nz
📍 southlanddc.govt.nz



The largest driver of recent increases has been depreciation funding, not “nice-to-haves” (+5.1%, +5.6%, +3.2% p.a. since 2023). Asset revaluations between 2022–2023 increased asset value by 30% (\$523m), adding \$8m to annual depreciation. Fully funding this in-year would have required an additional \$3.75m (6.34%) rates rise; SDC instead lengthened the transition to manage affordability.

Legislative context

The Local Government Act 2002 and Local Government (Rating) Act 2002 require councils to operate balanced budgets (s100), consider all reasonably practicable funding options (s101(3)), and adopt transparent and predictable funding policies (ss102–103), supported and audited through both Long Term and Annual Plans.

A uniform cap cuts across these statutory responsibilities, limiting councils’ ability to determine local funding needs and communities’ ability to choose service levels. It also conflicts with water services reforms requiring financially sustainable planning (including funding depreciation). Proportionate local flexibility is essential to maintain prudent, auditable compliance at least cost.

Response to consultation questions

SDC has provided brief responses to the consultation questions, with specific examples included within the further submission.

Do you agree with the proposed economic indicators to set a rates target?

No. CPI/GDP does not reflect council cost drivers for infrastructure. GDP is not a reliable input indicator for setting council limits; however, council investment is an input to productivity, so under-investment can negatively affect growth. Indicators should align with the basket of goods councils buy (construction, materials, transport, insurance, compliance) and verified asset needs. Group councils by infrastructure intensity and maturity (steady-state vs transition).

Does setting the minimum at inflation ensure councils can maintain service standards?

No. The minimum at 2% will not ensure maintenance of service standards because Council cost inflation often exceeds CPI, especially in rural areas with supply constraints and long haul distances. A CPI floor would only embed under-funding and service deterioration.

Does the maximum of the target account for spending on core services?

No. It ignores transition needs to fully fund depreciation and renewals, asset revaluation impacts, and catch-up investment necessary to maintain levels of service.

What spending would not occur under the target range? Why?

- Renewals and depreciation would be under-funded, delaying necessary work.
- Roading would fall further behind the known renewals bow-wave, with visible network decline.
- Core infrastructure (bridges, drainage, three waters) would face deferred maintenance, increasing lifecycle costs and risk.

Are changes needed to account for regional/council variation? What and why?

Yes. Recognise different starting points and asset profiles by:

- grouping councils (e.g., infrastructure-heavy vs lighter, steady-state vs transition)
- enabling flexible caps/exemptions where evidence shows catch-up is required



- using localised cost and demand indicators (population, dwellings, network load, hazard/insurance) alongside asset condition.

The proposed target model

It is difficult to provide meaningful feedback where there is limited or confusing detail. We support Taituarā's submission that the model fails the design principle tests of being transparent, cost-reflective, and localised. They have further expanded on this aspect in their submission which we support.

Target band

The proposed formula introduces significant risk to service levels, asset conditions and management, and prudent financial management.

Despite limited detail, councils require sufficient headroom to avoid routine exemptions; an indicative upper bound of 6–7% would better accommodate renewal profiles and cost volatility during transition. SDC supports the LGNZ submission and Infometrics analysis on how the formula should be amended for it to be more realistic.

Clarity is required on whether the target applies per council or across the sector. Government should consider grouping councils by infrastructure intensity and financial maturity (steady-state vs. transition), rather than applying a uniform band.

Indicators

A CPI (minimum) / GDP (maximum) range is misaligned with council cost structures. Infrastructure inflation in rural areas routinely exceeds CPI due to transport distances, material supply constraints, contractor availability, insurance, and compliance costs. GDP growth does not equate to councils' capacity to fund asset renewals or meet standards.

Local indicators, such as population growth, dwelling consents, network load metrics, hazard exposure, and insurance costs, provide a far more accurate picture of the demand and cost pressures councils face. SDC again supports the design principle approach suggested by Taituarā.

Exclusions

Infometrics analysis (provided within the LGNZ submission) found that by applying the proposal to 2023–24 rates (nationally), income decreases by nearly a billion dollars. This comes at a time when costs for local government are only increasing. Rate-capping will place the quality implementation of resource management reforms, emergency management reforms, and SLG reforms at risk. Central mandates and cost shifts add significant pressure to local government finances.

As provided by Taituarā in their submission, analysis of the establishment costs for the resource management reforms are estimated to be \$860 million. The net change in annual ongoing cost of the proposed system relative to the current system is estimated to be \$195 million for local government.

An ongoing cost of \$195 million is equivalent to an annual rate increase of 2 per cent. The cost of the proposed regime of regulatory relief is not included in these estimates.

Further, NEMA has estimated the cost of emergency management reforms at approximately \$86 million, or another 1 per cent.

SDC agrees with recommendation made by Taituarā on excluding from the model:



- all rates for water services falling within the scope of the Local Government (Water Services) Act 2025
- rates set under the authority of the Urban Development Act 2020 and the Infrastructure Funding and Financing Act 2020
- any other levy or charge set by a third party and collected via the rating system

Voluntary targeted rates for legacy water/sewerage loans should be excluded, as they relate to historic capital and interest costs. These charges do not reflect current service costs and their inclusion would distort affordability assessments.

SDC further recommends that unfunded mandates and government cost-shifts (including current reforms) are excluded from the model. SDC agree with the LGNZ submissions and their recommendation that cost shifting from central government should be funded, have a funding mechanism, or be added to the upper bound of the rates range.

Steady-state funding assumption does not reflect reality

The proposed cap assumes councils are in a steady-state position, having addressed historic infrastructure deficits and fully funding depreciation and operating costs. This is not the reality for SDC and other councils still transitioning toward full depreciation funding and balanced budgets.

Councils are managing the cumulative impacts of historic underinvestment, rising construction costs, and higher depreciation from asset revaluations, while trying to move toward long-term financial sustainability at a pace communities can afford. Flexibility during this transition is essential to maintain prudent management and avoid locking in under-investment.

Narrow exemption framework

SDC notes that Government's proposed rates cap allows only limited temporary exemptions, mainly for extreme events. The current level of detail does not allow SDC to comment on the exceptions process, though the cap formula and exemption framework are closely linked.

SDC is concerned that exemptions appear narrowly defined, focused only on unplanned or unforeseen projects. This raises doubt about whether pressures such as addressing infrastructure backlogs, increasing renewal and depreciation costs, community-supported service changes, or new government-mandated responsibilities would qualify.

As stated, many councils are not in a steady state funding position, particularly for renewals. For these councils, a rates cap is likely to drive frequent, routine exemption requests for normal activities, placing additional pressure on the regulator and shifting the system away from addressing truly exceptional circumstances.

Regulatory impact

The establishment of a regulator will create further compliance and administrative costs. If these are recovered through levies, as with Taumata Arowai and the Commerce Commission (approximately \$175,000 for SDC), this would add pressure to rates and undermine affordability objectives. This is a live example of costs being imposed on local government with the only source of recovery being rates.

SDC also notes that requiring engagement with a regulator before community consultation reverses established local government planning practice.



SDC requests that any regulatory costs be funded directly by central government or excluded from the rates cap calculation. Councils should be able to consult communities before or alongside regulator engagement to preserve local democratic decision-making while avoiding process duplication.

SDC considers these changes would improve the workability of the rates cap proposal, support better long-term financial and infrastructure outcomes, and ensure the framework balances affordability with sustainability and local accountability.

Impact on Southland District

Our costs cover our core services

As stated, rates comprise around 64% of SDC’s revenue. Unlike central government, local councils cannot easily expand their revenue base or adjust service obligations. Costs are primarily driven by:

- Regulatory requirements and national standards (e.g., water reform, environmental compliance)
- Economic inflation (construction materials, fuel, labour)
- Infrastructure renewal and resilience investment to meet future risks, including climate change.

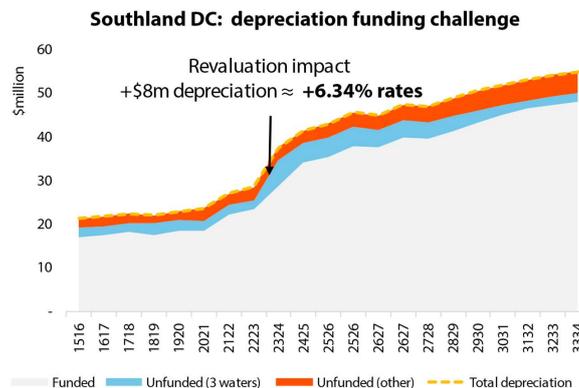
A cap would further constrain the limited flexibility that remains to meet unavoidable costs when evidence shows work is due, increasing the risk of service under-investment and higher future costs.

As noted above, over the last three years, the largest driver of SDC’s rates increases has been funding of annual depreciation. Depreciation alone has increased rates by 5.1%, 5.6%, and 3.2% per annum since 2023 to work towards full depreciation funding on core infrastructure assets.

Between 2022 and 2023 SDC’s asset value alone increased by 30% (\$523 million) following annual revaluations. This resulted in an additional \$8 million in annual depreciation expense. Fully funding this increase in the year would have required an additional \$3.75 million (6.34%) rates increase at that time. To manage affordability impacts on ratepayers, SDC instead extended the timeframe for achieving full depreciation funding.

The proposed rates cap does not recognise that many councils are not currently rating at a level sufficient to fully fund depreciation and maintain existing assets at current levels of service.

Applying a uniform cap without accounting for this transition phase risks locking in underfunding, slowing progress toward financial sustainability, and undermining councils’ ability to meet legislative requirements and long term infrastructure needs.





A rates cap and regulator for roading already exists via NLTF administered by NZTA

A rates cap does not recognise structural realities faced by rural councils like SDC, where a small population maintains a large roading network and delivery is heavily constrained by limited funding from the National Land Transport Fund (NLTF). SDC is having to choose deterioration over time due imposed funding constraints.

SDC's LTP 2024 demonstrates that roading investment is already constrained by government funding, rather than by local rates decisions:

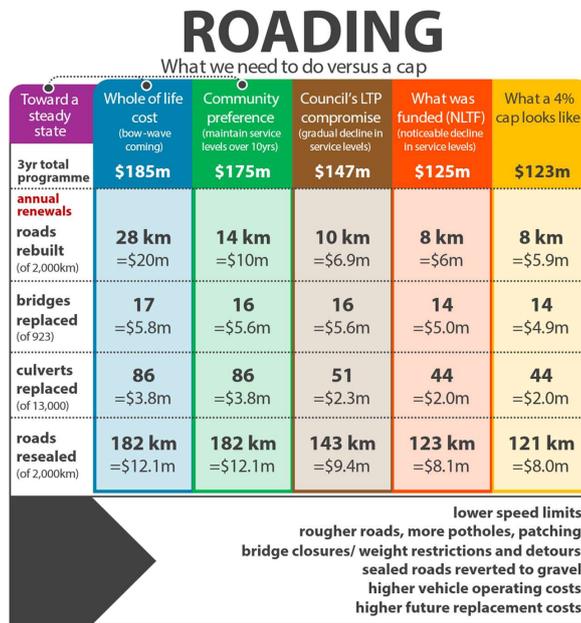
- asset management information shows **approximately \$185 million** is required over three years to prepare for a significant renewal bow-wave affecting sealed roads, bridges, drainage, resurfacing
- community feedback during LTP supported a **higher level of renewals investment of \$175 million** to maintain existing levels of service
- SDC adopted a **compromise programme of \$147 million** and front-loaded roading rate increases of 27%, 13%, and 5% to create a more financially sustainable funding base and move investment toward required levels
- NZTA approved a **more limited programme of \$125 million** to be funded from the NLTF
- a **4% rates cap would be lower again**, moving Council further from reaching a steady state.

The three-year NLTF funding cycle restricts how much SDC can deliver, regardless of community willingness to invest, local priorities, or construction cost changes in years two and three.

Once NZTA sets the allocation, SDC must operate within it, limiting its ability to respond to cost escalation or emerging needs.

Introducing a statutory rates cap would impose a second constraint on top of NLTF limits, without improving value for money. This increases the likelihood of deferred renewals, declining service levels, and higher long-term costs.

Reduced rates flexibility or reduced NLTF funding would further limit SDC's ability to address the renewals bow-wave, leading over time to visible network deterioration (as described in the image). These outcomes reduce safety and increase lifecycle costs as deterioration accelerates.



Renewal quantities differ from LTP consultation material, having been recalculated using the actual funding level approved through the National Land Transport Fund (NLTF), administered by NZTA.



Further, Southland's economy is exceptionally road-dependent. Farming, forestry, tourism, and freight logistics all rely on the local road network, with few viable alternative transport modes. Roads are critical economic infrastructure, not discretionary services.

Impact on local government

Underinvestment in infrastructure

Underinvestment could be an unintended outcome, as rates cap could lead to deferred maintenance or asset renewals. The lower the rates cap, the less SDC is able to fund itself through rates, compared to current projections.

The cumulative impact of a rates cap significantly reduces the amount of rates revenue that can be collected over time compared to current projections. If large capital investment programs are not covered within the allowable exemptions, councils may be forced to take on more debt. S&P has signalled that rates capping will degrade councils' credit ratings and therefore increase councils' borrowing costs, constraining councils' ability to use debt to fund long-term infrastructure.

With few alternative revenues, a cap further narrows already limited options, increasing the risk of under-investment or higher borrowing costs.

Implementation and administrative complexity

Capping externally constrains funding without adjusting service obligations. Councils would face compliance pressure both to meet centralised standards and to adhere to spending limits, potentially breaching either statutory or service delivery obligations.

Administrative costs are likely to outweigh the nominal savings to ratepayers. For example, councils would need to seek ministerial approval for exemptions, adding bureaucracy and cost. These exemptions have not yet been clearly defined, and ambiguity will lead to increased negotiation around what constitutes an exemption.

Monitoring frameworks would require new data systems and regulatory oversight. These have not been suggested as a centralised standard meaning greater impact on councils to develop internal processes. These inefficiencies would be at odds with the intent of several proposals made by Government to simplify local government, reduce inefficiencies, and streamline processes to enable growth and productivity. Streamlined, proportionate regulation and clear guidance would reduce administrative churn and preserve value for money.

Reduced investment in regional economic development

Constraining roading investment through a rates cap would turn an affordability measure into an economic headwind, reducing productivity and slowing regional GDP growth, directly at odds with Government's Going for Growth agenda. While macro GDP is not an appropriate indicator for setting council funding limits, local infrastructure investment is a key driver of productivity and sustained under-investment will weaken economic performance.

A rates cap would undermine growth further by preventing councils from addressing existing infrastructure deficits or maintaining investment in core assets and community facilities. This is particularly acute in rural and provincial areas, where economic activity relies heavily on local infrastructure and where councils have fewer alternative funding options.



Without sufficient flexibility, the cap risks locking in structural underfunding, delaying sustainable asset management, and limiting councils' ability to maintain resilience, service quality, and the infrastructure required to support both regional and national growth.

There is limited scope to raise non-rates revenue

Some councils could partly offset lost rates revenue by lifting parking fees, bus fares, and other user charges. However, for smaller councils this may have the unintended consequence of requiring additional regulatory and enforcement staff, which can negate any revenue gains.

Smaller councils in particular have limited ability to rely on user charges to offset a rates cap. Increases in parking or public transport fees often demand greater enforcement capability, eroding the financial benefit. Where fees are legislatively constrained, such as for alcohol licensing, settings should allow full cost recovery to avoid cross-subsidy from rates.

To make a rates cap workable, councils would also need greater ability to generate revenue from other sources. Legislative restrictions on fees (such as caps on alcohol licensing charges) should be removed so councils can recover the actual and reasonable costs of delivering these services, rather than burdening ratepayers.

If a statutory cap is introduced, there may be opportunities to reduce other compliance costs to offset the burden. For example, government could reconsider requirements such as mandatory consultation on Long Term Plans, which impose significant administrative effort.

Finally, councils are at different stages of financial maturity and progress toward balanced budgets. Their steady-state positions vary, as do their service profiles and infrastructure needs. Any cap framework should recognise these differences and consider differentiated caps or groupings based on financial maturity and asset demands.

Recommendations

Do not introduce a uniform statutory rates cap. If a target is retained, the upper limit should be increased, and the target should be differentiated by council groupings and provide flexibility based on asset intensity, financial maturity, and each council's stage of transition toward a steady-state position.

Adopt cost-reflective indicators aligned to what councils actually purchase (infrastructure, materials, transport, insurance, compliance) and incorporate local demand and risk measures such as population growth, dwelling consents, network load, hazard exposure, and insurance costs.

Provide explicit flexibility or exemptions, including for:

- transitioning to fully funding depreciation and renewals (consistent with LGA ss100–101)
- responding to historic underinvestment, revaluation impacts, and affordability-managed pathways to sustainability
- community-endorsed increases in levels of service
- central government cost shifts and mandates, which should be excluded from the cap.

Exclude unfunded mandates and legacy targeted rates (e.g., historic water/sewerage loan repayments) from any rates cap calculation.



Avoid duplicating roading regulation. Recognise NZTA/NLTF's existing regulatory and assurance role - including funding approvals, co-funding structures, business case requirements, and performance monitoring - and:

- align NLTF decisions with long-term asset management plans and known renewal bow waves
- allow communities to fund higher local roading service levels where supported
- remove the need for a separate rates-cap exemption where higher investment is already agreed with NZTA.

Minimise compliance and administrative costs. Councils should be able to consult communities before or alongside engagement with any regulator. Any regulator established should be centrally funded or its levies excluded from the cap to avoid shifting further compliance costs onto ratepayers.

Enable fair cost recovery. Legislative fee caps (e.g., alcohol licensing) should be reviewed or removed so councils can charge the actual reasonable cost of providing regulatory services, rather than subsidising them from general rates.

Clarify that exemptions may also apply to known funding pressures, not just unplanned or unforeseen events, particularly where delaying action would increase long-term risks or costs.

In summary, a uniform rates cap risks undermining long-term affordability, weakening essential infrastructure, and creating avoidable regulatory and administrative costs. The economic cost of underinvestment will be borne nationally, not just locally. A more flexible, evidence-based framework will better support both Government objectives and community wellbeing.

Chorus New Zealand update to Council

Record no: R/26/1/2940
Author: Fiona Dunlop, Committee advisor
Approved by: Vibhuti Chopra, Group manager strategy and partnerships
Report type: Information

Purpose

- 1 Jo Seddon the Community Relations Lead at Chorus New Zealand will be present to speak to Council about Chorus, what it does and its plans for the network area.

Staff recommendations

That the Council:

- a) notes the information and thanks Chorus New Zealand Community Relations Lead Jo Seddon for her presentation.

Attachments

There are no attachments for this report.

Taumata Arowai update to Council

Record no: R/26/1/2941
Author: Fiona Dunlop, Committee advisor
Approved by: Vibhuti Chopra, Group manager strategy and partnerships
Report type: Information

Purpose

- 1 Tim Cadogan the engagement specialist for Water Service Authority – Taumata Arowai, will be present via video link to engage with Council, give an overview of the Authority and to answer questions.

Staff recommendations

That the Council:

- a) notes the information and thanks Water Service Authority – Taumata Arowai Engagement Specialist – Tim Cadogan for his presentation.

Attachments

There are no attachments for this report.

Southland Regional Heritage Fund - interim funding round

Record no: R/26/1/793
Author: Kathryn Cowie, Community liaison officer
Approved by: Sam Marshall, Group manager customer and community wellbeing
Report type: Decision

Purpose

- 1 The purpose of this report is for Council to decide whether to implement an interim funding round in March 2026 for the Southland Regional Heritage Fund, and to provide an update on the transition process.

Staff recommendations

That Council:

- a) notes the information contained in the report.
- b) notes that the matter or decision in this report is assessed as some importance based on Council's Significance and Engagement Policy . On this basis the assessed level of significance indicates that the community is kept informed of the decisions made in this report, rather than engaged prior to this decision being made.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) agrees to implement an interim funding round for Southland Regional Heritage in March 2026 up to \$50,000 to be funded from Council's Regional Heritage rate collected in 2025/2026.
- e) agrees to the purpose and criteria of the funding round to be based on the Southland Regional Heritage Fund purpose and criteria with an amended focus on organisations and projects benefiting the Southland District Council area
- f) acknowledges and thanks Great South for supporting and administering this interim funding round
- g) that an interim advisory group be set up to discuss and recommend grant allocations from the fund to Council
- h) that the interim advisory group be made up of Councillor Duffy, Councillor Menzies, Southland District Council Roving Museum Officer, and a member of the Community Leadership team.
- i) agrees to fund from the regional heritage rate, the ongoing costs associated with the RMO role including a supplies budget, totalling \$53,750.

Executive summary

- 2 The Southland Regional Heritage Fund (SRHF) has been in operation for many years as one of the functions of the Southland Regional Heritage Committee (SRHC), which has now ceased operation as the decision was made by Council to let the SRHC come to a natural end at 30 November 2025.
- 3 Several elected members were eager for staff to investigate the possibility of implementing an alternative interim heritage funding round in March 2026, so there would still be a funding stream available to heritage organisations for their projects, particularly as there had been no September round due to the local body elections.
- 4 The fund has been administered in the past by Great South, and staff have confirmed with them that they can continue to administer an interim funding round. It is proposed that an allocation committee would then make recommendations for grants to Council for final approval.
- 5 Staff recommend proceeding with the interim funding round and that up to \$50,000 be made available to allocate. This amount does not exceed a typical allocation amount and there are sufficient funds to accommodate this in the reserve.

Context

- 6 In November 2026, Council agreed to let the SRHC come to a natural end with the expiry of the Heads of Agreement and to commence a transition period. As part of this transition, Council also requested that a service delivery review for the provision of heritage services in Southland be completed and presented by June 2026.
- 7 Staff have engaged with Great South to confirm their capacity to undertake a service delivery review on behalf of Council. Great South is currently preparing a detailed scope of works, including an indicative timeline and associated costings for the review. Upon receipt, this information will be provided to Council's Regional Heritage Working Group (established May 2025) comprising of Mayor Scott, Councillor Duffy, Councillor Menzies, and Councillor Keast for review and feedback prior to finalising the scope of works and awarding the contract.
- 8 One of the functions of the SRHC was to administer and allocate funding for the SRHF. The purpose of this fund was to provide grants for projects and initiatives which preserve, communicate and promote Southland's heritage and are significant in a regional context. There were two funding rounds per year in March and September. The funding rounds were administered by Great South, with advisors from each council providing joint recommendations for each applicant to the committee. Jo Massey (Southland District Council (SDC) Roving Museum Officer) has been the advisor for SDC for the past 19 years. The SRHF ceased with the dissolution of the SRHC.
- 9 There was no funding round in September 2026 due to the local body elections, and now with the SRHC dissolved, future funding is on hold, pending the outcome of the service delivery review.
- 10 Following the discussion at the 26 November 2025 meeting, elected members (three) of the heritage working group expressed that they would be interested in staff investigating holding an alternative interim heritage funding round in March 2026, in case any heritage organisations had projects that required funding assistance, especially as there had been no funding round in September.

Discussion

- 11 Staff have discussed the possibility of a March interim funding round with Great South, who have advised that they would be happy to administer this on a one off basis. It was suggested that, following the closing of the funding round, an advisory group made up of Councillors Duffy and Menzies, the roving museum officer and a member of the Community Leadership team would meet to discuss the applications and make recommendations for allocation. These recommendations would then go to a subsequent Council meeting for approval.
- 12 Based on past funding rounds, an amount of up to \$50,000 should be sufficient to be made available to distribute.
- 13 The purpose and criteria of the fund will essentially remain the same, but the focus will be on organisations and projects that are in or directly benefit the SDC area.
- 14 If it is agreed that the interim funding round will go ahead, staff will work with the communications and engagement team to advertise the fund appropriately and notify the public of the changes to the criteria.
- 15 Transition Update
- 16 The Southland Regional Heritage Committee (SRHC) came to a natural end with the expiry of the Heads of Agreement on the 30 November 2025. The process to distribute the funds held by the SRHC will be undertaken post the completion of the 2024/2025 audit, which is expected in early 2026. The funds distributed to Council will be ringfenced for regional heritage services.
- 17 Assets of significance funded through the Committee for regional use (freezer used for borer treatment, and box cutter) are currently housed at Te Pātaka Taoka Southern Regional Collections facility. Staff are continuing to work with Gore District Council staff and Invercargill City Council staff on seeking an agreement for continued regional use of these assets.
- 18 Council as the final administrator of the SRHC, is currently undertaking the transfer of miscellaneous Project Ark assets originally purchased by Gore District Council back to Gore District Council in accordance with the Heads of Agreement (HOA). These assets are located across both Te Pātaka Taoka and Te Hikoi, with a combined book value of less than \$2,000.

Options

- 19 The following reasonably practicable options have been identified and assessed in this report:
Option 1 – To implement an interim funding round for Southland Regional Heritage in March 2026 up to \$50,000 to be funded from Council’s Regional Heritage rate collected in 2025/2026.
Option 2 – Do not implement an interim funding round for Southland Regional Heritage in March 2026 up to \$50,000 to be funded from Council’s Regional Heritage rate collected in 2025/2026.

Recommended option:

- 20 Option 1 – To implement an interim funding round for Southland Regional Heritage in March 2026 up to \$50,000 to be funded from Council’s Regional Heritage rate collected in 2025/2026. This will allow an available funding stream for any significant heritage projects in the district.

Option 1 – Implement an interim funding round for Southland Regional Heritage in **March 2026 up to \$50,000 to be funded from Council’s Regional Heritage rate** collected in 2025/2026.

Advantages	Disadvantages
<ul style="list-style-type: none"> • A funding stream will be available to heritage organisations for any projects that they need financial assistance with • Council is reinforcing its commitment to support heritage projects in the district. 	<ul style="list-style-type: none"> • There are no disadvantages.

Option 2 – Do not implement an interim funding round for Southland Regional **Heritage in March 2026 up to \$50,000 to be funded from Council’s Regional Heritage** rate collected in 2025/2026.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Unspent funds are held in the reserve to be spent on future heritage projects or outcomes. 	<ul style="list-style-type: none"> • Could affect the progress or completion of heritage projects in the district • the public could interpret as not supporting Southland’s heritage and culture.

Legal considerations

The Local Government Rating Act, requires that monies collected for a purpose must be used for that purpose. In this case it is for regional heritage activities.

Strategic alignment

Strategic direction

- 21 The SRHF was designed to support projects and initiatives with a significant regional heritage focus. By continuing to fund these projects this will assist in strengthening connected and resilient communities and deliver on the social and cultural outcomes outlined in the current Long Term Plan.

Policy and plan consistency

- 22 There are no inconsistencies identified.

Financial considerations

- 23 SDC collects the district heritage rate to support funding Regional Heritage (Southland Regional Heritage Committee).
- 24 The Regional Heritage rate collected in 2025/2026 was \$732,926 excluding GST. Up to the end of November, \$267,932 was paid to the SRHC, the balance of the district heritage rate collected this year of \$464,994 will be ringfenced and held in a heritage reserve to be spent on heritage services as was intended when the rate was collected.
- 25 The previous funding rounds for the SRHF have allocated \$37,000 (September 2024) and \$180,000 (May 2025). Note that the May 2025 allocation was an exception with two large grants given to Awarua Rūnaka and Gore District Council. It is recommended that up to \$50,000 is made available for an interim March 2026 funding round.
- 26 The Roving Museum Officer (RMO) provides expertise in collections management, as well as liaising with museum services experts across the country to provide training and best practice advice. The role is primarily concerned with the bespoke nature of preservation, storage, display, and handling of collection items rather than operational support of museums or heritage entities (such as marketing or staffing etc). This role will continue, beyond the existence of the Committee.
- 27 The RMO role was receiving grant funding from the SRHC of \$75,000 per annum from the monies SDC paid to SRHC. It is recommended to fund from the regional heritage rate, the ongoing costs associated with the RMO role including a supplies budget, totalling \$53,750.
- 28 After allowing for the RMO and supplies, there remains sufficient funds from the rate collected in the current year for heritage services to support a March grant funding round.

Significance assessment

- 29 This decision has been assessed in accordance with Council's Significance and Engagement Policy as having some importance or administrative and is not considered significant.
- 30 If an interim funding round is put in place, the allocation of these funds follows typical allocation procedures, and any allocations will be within the budgeted fund allowances. Any decisions provide minor positive impact on Council's social and cultural community outcomes in terms of this policy and has no impact on the provisions of Council's level of services. Any decisions would be reversible but there would be some hurdles to do so. Allocations of grants do follow an accountability process, where applicants are required to submit a report detailing how the funds were spent and confirming that they were spent on the agreed purpose.

- 31 The assessed level of significance indicates that the community is kept informed of the decisions made in this report, rather than engaged prior to the decision being made.

Level	Likelihood of engagement
Some importance or administrative	Council is not likely to carry out any engagement.
Moderate importance	Council may choose whether it carries out engagement, which may be targeted to directly affected individuals or groups.
Significant	Council will engage with directly affected individuals and groups and wider community engagement is likely, unless there are reasons under policy not to.
Critical	Council will engage with directly affected individuals and groups and wider community engagement is highly likely, unless there are reasons under policy not to.

Community views

- 32 Following Council's decision in November to allow the SRHC to come to a natural end, communication was sent out to museums, heritage entities, previous grant recipients, elected members, community boards and the wider public, informing them that the committee had come to a close and we were now entering a transition period while the service delivery review was undertaken. They were advised that there would not be a funding round for the SRHF in the interim and to contact the SDC funding team with questions and for possible alternatives.
- 33 In alignment with the significance assessment above, no community views have been sought in connection with this decision, however the community will be informed of Council's decision in appropriate advertising channels for community funding.

Climate change considerations

- 34 There are no climate change considerations relevant to this matter or decision.

Risk and mitigations

- 35 There are no significant risks in relation to this matter or decision.

Next steps

- 36 Staff will liaise with the communications and engagement team to publicise the funding round and will also liaise with Great South as required, once the funding round is complete.

Attachments

There are no attachments for this report.

Te Anau Airport Manapouri newsletter

Record no: R/26/2/4404
Author: Louise Pagan, Strategic communications and engagement manager
Approved by: Vibhuti Chopra, Group manager strategy and partnerships
Report type: Information

Purpose

- 1 A copy of the latest Te Anau Airport Manapouri newsletter, created by Great South, is attached for your information.

Staff recommendations

That Council:

- a) notes the information contained in the Te Anau Airport Manapouri newsletter.

Attachments

- A Te Anau Airport Manapouri Update - January 2026 [↓](#)



Te Anau Airport Manapōuri Update

January 2026

As we find ourselves still in the heart of a vibrant and busy summer season, momentum at Te Anau Manapōuri Airport continues to build, with a range of exciting operational and strategic initiatives taking shape. In this edition of the newsletter, we're pleased to share the key milestones and developments driving this forward progress.



Total Landings for 2025

Te Anau Airport Manapōuri continues to demonstrate strong growth, with year-on-year landings increasing significantly. In 2025 the airport welcomed 2,474 landings, an impressive 49.1% jump from 2024's total of 1,660.

Airport Promotional Video

A promotional video shoot brought plenty of excitement to the airport on Monday 26 January, with footage

showcasing aircraft landings and takeoffs, passenger arrivals, the airport café, and visitors enjoying the terminal facilities. Now in post-production, the completed video will be shared online and via social media.

Aviation Event May 2026

Planning is well underway for a Community Aviation Celebration at Te Anau Airport on 15–16 May 2026. We are grateful for the support and expertise of Te Anau Events, who have been instrumental in bringing this event to life. Working alongside airport users and local aviation partners, this vibrant, family-friendly event will invite the community to come together to celebrate aviation and a valued local asset in the heart of Fiordland.

Festivities will begin on Friday evening at The Black Dog, followed by a family-friendly day at the airport on Saturday featuring aircraft displays and opportunities to connect with local aviation people. The weekend will conclude with an evening function celebrating the local airport industry

Terrain Assessment of Airport Approaches

Utilising the recently completed aerial Light Detection and Ranging (LIDAR) survey, Great South has submitted its Terrain Mapping to the Airport Manager and the Council Team. This has been referred to Aviation Limited for technical assessment and safety approval. The report back is expected to be completed in February.

Airport Entrance Signage

A new roadside sign at the entrance to the airport has been granted approval from the New Zealand Transport Agency, and resource consent is expected in the coming weeks.

Runway Surface

Construction was completed in December, and the surface has performed well following subsequent ATR landings with good feedback from pilots. New runway marking has also been completed to meet the latest CAA standards.

Leases

Interest in private and commercial hangar space continues to gain strong momentum, with additional negotiations underway and a further new lease has been confirmed. This upward trajectory positions the airport for

sustained long-term growth and strengthens its potential to attract even more private and commercial activity in the coming months.

Airport Cafe Lease Opportunity



Great South, on behalf of The Southland District Council, is seeking Expressions of Interest from qualified and experienced operators to establish and grow a café at Te Anau Airport Manapouri.

Te Anau Airport Manapouri is a multi-purpose facility which has a modern terminal building. It offers a great facility in an excellent location with good highway access. The terminal is a multi-use building which caters for passengers, visitors, airport staff and the aviation community.

We are looking for a savvy café operator that has all the ingredients to make the café a destination of choice for locals and visitors to the region alike. Are you an operator who is keen to showcase operational service excellence, innovative food concepts with a keen eye for sustainable practices? Then we would like to hear from you!

Key features:

- Fully equipped commercial kitchen with exclusive access and use
- Food preparation area and equipment
- The opportunity to deliver a high-quality innovative visitor experience
- Warm and inviting indoor seating area and outdoor paved courtyard
- Unique and stunning location
- Event catering potential

To view the listing [click here](#)

A bold new chapter takes wing - Te Anau Airport Manapouri is set to reach new heights



These developments demonstrate our collective dedication to building an airport that truly supports our region—boosting tourism, strengthening local ties, and creating new economic opportunities for communities across Fiordland.





GREAT SOUTH
143 Spey Street, Invercargill 9810
Southland, New Zealand

You have received this email because you have indicated that you would like to be kept informed of the review of Te Anau Airport Manapouri.

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