



Agenda

Southland District Council

Wednesday, 25 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 11 February 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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9.1	Solid waste services – procurement options	145
9.2	Approval to award Rooding Operations and Maintenance Alliance Contracts (26/01, 26/02, 26/03)	145
10	Closure	
	The Mayor will close the meeting.	

Summary of reports

	Report name	Purpose	Report type	Page
8.1	Otautau tennis courts resurfacing project - unbudgeted expenditure request	The purpose of this report is for Council to determine whether it wishes to endorse the recommendation made by the Wallace Takitimu Community Board at its meeting on 5 February 2026, that unbudgeted expenditure be approved in order to proceed with the resurfacing of four of the Otautau tennis courts.	Decision	9
8.2	Wyndham camping ground - unbudgeted expenditure	The purpose of this report is to endorse a recommendation from the Waihōpai Toetoe Community Board that unbudgeted expenditure to assist with the cost of reopening the camping ground be approved and also to approve unbudgeted expenditure for the operational costs of the camping ground for 2025/2026 and 2026/2027 as well as decreasing the project budget for project P-11222 for 2026/2027 from \$75,000 to \$45,000.	Decision	19
8.3	Financial Report for the period ended 31 December 2025	To provide the Council with an overview of the financial results for the six months to 31 December 2025 by Council's seven activity groups and corporate services, as well as the financial position and the statement of cashflows as at 31 December 2025.	Information	25
8.4	Draft 2026/2027 Annual Plan financials and supporting information	The purpose of this report is to confirm the draft financial information for the Annual Plan 2026/2027, including proposed changes to fees and charges; to confirm that these proposed changes do not trigger the need for formal consultation under the Local Government Act; and to seek approval for the planned approach to informing the community on the Annual Plan 2026/2027 (including rates increases) and fee changes.	Decision	41

	Report name	Purpose	Report type	Page
8.5	Transport Procurement Strategy	<p>The purpose of this report is to present Southland District Council's Transport Procurement Strategy (November 2025) for approval.</p> <p>The strategy outlines how Council will plan, procure, and manage transport activities over the next three years to ensure safe, resilient, and affordable delivery of services across the district's extensive roading network.</p> <p>It also seeks confirmation that Council has complied with its decision-making obligations and that the strategy is ready to be adopted following New Zealand Transport Agency endorsement.</p>	Decision	109

Otautau tennis courts resurfacing project - unbudgeted expenditure request

Record no: R/26/2/4766
Author: Kelly Tagg, Community partnership leader
Approved by: Sam Marshall, Group manager customer and community wellbeing
Report type: Decision

Purpose

- 1 The purpose of this report is for Council to determine whether it wishes to endorse the recommendation made by the Wallace Takitimu Community Board at its meeting on 5 February 2026, that unbudgeted expenditure be approved in order to proceed with the resurfacing of four of the Otautau tennis courts.

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 and. An online community survey has also been completed to gauge community views on resurfacing the courts.
- 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) determines that unbudgeted expenditure of up to \$30,000 plus GST, to be funded from the Wallace Takitimu general reserve, be approved so that the asphalt resurfacing option for the Otautau tennis courts can proceed with an expected life span of up to 30 years.

Executive summary

- 2 The Wallace Takitimu Community Board had previously determined to upgrade four of the eight tennis and netball courts located in an area known as the Holt Park extension in Otautau.
- 3 A budget of \$61,200 plus GST was approved as part of the 2024-2034 Long Term Plan with the project to be completed in the 2025/2026 financial year to be funded via a 10 year loan.
- 4 Quotes for a range of different surfaces have been received and range from \$35,000 - \$40,000 for a pave coat solution to \$195,529 for a turf solution with an asphalt solution sitting at \$85,716.26 plus GST.
- 5 This report was considered at the boards meeting on 11 December 2025 and was left on the table in order to allow staff time to seek feedback from the community on this matter.

Context

- 6 The Otautau and surrounding community has enjoyed the benefit of having access to eight asphalt tennis and netball courts for a number of years with Otautau having previously been the hub of netball in Western Southland until the new indoor courts were built in Winton and all central, northern and western southland netball relocated to Winton.
- 7 The courts have had minimal maintenance over the last 10-15 years, and various quotes have been sourced over that time so that the relevant board of the day could consider whether it wished to proceed with this work.
- 8 The Wallace Takitimu Community Board has previously indicated a desire to maintain this asset for the community by deciding to resurface four of the eight courts in Otautau.
- 9 The courts are located on Council owned land and there are agreements in place with the Otautau Tennis and Netball Clubs around usage etc.
- 10 The Courts are currently utilised by the local tennis and netball clubs and members of the community are also free to use the courts. In the past, Western tennis has organised coaching clinics once a week in terms one and four and has had up to 50 or 60 children receiving coaching each week. In addition, social tennis leagues are played on the courts one – two nights a week. The netball club also utilises the courts for practice during the season.
- 11 The courts are asphalt and are showing signs of wear and tear with cracks beginning to appear which can create trip hazards.
- 12 This project was initially included in the Long Term Plan for 2021/2022 with a budget of \$28,119 to enable crack repairs to take place. However, once this project was fully scoped it was decided that just doing crack repairs would not have the desired outcome and the board decided to look at other options such as partnering with local groups to apply for grant funding to undertake this project. Unfortunately, this was not able to proceed as an option, as neither the tennis or netball club had incorporated society status and therefore could not access the larger pools of money available through the likes of Community Trust Southland or Lotteries.
- 13 Staff have received quotes for three different types of surfaces to be laid on four of the courts.
- 14 Option one – pave coat which is an asphalt re-surfacer using a specially formulated bitumen emulsion combined with mineral fillers, graded aggregates and pigments. Estimate is \$35,000 - \$40,000 including line marking. Expected lifespan is 10-15 years.
- 15 Option two – supply and construct 30mm nominal depth asphaltic concrete surfacing. Quote is \$85,716 plus GST and includes spraying and removal of lichen, moss and weeds and taping over the cracks. Expected lifespan is up to 30 years.
- 16 Option three - synthetic grass surface. Prices range from \$183,590 - \$195,530 depending on which grass option is selected. This has a warranty period of 7-10 years and a lifespan of approximately 15 years.
- 17 At the boards meeting in December 2025, the board asked staff to carry out a community survey to seek feedback from the community on this issue. This survey was conducted using Council's Make It Stick platform and ran from 18 December to 16 January 2026. Links to the survey were shared via a variety of local community Facebook pages and the Antenna app. Reminder prompts were also shared.

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- 18 The community was asked “Do you support the Wallace Takitimu Community Board resurfacing four of the eight tennis courts on Hulme Street, Otautau? This will add an extra \$6.62 per year to your rates bill” and also provided a space for respondents to share reasons why/why not.
- 19 Council received 59 responses to the survey with 40 or 67.8% being in favour and 19 or 32.2% being against. A copy of all the responses has been collated and is attached to this report.

Discussion

- 20 Council must determine whether it wishes to endorse the recommendation from the board that unbudgeted expenditure of up to \$30,000 plus GST be approved, to be funded from the Wallace Takitimu general reserve.
- 21 In considering the three surface options, the cost of the turf option prevents it from being a viable option.
- 22 Both the pave coat and asphalt surfacing options are probably achievable by the board, but it is worth considering the life span of each being 10-15 years for the pave coat and up to 30 years for the asphalt. Given the life span of the asphalt surfacing options it would seem to be the more cost effective option over a longer period.
- 23 Both the options available will require minimal maintenance over their life span which will likely include annual spraying for lichen, moss and weeds and line marking as required.

Options

- 24 The following reasonably practicable options have been identified and assessed in this report:
- Option 1 - determines that unbudgeted expenditure of up to \$30,000 plus GST, to be funded from the Wallace Takitimu general reserve, be approved so that the asphalt resurfacing option for the Otautau tennis courts can proceed with an expected life span of up to 30 years.
- Option 2 – decline option one and notify the Wallace Takitimu Community Board of the decision.

Recommended option:

Option one – determines that unbudgeted expenditure of up to \$30,000 plus GST, to be funded from the Wallace Takitimu general reserve, be approved so that the asphalt resurfacing option for the Otautau tennis courts can proceed with an expected life span of up to 30 years. Option 1 – determines that unbudgeted expenditure of up to \$30,000 plus GST, to be funded from the Wallace Takitimu general reserve, be approved so that the asphalt resurfacing option for the Otautau tennis courts can proceed with an expected life span of 30 years.

Advantages	Disadvantages
<ul style="list-style-type: none"> the surface of the four tennis courts will be improved the per year cost of this option over the life of this asset is \$3,040 per annum compared to \$4,000 per annum for the pave coat option the improvement of the surfaces will encourage higher usage of the courts which will benefit the community as a whole. 	<ul style="list-style-type: none"> there will be less reserve funds available for future projects

Option 2 – does not approve unbudgeted expenditure of up to \$30,000 plus GST and the project does not proceed

Advantages	Disadvantages
<ul style="list-style-type: none"> reserve funds will be available for future projects. 	<ul style="list-style-type: none"> the courts will continue to deteriorate and may get to a point in the future where they are unusable. the longer the courts are left, the more expensive it will be to repair and/or replace them.

Legal considerations

- 25 There are no legal considerations relevant to this decision.

Strategic alignment

Strategic direction

- 26 Outcomes of a project like this align with outcomes contained in the Southland District Council open spaces strategy.
- 27 Outcomes of a project like this align with the following Wallace Takitimu Community Board Plans outcomes:
- Vibrant area that attracts people, businesses and visitors
 - Strong connected and inclusive community
 - Healthy and safe community with access to quality facilities, amenities and services

Policy and plan consistency

- 28 No inconsistencies with Council's policies or plans have been identified.

Financial considerations

- 29 The 2024-2034 Long Term Plan includes a project to resurface the Otautau tennis courts with a budget of \$61,200 to be funded via a loan.
- 30 The Wallace Takitimu Community Board general reserve had a balance of \$106,947.78 as at 30 June 2025 and is forecast to have a balance of \$106,753 by 30 June 2039 and it has been recommended to allocate the \$30,000 from this reserve as the funds have been collect from all ratepayers in the community board area and it leaves residual funds available to be used for other projects or townships within the board area.
- 31 Using this reserve means there will be no additional impact on rates for the community.

Significance assessment

- 32 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.
- 33 However, the board did opt to do some additional engagement with the community to ensure that this was still a priority project for the area. An online survey was carried out and support for the project to proceed was evident.
- 34 Whilst Council is being asked to endorse the board's recommendation that that unbudgeted expenditure be approved in order to proceed with the resurfacing of four of the Otautau tennis courts, it is important to note that there is no increased impact on ratepayers as the additional funds will be drawn from the Wallace Takitimu Community Board general reserve.
- 35 Even though 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 the board did, in case, choose to undertake community engagement on this matter.

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

- 36 This project was initially included in the 2024-2034 Long Term Plan, and the community has been advised of the board's intention to resurface the courts.
- 37 Additional community engagement took place over December 2025/January 2026, and the results suggested a good level of support for this project to proceed.

Climate change considerations

- 38 There are no climate change considerations relevant to this matter of decision.

Risk and mitigations

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

Next steps

- 40 The project delivery and finance departments will be notified of Council's decision.

Attachments

- A Otautau court resurfacing project - community feedback - December 2025 and January 2026 [↓](#)

1	Yes	
2	Yes	I feel this asset needs to be repaired & retained, courts for Netball , tennis, a recreation area is important to this area & Western Southland, now & for the future
3	Yes	
4	No	Normally sports clubs use their fees to cover their maintenance why should it come out of everyone's rates
5	No	
6	Yes	I believe it is prudent to do this now rather than the courts deteriorate further and have higher costs for the upgrade.
7	No	NO NO PLEASE I'm on Superannuation stagnate income.
8	No	Why should people who never use them pay, what happened to users pay,
9	Yes	But get another quote, why is it so expensive?
10	Yes	I support four of the courts being resurfaced but believe it should be at no additional cost to ratepayers, given the fact residents already pay the same price as those who live in Winton and other towns with far more amenities and services on offer. I know that the local clubs also pay the council a lease on these courts, and would suspect part of the need to resurface also comes at this stage due to a lack of maintenance. What is then proposed of the other four courts. The one light of the situation is the quote which appears to be a bargain, given what quotes have been provided to resurface six tennis courts in Winton.
11	No	They don't get used enough for this .
12	Yes	We need to keep community assets and maintain them. I think it's a great compromise that you are just doing some of them.
13	Yes	Go for it. Although there is not many playing tennis its important they have a good surface to play on. As well as netball others use it for Skateboard, pump track, model cars etc. We should be proud of what our small town provides for our whanau.
14	Yes	The courts are currently in terrible condition and need to be resurfaced.
15	Yes	
16	Yes	Too good of a community asset to lose
17	Yes	We must keep the facilities that we have, you will never get them back if they fall into disrepair

18	No	I've said No as there's not enough information as to which communities will have to contribute via a rates increase. By my rough maths the \$6.62 yearly increase would affect just over 1000 households but there is no indication of where those households lie. I'm sure if any rates increases were suggested to improve facilities in Ohai(where we live), other communities such as Otautau wouldn't want to help foot the bill. Also, rates are already increasing at a rate that is putting a lot of strain on families. How many more of these projects will be suggested throughout the year, contributing to even more rates rises which are already astronomical compared to other parts of the country.
19	No	It would not cost that much to do the job have different companies been asked for quote?
20	Yes	Please only doing 4 courts as this is all that is needed. If nothing is done we will end up with no courts and and overgrown with weeds. We have already lost too many sports venues in otautau.
21	Yes	Great community facility and needs to be maintained properly
22	Yes	It would be terrible to see these courts not become usable for the community. A new surface will encourage more users which can only be good for the community.
23	Yes	
24	Yes	These courts are a great asset for our town and need looked after so can be used by clubs and the general public
25	Yes	Can there be a working bee to help with the prep work before the asphalt. Many hands make light work. I've got a sprayer and a hard broom I can use.
26	Yes	As someone who has grown up in the community, I have spent a significant amount of time at these courts. From netball practices to tennis lessons, they hold a special place for me. Revitalising these courts would restore vibrancy to the township and create opportunities for people of all ages to come together. During the netball season, the sports complex often becomes overcrowded, and upgraded courts would provide additional space for the community to play outdoors. While Otautau School does have a court, its close proximity to school buildings makes it difficult to host proper games of netball or basketball. In addition to resurfacing the courts, improved netball and tennis nets would also be beneficial, subject to budget allowances. Overall, an additional \$6 on rates would be a worthwhile investment and would deliver long term benefits to the Otautau community.
27	Yes	This is an asset to our community. Should have been looked after previously, then maybe it wouldn't be requiring as much work now, but yes still needed.
28	Yes	Such an incredible asset to encourage and enable our community to keep active and connect with others.
29	Yes	We need these facilities for our community!
30	Yes	I'm happy to support projects that improve the facilities in Otautau, which has been neglected until recent investments
31	No	Hardly see them used and look fine for the amount of use they have
32	Yes	If we lose tennis courts we will never get them back , need done great idea !

33	Yes	The more things for young people to do the better. And us not so young. However, rates are ridiculously high and I wonder if it is time to evaluate the upper echelon salaries.
34	Yes	The town needs these things for the younger people of the area.
35	Yes	
36	Yes	It is important to keep investing in Communities. There is a lot of tennis activity in the Summer months and also netball in the winter time. \$6.62 is the equivalent of 1 cup of coffee a year. Let's go for the investment.
37	No	Not used enough. Put back into grass
38	Yes	
39	Yes	
40	Yes	Yes, I am an Otautau ratepayer and these courts need to be restored to quality courts so they can be enjoyed and used more often once they are a safe surface to play on.
41	No	I prefer to pay less in rates.
42	Yes	I would like to see both areas resurfaced. With doing the minimal maintance over the years the council has lost both assets. Such a shame
43	Yes	It's a great asset to our community.
44	No	The tennis courts are barely utilised
45	No	Stop wasting money on crap the pump track in nightcaps now this we can't even get the foot paths upgraded to 2025 standard stops waisting ratepayers money and focus on the infrastructure how much money was wasted asking this question time to lower the rates to what we can afford so we can have a life too
46	Yes	Community asset for our children and generations to come
47	No	Enough is enough putting more cost on to the ratepayer. You collect enough rates to find this without demanding even more cost from the community!
48	No	No
49	No	Absolutely not, I struggle enough without having to fund others sports.
50	No	Every other sporting group struggles to fund raise. Why should a group of two elite sports get funding from the rate payer? The swimming pool is more accessible to families and provides life saving skills, all through fundraising. So, no!
51	No	Because the rates are overpriced already for the very little services that are provided
52	Yes	As a member of the Otautau community and part of the netball club and tennis club this a highly used asset and would be used more often if they were in better condition. If we don't look after these assets then it will be of huge detriment to the community.

53	Yes	
54	No	This is something that my family and no one else that I know uses. I feel any rate increases need to go into benefits to our community in other ways. We see no need in the extra 30 mm overlay to the current area
55	No	The constant costs on the ratepayer is getting ridiculous. Though this is a small amount, it keeps adding and adding up Especially with the water coming in. Is this an absolute need? Council should be able to fund this with the rates amount already paid.
56	Yes	As someone who grew up playing on these courts I would love to be able to use them still! At this moment in time they're nearly unusable, new tennis nets and netball hoops are also needed!
57	Yes	
58	Yes	You need to resurface all 8 of the courts other wise the other 4 will deteriorate to the point of them not being able to be used for anything by this time repairing or resurfacing will be invariable
59	Yes	My children will benefit from this a lot, they are still young and will be here for a while yet. Let's upgrade our facilities and make our town beautiful!
Yes	40	67.80%
No	19	32.20%
Total	59	100.00%

Wyndham camping ground - unbudgeted expenditure

Record no: R/26/2/5052
Author: Karen Purdue, Community partnership leader
Approved by: Sam Marshall, Group manager customer and community wellbeing
Report type: Decision

Purpose

- 1 The purpose of this report is to endorse a recommendation from the Waihōpai Toetoe Community Board that unbudgeted expenditure to assist with the cost of reopening the camping ground be approved and also to approve unbudgeted expenditure for the operational costs of the camping ground for 2025/2026 and 2026/2027 as well as decreasing the project budget for project P-11222 for 2026/2027 from \$75,000 to \$45,000.

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. 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) that Council endorses the recommendation of the Waihōpai Toetoe Community Board to include in the Annual Plan for 2026/2027 operational expenditure relating to the running of the camping ground of \$15,072 to be funded by the additional rental income earned during the year.
- e) that Council endorses the recommendation of the Waihōpai Toetoe Community Board to approve unbudgeted expenditure in 2025/2026 for P-11222 (Wyndham Camping Ground – Construction) of \$30,000 to be funded by the Waihōpai Toetoe Parks and Reserves Capital Fund Reserve.
- f) that Council endorses the recommendation of the Waihōpai Toetoe Community Board to reduce the project P-11222 (Wyndham Camping Ground – Construction) in the annual plan for 2026/2027 from \$75,000 to \$45,000.

Executive summary

- 2 Council is being asked to determine whether it wishes to endorse the recommendation from the Waihōpai Toetoe Community Board (the board) for unbudgeted expenditure of \$30,000 plus GST relating to the Wyndham Camping Ground construction project (P-11222) funded from the Waihōpai Parks and Reserves Capital Fund Reserve.

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- 3 For the 2026/2027 year Council is being asked to endorse the recommendation from the board that unbudgeted expenditure of \$15,072 for the operational costs of running the camping ground be approved.
- 4 Council is also being asked to endorse the recommendation from the board to reduce the budget for project P-11222, (Wyndham Camping Ground – Construction) from \$75,000 to \$45,000 which was scheduled to take place in 2026/2027.
- 5 The Wyndham camping ground is currently closed, and it is important that works be undertaken so that it can be reopened as soon as practicable.
- 6 It should be noted that this report has been prepared in anticipation of the decision to be made by the board at its meeting which is scheduled to take place on Tuesday, 24 February 2026.

Context

- 7 Council approved the transfer of the remaining budget in the amount of \$34,020.69 from the Baird-Hewat Square/Doctors Square project to the Wyndham Camping Ground. This is to be funding via Better-off Funding if approved by the Department of Internal Affairs (DIA), otherwise to be funded via a 10 year loan.
- 8 The board had previously approved a budget of \$75,000 plus GST to assist with the upgrade of facilities at the Wyndham Camping Ground which will enable it to be re-opened.
- 9 At the time the budget was approved for 2026/2027 it was anticipated that this work would take place during that time period but due to the current circumstances the work needs to be completed sooner rather than later.

Discussion

- 10 The board is committed to re-opening the Wyndham Camping Ground and this project and associated works are vital to achieving this.
- 11 The works include, painting, internal maintenance of ablution block, renovation of existing showers, installation of the Penny software and associated hardware and electrical costs, cabin upgrades including bedding, window treatments and signage.
- 12 The board needs to ensure there is additional budget to complete work for reopening of the campground.
- 13 It should be noted that the board also has a budget of \$34,020.69 being residual funds from the Hewat-Baird/Doctors Square project that we are seeking approval from DIA to transfer towards this project.

Options

14 The following reasonably practicable options have been identified and assessed in this report:

Option 1 – approves unbudgeted expenditure of \$30,000 for project P-11222 (Wyndham Camping Ground – Construction) to enable works to be completed at the camping ground that will enable it to be reopened and that the funding source be changed to reserve funding.

Option 2 - does not approve unbudgeted expenditure of \$30,000 for project P-11222 (Wyndham Camping Ground – Construction) to enable works to be completed at the camping ground that will enable it to be reopened and that the funding source be changed to reserve funding.

Option 3 – approves unbudgeted expenditure of \$15,072 for the operational costs of running the camping ground in 2026/2027.

Option 4 – does not approve unbudgeted expenditure of \$15,072 for the operational costs of running the camping ground in 2026/2027.

Recommended option:

15 Option one and three are the recommended options.

Option 1 – Council approves unbudgeted expenditure of \$30,000 for project P-11222 (Wyndham Camping Ground – Construction) to enable works to be completed at the camping ground that will enable it to be reopened and that the funding source be changed to reserve funding and reduce the project budget for P-11222 (Wyndham Camping Ground – Construction) in the annual plan for 2026/2027 from \$75,000 to \$45,000.

Advantages	Disadvantages
<ul style="list-style-type: none"> • the planned work is able to proceed and the camping ground reopened in the current financial year • more visitors to the area will provide an economic injection to the local community • visitors will have a place to stay. 	<ul style="list-style-type: none"> • there is less money available for other projects.

Option 2 – Council does not approve unbudgeted expenditure of \$ 30,000 for project P-11222 (Wyndham Camping Ground – Construction) to enable works to be completed at the camping ground that will enable it to be reopened and that the funding source be changed to reserve funding and reduce the project for P-11222 (Wyndham Camping Ground – Construction) in the annual plan for 2026/2027 from \$75,000 to \$45,000.

Advantages	Disadvantages
<ul style="list-style-type: none"> there are more funds available for other projects. 	<ul style="list-style-type: none"> the camping ground is not able to be reopened as planned visitors would not have the opportunity to bring their caravans to the area and have a camping ground experience a missed opportunity to realise some economic growth.

Option 3 – Council approves unbudgeted expenditure of \$15,072 for the operational costs of running the camping ground in 2026/2027.

Advantages	Disadvantages
<ul style="list-style-type: none"> there is a budget to cover the operational costs of the camping ground. 	<ul style="list-style-type: none"> none identified.

Option 4 – Council does not approve unbudgeted expenditure of \$15,072 for the operational costs of running the camping ground in 2026/2027.

Advantages	Disadvantages
<ul style="list-style-type: none"> none identified. 	<ul style="list-style-type: none"> there will be no budget to cover the operational costs of the camping ground.

Legal considerations

- 16 There are no additional legal considerations beyond compliance with the Camping Ground Regulations 1985, health and safety obligations and standard electrical and building requirements associated with this work.

Strategic alignment

Strategic direction

- 17 The recommended approach aligns with Council’s community outcomes and long-term planning objectives by supporting local economic activity, maintaining accessible community facilities, and ensuring financially responsible service delivery.

Policy and plan consistency

- 18 Staff have not identified any inconsistencies with Council policy or the Long Term Plan. The proposed approach is consistent with Councils policies and supports cost neutral, community focused service delivery.

Financial considerations

- 19 This project was previously included in the 2024-2034 long term plan with work planned to be completed in 2026/2027.
- 20 Due to a variety of factors – namely the lease being relinquished and subsequently the camping ground being closed, the board now wishes to use \$30,000 of the \$75,000 budget in the 2025/2026 year so that works can get underway.
- 21 Previously this was to be loan funded but the board is now able to use the sale proceeds of the Menzies Ferry Hall and Maitara Island Halls meaning there is no impact on rates for ratepayers.

Significance assessment

- 22 This decision has been assessed in accordance with Council’s Significance and Engagement Policy as having some importance but is not considered significant.
- 23 Of more moderate importance, this decision is considered to have some limited public interest, and it aligns with the outcomes sought under the Waihōpai Toetoe Community Board Plan, the intent to maintain and improve community amenities and promote tourism under Council’s Long Term Plan along with regional destination and development strategies.
- 24 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.

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

- 25 The Waihōpai Toetoe Community Board have previously engaged with the local community. Several positive comments have been received since the cleanup and ongoing improvements from the Wyndham community.
- 26 Based on the aspirations that have been provided to Council from Te Ao Mārama when reviewing the projects that the community facilities team had approved through the 2024-2034 Long Term Plan the proposed work does not require engagement with iwi.

Climate change considerations

- 27 There are no significant climate change considerations associated with the recommend option.

Risk and mitigations

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

Next steps

- 29 The finance team will be advised of the outcome, and staff will be able to proceed with the planned works.

Attachments

There are no attachments for this report.

Financial Report for the period ended 31 December 2025

Record no: R/26/2/5627

Author: Joanie Nel, Senior accountant

Approved by: Anne Robson, Group manager finance and assurance

Report type: Information

Purpose

- 1 To provide the Council with an overview of the financial results for the six months to 31 December 2025 by Council's seven activity groups and corporate services, as well as the financial position and the statement of cashflows as at 31 December 2025.

Staff recommendations

That the Council:

- a) notes the information contained in the report.

Attachments

- A Financial report for December 2025 [↓](#)



Financial report

December 2025

Southland District Council
Te Rohe Pōtae o Murihiku

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Introduction

This report summarises Council's financial results for the six month period to 31 December 2025.

The report summary consolidates the business units within each of Council's groups of activities and includes:

- year to date (YTD) actuals, which are the actual costs incurred
- YTD projection, which is based on the full year projection (Annual Plan) with adjustments for phasing of budgets, carry forwards and approved unbudgeted expenditure reports
- YTD budget, which is based on Annual Plan budget with some expenditure being phased across the year; and capital and project budgets costs spread evenly across the year
- full year (FY) budget, which is the Annual Plan budget figures
- FY projection, which is the Annual Plan budget figures plus carry forwards and approved unbudgeted expenditure reports.

The activities reported include the seven activities in the LTP, along with corporate services. Corporate services includes all the customer and corporate support (like people and capability, communications, strategy and policy, finance, information management) and forestry. These costs are spread across all the activities but they have also been separated out for the purposes of this report.

Carry forwards were approved by Council in August 2025 and have been included in the projection column.

The report containing the treasury information will be presented in a standalone report.

Southland District Council summary reports use a materiality threshold to measure, monitor and report on the financial performance and position of Council. In determining materiality, variances more or less than 10% of the original budget and greater than \$10,000 are considered material and explained in the report.

Report contents:

- A. Council summary (income, expenditure, capital expenditure and associated commentary)
- B. Council summary by Activity Group
- C. Statement of comprehensive income
- D. Statement of financial position
- E. Statement of cash flows

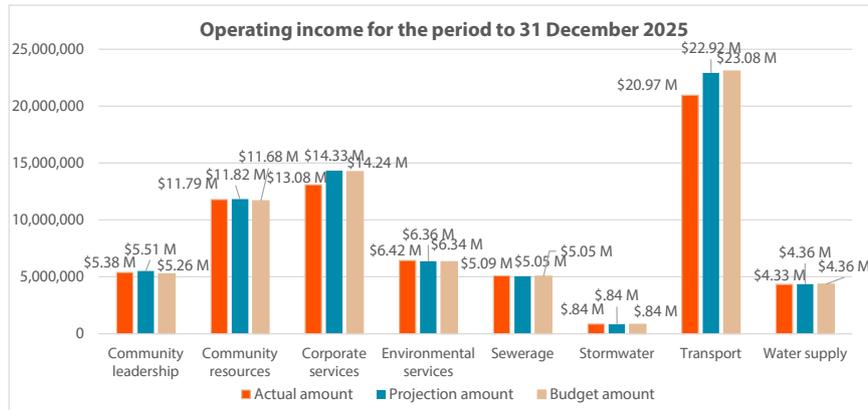
Abbreviation explanation

ABBREVIATION	DESCRIPTION
AP	Annual Plan
CAPEX	Capital expenditure
FY	Full year
FYB	Full year budget
DIA	Department of internal affairs
GDC	Gore District Council
GIS	Geographic information system
GMSE	GeoMedia smart client
GST	Goods and Services tax
ICC	Invercargill City Council
ILMP	Investment and Liability Management Policy (2021)
LED	Light emitting diode
LGFA	Local Government Funding Agency
LT	Leadership team
LTP	Long Term Plan
ME	Month end
NZTA	Waka Kotahi NZ Transport Agency
NZDWS	New Zealand Drinking Water Standards
SDC	Southland District Council
SIESA	Stewart Island Electrical Supply Authority
TIF	Tourism Infrastructure Fund
YE	Year end
YTD	Year to date
YTD Variance	Comparison of actual results compared to YTD budget
\$M	Millions of dollars
WWTP	Wastewater treatment plant

Council summary

Income

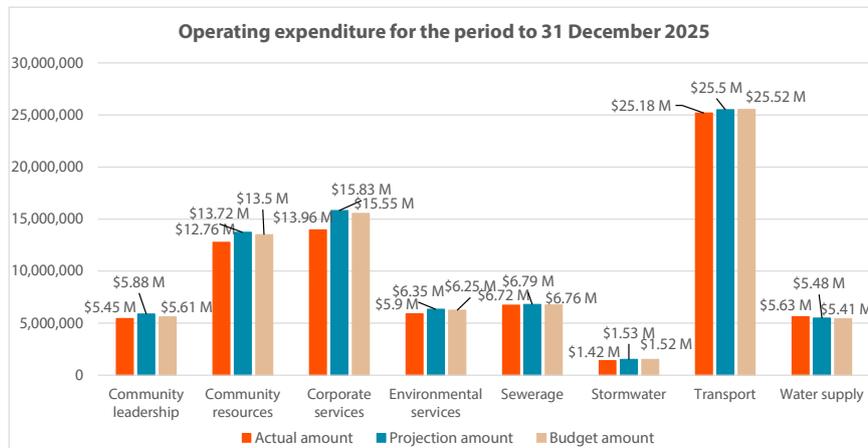
Operating income for the six month period to 31 December 2025 is \$3.3 million (5%) below projection (\$67.9 million actual vs \$71.2 million projection). The key reasons for the variances are detailed below.



- **corporate services income** is \$1.3 million (9%) below projection due to lower forestry income, with harvesting only beginning in December and is expected to return to projected levels in the coming months.
- **transport income** is \$1.9 million (9%) lower than projection mainly due to lower NZTA income. The majority of this is due to capital work programmes, with rehabilitation, bridge projects, and resilience-funded work starting later than anticipated. In addition, metalling, drainage and traffic services are all slightly behind expected spend at this time of the year.

Operating expenditure (OPEX)

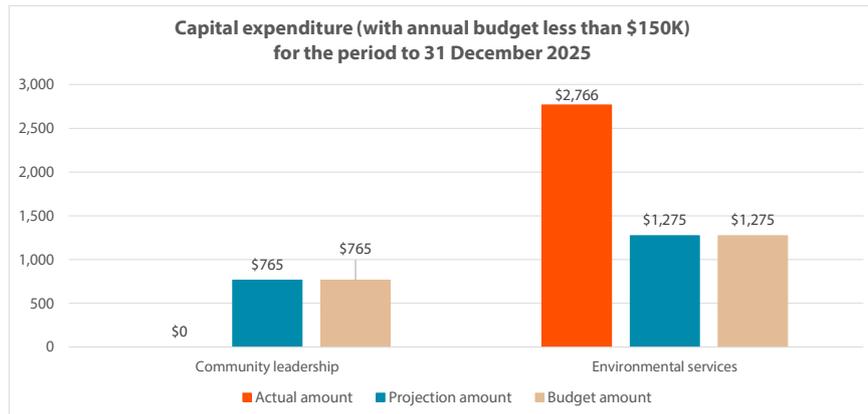
Operating expenditure for the six month period to 31 December 2025 is \$4 million (5%) below projection for the period to date (\$77 million actual vs \$81 million projection). The key reasons for the variances are discussed below.

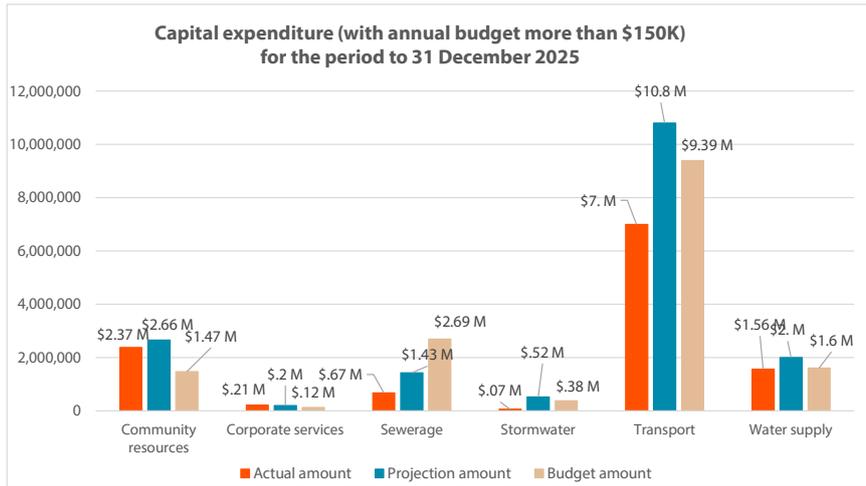


- **community resources** operating expenditure is \$955 thousand (7%) below projection:
 - parks and reserves are \$378 thousand under projection largely due to underspends in maintenance, tree and hedge and gardening budgets to date. The focus has been on the clean-up from the October wind-storm event rather than other maintenance, with some storm related costs still to come.
 - hall operating expenses are \$147 thousand under projection reflecting the status of maintenance projects with the Winton Memorial hall project being completed under budget, and procurement for the Wyndham hall project under way.
 - toilets are under projection by \$165 thousand due to the phasing of the district wide refurbishment project.
 - waste services are under projection by \$112 thousand due to lower interest and insurance costs along with a timing difference in maintenance costs.
- **corporate services** operating expenditure is \$1.9 million (12%) below projection mainly due to forestry harvesting costs yet to be incurred as well as lower interest charges, investment management fees, staff and training costs.
- **environmental services** operating expenditure is \$448 thousand (7%) below projection mainly due to lower staff and legal costs to date.
- **transport** operating expenditure is \$324 thousand (1%) under projection. Road safety is under projection with a number of projects including “learning to cycle safely” yet to be invoiced. Transit recoveries are also under projection with the costs budgeted for electricity to be forecasted out as NZTA is now being invoiced directly for electricity.

Capital expenditure (CAPEX)

Capital expenditure for the period to 31 December 2025 is \$5.7 million (33%) under projection (\$11.9 million actual vs \$17.6 million projection).





- sewerage** is \$759 thousand (53%) under projection due project timing. The main variance relates to the inflow and infiltration project in Winton, and the Manapouri wastewater treatment plant project with the pipeline work scheduled to start in February.
- stormwater** is \$457 thousand (88%) under projection due to the timing of the projects with the main variance being the Edendale/Wyndham project, which is due to start early February.
- transport** capital costs are \$3.8 million (35%) under projection. \$1.5 million of this relates to rehabilitations that are starting in January which is later than anticipated. \$300 thousand relates to bridges with work not starting until late January. In addition, metalling, drainage renewals and traffic services are running behind expectation.
- water supply** is \$437 thousand (22%) under projection due to the timing of when projects are due to start. The main variances relate to the Eastern Bush water supply upgrade, upgrade of the contact tanks in Te Anau and the switchboard and pump upgrade at the Takitimu rural water supply scheme.

Council summary by activity group

SOUTHLAND DISTRICT COUNCIL FINANCIAL SUMMARY									
FOR THE PERIOD TO 31 DECEMBER 2025									
OPERATING INCOME									
Activity	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Var \$	Var %	Projection amount	Budget amount	Var \$	Var %
Community leadership	5,380,410	5,514,605	5,259,689	(134,195)	(2%)	11,545,011	11,056,949	(488,062)	(4%)
Community resources	11,791,534	11,824,466	11,680,807	(32,931)	(0%)	25,330,001	24,829,553	(500,448)	(2%)
Corporate services	13,075,124	14,325,506	14,240,409	(1,250,382)	(9%)	27,641,441	27,451,233	(190,208)	(1%)
Environmental services	6,421,188	6,363,098	6,339,478	58,090	1%	12,911,520	12,741,656	(169,864)	(1%)
Sewerage	5,087,354	5,049,306	5,049,306	38,048	1%	10,085,812	10,085,833	21	0%
Stormwater	839,900	836,159	836,159	3,741	0%	1,702,318	1,702,318	(0)	(0%)
Transport	20,968,784	22,922,353	23,079,944	(1,953,569)	(9%)	53,428,516	53,620,166	191,650	0%
Water supply	4,334,730	4,360,323	4,360,323	(25,593)	(1%)	8,888,272	8,888,272	0	0%
Total	67,899,025	71,195,817	70,846,116	(3,296,792)	(5%)	151,532,891	150,375,979	(1,156,912)	(1%)
OPERATING EXPENDITURE									
Activity	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Var \$	Var %	Projection amount	Budget amount	Var \$	Var %
Community leadership	5,453,568	5,881,878	5,607,743	(428,309)	7%	11,871,958	11,597,694	(274,264)	(2%)
Community resources	12,761,354	13,716,115	13,496,420	(954,761)	7%	27,790,180	26,462,145	(1,328,035)	(5%)
Corporate services	13,959,270	15,825,978	15,549,387	(1,866,708)	12%	29,165,407	28,635,907	(529,500)	(2%)
Environmental services	5,900,795	6,347,787	6,250,465	(447,668)	7%	13,117,583	12,785,892	(331,691)	(3%)
Sewerage	6,718,254	6,790,474	6,757,231	(72,220)	1%	13,449,826	13,242,092	(207,734)	(2%)
Stormwater	1,416,797	1,528,286	1,524,335	(111,488)	7%	2,974,087	2,968,819	(5,268)	(0%)
Transport	25,177,202	25,501,065	25,524,131	(323,863)	1%	52,667,353	52,062,116	(605,238)	(1%)
Water supply	5,627,340	5,480,884	5,406,804	146,456	(3%)	10,608,083	10,509,309	(98,774)	(1%)
Total	77,014,581	81,072,466	80,116,514	(4,058,562)	5.0%	161,644,477	158,263,973	(3,380,504)	(2%)
Net surplus/(deficit)	(9,115,556)	(9,876,649)	(9,270,398)	761,770	(10%)	(10,111,586)	(7,887,994)	2,223,592	1%
CAPITAL EXPENDITURE									
Activity	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Var \$	Var %	Projection amount	Budget amount	Var \$	Var %
Community leadership	-	765	765	(765)	(100%)	265,730	215,730	(50,000)	(19%)
Community resources	2,369,578	2,655,261	1,467,738	(285,684)	(11%)	21,115,254	11,275,498	(9,839,756)	(47%)
Corporate services	214,390	196,682	120,682	17,708	9%	882,249	302,940	(579,309)	(66%)
Environmental services	2,766	1,275	1,275	1,491	117%	507,550	257,550	(250,000)	(49%)
Sewerage	666,080	1,425,000	2,688,531	(758,920)	(53%)	7,331,900	13,553,325	6,221,425	85%
Stormwater	65,261	522,500	375,776	(457,239)	(88%)	4,559,018	3,278,790	(1,280,228)	(28%)
Transport	6,996,482	10,800,772	9,390,075	(3,804,290)	(35%)	33,985,404	33,830,377	(155,027)	(0%)
Water supply	1,559,704	1,997,167	1,602,392	(437,463)	(22%)	5,445,714	6,536,807	1,091,093	20%
Total	11,874,260	17,599,422	15,647,233	(5,725,162)	(33%)	74,092,818	69,251,017	(4,841,801)	(7%)

ACTIVITY GROUPS AND ACTIVITIES							
This table details what is included in the various LTP activities used for this report							
Activity Group	Community leadership	Community resources	Environmental services	Transport	Storm water	Waste water (sewerage)	Water supply
Activity	<p>Community assistance (includes Community Partnership Fund which supports local initiatives and projects, non-Council owned halls along with grants and donations)</p> <p>Regional development (includes investment in Great South)</p> <p>Community futures (includes district development services which includes community leadership, regional development funding and Stewart Island Visitor Levy)</p> <p>Representation and advocacy (includes governance, elected members, elections and chief executive)</p>	<p>Community facilities (includes public toilets, community centres/Council owned halls, office/library/amenity buildings and dump stations)</p> <p>Community services (includes cemeteries, community housing and library services)</p> <p>Open spaces (including parks, reserves, playgrounds and street litterbins)</p> <p>Waste services</p> <p>Stewart Island Electrical Supply Authority (SIESA)</p>	<p>Animal control</p> <p>Building solutions</p> <p>Emergency management</p> <p>Environmental health</p> <p>Resource management</p>	<p>Cycle trails</p> <p>Footpaths</p> <p>Roading</p> <p>Water facilities (includes boat ramps, Riverton Harbour and Stewart Island Jetties)</p> <p>Airport</p>			
<p>Corporate services (shared across all activities) Includes customer and corporate support (such as people and capability, communications, strategy and policy, finance, information management) and forestry.</p>							

Statement of comprehensive income

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES FOR THE PERIOD TO 31 DECEMBER 2025					
	YTD			FYB	
	Actual amount	Projection amount	Budget amount	Projection amount	Budget amount
Revenue					
Rates revenue	37,895,911	38,159,519	38,154,519	77,161,030	77,151,005
Other revenue	6,364,842	7,001,358	7,021,114	13,490,359	13,529,871
Interest and dividends	566,399	10,000	10,000	20,000	20,000
NZ Transport Agency funding	7,365,659	9,533,369	9,423,848	26,327,713	26,108,853
Grants and subsidies	1,299,904	1,158,092	926,999	3,127,493	2,382,203
Other gains/losses	121,743	-	-	2,695,707	2,408,207
Development and financial contributions	38,221	158,613	-	207,857	-
	53,652,680	56,020,951	55,536,480	123,030,160	121,600,139
Expenditure					
Employee benefit expense	10,963,668	11,903,340	11,903,340	22,120,212	22,120,212
Depreciation and amortisation	22,849,793	22,946,779	22,946,779	45,893,558	45,893,557
Finance costs	2,123,221	2,403,555	2,403,555	4,807,109	4,807,109
Other Council expenditure	26,831,554	28,643,927	27,553,204	60,320,867	56,667,254
	62,768,236	65,897,600	64,806,877	133,141,746	129,488,133
Total comprehensive income	(9,115,556)	(9,876,649)	(9,270,398)	(10,111,586)	(7,887,994)

Note:

The revenue and expenditure in the comprehensive income statement does not reconcile to the total income and total expenditure reported in the Council summary by activity group on page 8 due to the elimination of the internal transactions. However, the net surplus/deficit (as per the Council summary by activity group) matches the total comprehensive income (as per the statement of comprehensive income).

The presentation of the statement of comprehensive income aligns with Council's Annual Report. The Annual Report is based on approved accounting standards. These standards require us to eliminate internal transactions. Council is also required to report by activities. A number of Council functions relate to a number of activities, eg finance. To share these costs, an internal transaction is generated between the finance business unit and the activity business units. Within the Annual Report, Council also prepares activity funding impact statements. These statements are prepared under the Financial Reporting and Prudence Regulations 2014. This regulation requires that internal charges and overheads recovered be disclosed separately. The Council summary by activity group is a summary of what these activity funding impact statements will disclose for income and expenditure at year end.

Statement of financial position

Council's unaudited financial position as at 31 December 2025 is detailed below which covers Southland District Council and SIESA financial results.

STATEMENT OF FINANCIAL POSITION			
	NOTE	31-Dec-25 Actual	30 Jun 2025 Actual
Equity			
Retained earnings		687,132,885	696,472,565
Asset revaluation reserves		1,517,844,160	1,517,844,160
Other reserves		46,650,246	43,650,247
Share revaluation		11,361,277	9,172,948
		2,262,988,568	2,270,139,920
Represented by:			
Current assets			
Cash and cash equivalents	(3)	26,651,414	23,822,415
Trade and other receivables		4,820,756	8,578,635
Inventories		148,905	148,905
Other financial assets	(7)	2,196,798	2,196,798
		33,817,873	37,746,753
Non-current assets			
Property, plant and equipment		2,276,147,212	2,287,122,579
Intangible assets		6,654,944	6,654,944
Forestry assets		13,490,000	13,490,000
Internal loans		77,473,204	79,094,173
Investment in associates		3,027,896	3,027,896
Other financial assets	(7)	43,364,544	41,105,968
		2,420,157,801	2,430,495,560
Total assets		2,453,975,673	2,465,242,313
Current liabilities			
Trade and other payables		7,078,802	8,859,741
Deferred revenue		1,922,314	1,699,364
Contract retentions and deposits		433,797	491,985
Employee benefit liabilities		1,933,213	2,816,022
Development and financial contributions		1,065,439	1,060,775
Borrowings	(8)	9,000,000	9,000,000
Provisions		1,126,960	1,126,960
		22,560,525	25,054,847
Non-current liabilities			
Employment benefit liabilities		9,271	9,271
Provisions		8,369,103	8,369,103
Internal loans - liability		77,473,204	79,094,172
Borrowings	(8)	82,575,000	82,575,000
		168,426,580	170,047,546
Total liabilities		190,987,105	195,102,393
Net assets		2,262,988,568	2,270,139,920

Statement of cash flows

Council's unaudited cash flow position as at 31 December 2025 is detailed below which covers Southland District Council and SIESA financial results.

STATEMENT OF CASHFLOWS FOR THE PERIOD TO 31 DECEMBER 2025			
	NOTE	2025/26 YTD Actual	2024/25 Jun-25
Cash flows from operating activities			
Receipts from rates revenue		40,943,441	72,484,432
Receipts from other revenue (including NZTA)		16,055,651	40,750,885
Cash receipts from interest and dividends		557,730	990,305
Payments to suppliers and employees		(40,626,891)	(78,346,988)
Interest paid		(2,123,221)	(3,231,909)
GST general ledger (net)		(22,692)	315,629
Net cash inflow (outflow) from operating activities		14,784,019	32,962,354
Cash flows from investing activities			
Receipts from sale of PPE		123,841	1,650,562
(Increase)/decrease other financial assets		(70,246)	-
Purchase of property, plant and equipment		(11,874,426)	(43,731,404)
Acquisition of investments		(134,188)	(28,002,027)
Net cash inflow (outflow) from investing activities		(11,955,019)	(70,082,869)
Cash Flows from financing activities			
Increase in term loans		-	66,775,000
Repayment of term loans		-	(11,000,000)
Net cash inflow (outflow) from financing activities		-	55,775,000
Net increase/(decrease) in cash and cash equivalents		2,828,999	18,654,485
Cash and cash equivalents at the beginning of the year		23,822,415	5,392,026
Cash and cash equivalents at the end of December	(2)	26,651,414	23,822,415

Notes to the financial statements

Cash and cash equivalents

- On 31 December, Council had \$1,553 cash on hand.
- Funds on call on 31 December 2025:

FUNDS ON CALL			
	AMOUNT	BANK	ACCOUNT
SDC	\$7,902,410	BNZ	Funds on call
	\$10,000	BNZ	Operating bank acc
	\$1,366,782	BNZ	Restricted funds acc
SIESA	\$370,669	BNZ	Funds on call
Total	\$9,649,861		

- On 31 December 2025, Council had \$17 million invested in two term deposits.

TERM DEPOSIT INVESTMENTS				
BANK	AMOUNT	INTEREST RATE	DATE INVESTED	MATURITY DATE
ANZ	\$12,500,000	2.34%	17-Dec-25	16-Jan-26
Westpac	\$4,500,000	1.95%	26-Nov-25	19-Jan-26
Total	\$17,000,000			

Reconciliation to statement of financial position	Amount
Cash and cash equivalents	
SDC Cash on hand (Note 1)	\$1,553
Funds on call (Note 2)	\$9,649,861
Term deposit investments (Note 3)	\$17,000,000
Total cash and cash equivalents per the statement of financial position	\$26,651,414

Other financial assets

- At 31 December 2025, Council held two balanced fund investments.

Balanced Fund Investment		
Balanced Funds	Amount invested	Total value
Milford Balanced Fund	\$17,500,000	\$19,730,942
Westpac (BT Funds Management)	\$17,500,000	\$20,174,743
Total	\$35,000,000	\$39,905,684

- The amount invested includes the \$35 million approved by Council to date. It also includes rebates received (which offsets the fees charged for the managed funds) and is added to the value of the investments. The value at the period being reported is \$39.9 million for the managed funds.
- At 31 December 2025, SIESA had \$1.17 million invested in four term deposits as follows:

SIESA INVESTMENTS - TERM DEPOSITS				
Bank	Amount	Interest rate	Date invested	Maturity date
BNZ	\$370,000	2.20%	4-Dec-25	7-Jan-26
BNZ	\$300,000	4.00%	14-Jul-25	14-Jan-26
BNZ	\$250,000	3.90%	11-Aug-25	11-Feb-26
BNZ	\$250,000	3.65%	7-Oct-25	7-Apr-26
Total	\$1,170,000			

7. At 31 December 2025, Council had \$3.8 million of LGFA borrowers notes as follows:

LGFA BONDS				
	AMOUNT	INTEREST RATE RECEIVED	ESTABLISHMENT DATE	MATURITY DATE
LGFA	\$210,000	3.10%	20-Dec-21	15-May-35
LGFA	\$210,000	3.14%	15-Dec-21	15-Apr-36
LGFA	\$100,000	varies	19-Apr-24	15-Apr-26
LGFA	\$125,000	5.06%	06-May-24	15-May-28
LGFA	\$125,000	5.09%	06-May-24	20-Apr-29
LGFA	\$250,000	5.13%	08-Jul-24	15-Apr-26
LGFA	\$500,000	4.95%	08-Jul-24	15-Apr-27
LGFA	\$250,000	4.91%	08-Jul-24	20-Apr-29
LGFA	\$250,000	4.91%	08-Jul-24	15-May-28
LGFA	\$500,000	4.25%	14-Aug-24	15-May-28
LGFA	\$500,000	4.14%	14-Aug-24	15-Apr-27
LGFA	\$250,000	4.19%	17-Feb-25	17-Feb-29
LGFA	\$250,000	4.22%	15-Apr-25	15-Apr-30
LGFA	\$288,750	4.15%	12-May-25	15-May-30
Total	\$3,808,750			

RECONCILIATION TO STATEMENT OF FINANCIAL POSITION	AMOUNT
Other financial assets	
<i>Current assets</i>	
SDC Term Investments	-
SIESA Investments (Note 6)	\$1,170,000
Civic Assurance shares*	\$12,793
Milford Sound Tourism shares*	\$601,488
LGFA bonds (Note 7)	\$350,000
Milford Sound Tourism current account	\$62,517
Total current financial assets per the statement of financial position	\$2,196,798
<i>Non - Current assets</i>	
SDC Balanced Funds Investments (Note 4)*	\$39,905,684
LGFA bonds (Note 7)	\$3,458,750
Trustee settlor contributions	\$110
Total non-current financial assets per the statement of financial position	\$43,364,544

*These balances are subject to change due to revaluation processes at month end or year end.

8. As at 31 December 2025, the external borrowings of \$91.6 million is made up of:

SDC BORROWINGS						
LENDER	AMOUNT	INTEREST RATE PAID	DATE DRAWN	MATURITY DATE	TYPE	CLASS
LGFA	\$4,000,000	varies	19-Apr-24	15-Apr-26	Floating	Current
LGFA	\$5,000,000	5.58%	8-Jul-24	15-Apr-26	Fixed	Current
LGFA	\$5,000,000	5.36%	8-Jul-24	15-May-28	Fixed	Non-Current
LGFA	\$10,000,000	5.40%	8-Jul-24	15-Apr-27	Fixed	Non-Current
LGFA	\$5,000,000	5.46%	6-May-24	15-May-28	Fixed	Non-Current
LGFA	\$5,000,000	5.49%	6-May-24	20-Apr-29	Fixed	Non-Current
LGFA	\$5,000,000	5.36%	8-Jul-24	20-Apr-29	Fixed	Non-Current
LGFA	\$8,400,000	3.45%	20-Dec-21	15-May-35	Fixed	Non-Current
LGFA	\$8,400,000	3.49%	15-Dec-21	15-Apr-36	Fixed	Non-Current
LGFA	\$10,000,000	4.59%	14-Aug-24	15-Apr-27	Fixed	Non-Current
LGFA	\$10,000,000	4.70%	14-Aug-24	15-May-28	Fixed	Non-Current
LGFA	\$5,000,000	4.64%	17-Feb-25	17-Feb-29	Fixed	Non-Current
LGFA	\$5,000,000	4.67%	15-Apr-25	15-Apr-30	Fixed	Non-Current
LGFA	\$5,775,000	4.60%	12-May-25	15-May-30	Fixed	Non-Current
Total	\$91,575,000					

RECONCILIATION TO STATEMENT OF FINANCIAL POSITION	AMOUNT
Borrowings	
LGFA current	\$9,000,000
LGFA non-current	\$82,575,000
Total borrowings per the statement of financial position	\$91,575,000

Draft 2026/2027 Annual Plan financials and supporting information

Record no: R/26/2/3730
Author: Anne Robson, Group manager finance and assurance
Approved by: Cameron McIntosh, Chief executive
Report type: Decision

Purpose

- 1 The purpose of this report is to confirm the draft financial information for the Annual Plan 2026/2027, including proposed changes to fees and charges; to confirm that these proposed changes do not trigger the need for formal consultation under the Local Government Act; and to seek approval for the planned approach to informing the community on the Annual Plan 2026/2027 (including rates increases) and fee changes.

Staff recommendations

That the Council:

- a) Notes the information contained in the report.
- b) Notes that the matter or decision in this report is assessed as low-moderate importance based on Council's Significance and Engagement Policy and. On this basis, it is recommended that Council proceed with informing the community about the Annual Plan 2026/2027 and fee changes.
- 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) Receives attachments containing the draft Annual Plan 2026/2027 financial statements (A), changes to fees and charges (B), project listing (C) and analysis of proposed rates (E).

- e) Approve changes to the 2025/2026 budgets as requested by community boards and note that these have been incorporated into the opening balance position for the financial information for the Annual Plan 2026/2027:

Community Board Town Project	Current budget (2025/2026)	Revised budget (2025/2026)	Recommended timing (year) and budget
Northern			
FBUILD003A -Lumsden Information Centre - Exterior and interior paint and various repairs	\$30,000	\$81,000	Budget moved from project FBUILD004A Lumsden Information Centre - Interior repaint and floor piling
FBUILD004A-Lumsden Information Centre - Interior repaint and floor piling	\$51,000	\$-	Combine into Project FBUILD003A -Lumsden Information Centre - Exterior and interior paint and various repairs
Tuatapere Te Waewae			
P-11143 - Tuatapere Hall - LED Lighting and Heat Pumps	\$14,280	\$-	Combine into Project P-11444 - Tuatapere Hall remove chimneys and structural report
P-11444 - Tuatapere Hall remove chimneys and structural report	\$9,000	\$23,280	Budget moved from project P-11143 Tuatapere Hall LED lighting and heat pumps
Wallace Takitimu			
P-11201- Nightcaps - McGregor Park development	\$203,539	\$101,539	\$102,000 moved to 2026/27
Fiordland			
P-10769A - Manapouri - Recreational Reserve Playground Equipment renewal	\$42,840	\$-	Moved to 2026/27
Waihopai-Toetoe			
P-11098A – Edendale – Proposed dog park	\$51,000	\$-	Moved to 2026/27
P-10761A - Edendale recreation reserve playground equipment renewal	\$2,855 (loan)	\$2,855 (Waihopai Toetoe Community Board reserve)	Funding source changed
FPARK010A - Woodlands reconstruction of the track to Kingswood Bush	\$51,000 (Woodlands general reserve \$39,028 & Loan \$11,972)	\$51,000 (Woodlands general reserve \$42,143 & Loan \$8,857)	Funding source changed
P-11206B - Wyndham playground redevelopment	\$76,500 (loan)	\$76,500 (Waihopai Toetoe Community Board reserve)	Funding source changed
FFOOT001R - Edendale Wyndham footpath renewal programme	\$376,444 (NZTA \$63,618, Loan \$275,803 & Edendale Wyndham footpath reserve \$37,023)	\$376,444 (NZTA \$63,618, Loan \$274,310 & Edendale Wyndham footpath reserve \$38,516)	Funding source changed
Edendale and Wyndham five speed feedback signs (FFOOT105A, FFOOT106A, FFOOT108A, FFOOT109A and FFOOT112A)	\$48,860 (Waihopai Toetoe ward reserve \$20,060 & Loan \$28,800)	\$48,860 (Waihopai Toetoe ward reserve \$21,607 & Loan \$27,253)	Funding source changed
Oraka Aparima			
P-11214 – Riverton – Riparian Planting	\$10,100	\$15,312	Bring forward \$5,212 for stage 3 planting from 2026/27 and combine with stage 1-2 to complete all planting in 2025/26 with this work to be funded

Community Board Town Project	Current budget (2025/2026)	Revised budget (2025/2026)	Recommended timing (year) and budget
FFOOT004A - Riverton - New footpaths: fund this project from reserves rather than loans.	\$1,841 (Loan)	\$1,841 (Riverton General Reserve)	Funding source to be changed
Oreti			
P-10831 - Winton Centennial Park Playground - Equipment renewal	\$30,600	\$0	Moved to 2026/27

- f) Approves adjustments of \$22,065,205 to the 2025/2026 capital delivery programme for the following projects, as recommended by the Finance and Assurance Committee, noting that these have either moved to 2026/2027, 2027/2028 or have been cancelled.

Area	Project	Current budget (2025/2026)	Adjustment	Revised budget (2025/2026)
District	FBUILD028A-Waikivi Yard - Remove hedges and build new fences in conjunction with neighbours	\$38,513	(\$23,513)	\$15,000
District	FBUILD029A-Waikivi Yard - Options analysis for future facility provisions for depot/yard	\$10,000	(\$10,000)	\$0
District	P-10642A-District Wide Toilets - Renewal preparation	\$206,356	(\$106,356)	\$100,000
District	P-10642B-District Wide Toilets - Renewal construction	\$438,600	(\$383,600)	\$55,000
District	P-10649A-District Wide Toilets - Renewal preparation	\$447,780	(\$150,000)	\$297,780
District	P-11092A-District Wide Toilets - Public toilets	\$353,978	(\$303,978)	\$50,000
District	P-11483-Reserve Management Plans	\$251,537	(\$51,537)	\$200,000
District	P-11481A-Te Anau Recycling Container relocation and CCTV	\$25,302	(\$8,802)	\$16,500
District	FINFO001A-District Wide - Archives business case	\$100,000	(\$100,000)	\$0
District	FINFO002A-District Wide - Archives requirements as the result of business case in 2024/2025	\$510,000	(\$442,500)	\$67,500
District	FINFO003A-District Wide - Ongoing digitisation projects	\$86,860	(\$31,860)	\$55,000
District	P-10453B-Balfour Waste Water Treatment Plant - Consent renewal treatment upgrade	\$800,000	(\$650,000)	\$150,000
District	P-10454B-Edendale/Wyndham Waste Water Treatment Plant - Consent renewal treatment upgrade	\$6,500,000	(\$6,500,000)	\$0
District	P-10454A-Edendale/Wyndham Waste Water Treatment Plant - Consent renewal preparation	\$244,957	(\$94,957)	\$150,000
District	P-10455A-Gorge Road Waste Water Treatment Plant - Consent renewal preparation	\$205,000	(\$110,000)	\$95,000
District	P-10459A-Manapouri - Wastewater treatment upgrade	\$4,894,897	(\$780,000)	\$4,114,897
District	P-10461A-Monowai Waste Water - Consent renewal investment	\$153,750	(\$93,750)	\$60,000
District	P-10462A-Nightcaps Waste Water Treatment Plan - Treatment upgrade and land disposal investigation	\$189,824	(\$95,000)	\$94,824

Area	Project	Current budget (2025/2026)	Adjustment	Revised budget (2025/2026)
District	P-10474A-Stewart Island/Rakiura Waste Water Treatment Plant - Consent renewal preparation	\$41,610	(\$25,000)	\$16,610
District	P-10483A-Wallacetown Waste Water - Consent contribution to Alliance	\$128,125	(\$98,125)	\$30,000
District	P-11331A-Te Anau Treatment Plant - Sludge removal	\$206,025	(\$146,025)	\$60,000
District	P-11060A-Te Anau Stormwater - Sandy Brown Road stormwater upgrade	\$1,061,792	(\$195,000)	\$866,792
District	FROAD001A-District Wide - Bridge programme 2024-2034	\$9,157,425	(\$4,767,425)	\$4,114,897
District	FROAD006A-District Wide - Structure component renewal programme 2024-2034	\$1,176,525	(\$627,562)	\$548,963
District	P-11248A-Orawia Water Supply - Consent renewal preparation	\$102,500	(\$44,000)	\$58,500
District	P-11406A-Riverton Water Treatment Plant - Upgrade	\$1,644,389	(\$1,469,389)	\$175,000
District	P-11406B-Riverton Water Treatment Plant - Upgrade	\$1,587,500	(\$1,587,500)	\$0
District	P-11223B-Te Anau Rural Water Supply - scheme audit remediation	\$558,923	(\$258,923)	\$300,000
Fiordland	FPARK011A-Manapouri Frasers Beach - Reserve management plan renewal	\$102,000	(\$102,000)	\$0
Northern	FBUILD001-Garston playcentre building - exterior repaint	\$30,000	(\$30,000)	\$0
Northern	P-10734-Garston Old Post Office - Replace Distribution Board	\$14,280	(\$14,280)	\$0
Oreti	P-11454-Dipton - Repair or replace bridge across ditch at reserve and level street	\$10,000	(\$10,000)	\$0
Riverton Harbour	P-11225B-Construct new wharf at Pleasure Boat Wharf Riverton	\$814,000	(\$714,000)	\$100,000
Stewart Island	P-11208-Stewart Island/Rakiura - Car park and walking link development	\$102,000	(\$102,000)	\$0
Stewart Island	P-10295-Stewart Island/Rakiura Ulva Island Wharf - Replacement	\$872,508	(\$607,508)	\$265,000
Stewart Island	P-10670A-Stewart Island/Rakiura Golden Bay Wharf - Renewal preparation	\$255,000	(\$200,000)	\$55,000
Stewart Island	P-10670B-Stewart Island/Rakiura Golden Bay Wharf - Renewal construction	\$250,000	(\$250,000)	\$0
Stewart Island	P-10674-Stewart Island/Rakiura Millars Beach - Wharf Refurbishment	\$126,796	(\$92,796)	\$34,000
Tuatapere-Te Waewae	P-11474-Tuatapere Domain Gate	\$5,819	(\$5,819)	\$0
Tuatapere-Te Waewae	FPARK024A-Orepuki Water Tower - Repairs	\$102,000	(\$102,000)	\$0
Waihopai-Toetoe	P-10864A-Edendale and Wyndham - Creation of multi-use track	\$600,000	(\$600,000)	\$0
Waihopai-Toetoe	FFOOT107A-Gorge Road - Speed feedback sign at Gorge Road Invercargill Highway	\$20,000	(\$20,000)	\$0
Waihopai-Toetoe	FFOOT110A-Gorge Road - Speed feedback sign at Tokanui Gorge Road Highway	\$20,000	(\$20,000)	\$0
Waihopai-Toetoe	P-10840A-Wyndham Museum Disposal	\$100,911	(\$40,000)	\$60,911

- g) Agrees to use the District Operations Reserve to fund any shortfall on external debt interest resulting from differences in the timing of when Council charges interest and principal on new internal loans.
- h) Agrees to maintain the funding of water and wastewater depreciation at the amounts included in year 3 of the LTP, resulting in water depreciation being funded at 80% and wastewater at 81% rather than the planned 75%, noting the move to fully funding depreciation on all three waters in 2027/2028.
- i) Confirms that the draft financial information for 2026/2027, including the projected operating deficit is financially prudent given Council's financial position and previous policy decisions around the funding of depreciation.
- j) Note that there are no significant or material differences between the Annual Plan 2026/2027 and year three of the Long Term Plan 2024-2034 and only minor changes to fees and charges for 2026/2027 and therefore agree not to undertake any formal consultation.
- k) Agree to inform the community about the Annual Plan 2026/2027 and changes to fees and charges.
- l) Note that the financial information presented in this report may be subject to further changes prior to the final adoption of the Annual Plan 2026/2027 in June 2026, to reflect any subsequent Council decisions, updates arising from the April forecasting process, and changes in Council's rating information database.

Executive summary

- 2 The Annual Plan 2026/2027 is based on year three of the Long Term Plan 2024-2034 (LTP), incorporating cost changes, updates to projects and associated funding.

Financial information and consultation discussion

- 3 The table below summarises the draft financial information for the Annual Plan 2026/2027 compared to year three of the LTP and the main reasons for the change.

Income & expenses	LTP year 3 (\$million)	Draft 26/27 (\$million)	Main reason for variance
Income (incl rates)	132.42	130.57	▼ rates (interest costs)
Expenses (incl depreciation)	<u>133.35</u>	<u>130.82</u>	▼ interest & maintenance ▲ wage inflation
Surplus/(deficit)	(0.93)	(0.25)	
<i>Balanced Budget</i>	99.3%	99.8%	
Capital expenses	78.58	86.49	▲ project timing
Other funding (incl reserves/loans)	35.18	42.40	▲ loans (project)

- 4 Overall, the Annual Plan 2026/2027 is largely aligned with year three of the LTP, with the adjustments mainly related to the timing and phasing of projects, along with associated funding movements. These include changes to 2025/2026 projects that have been requested by community boards and the Finance & Assurance committee. Additionally changes to fees and charges are minor and largely reflect standard inflationary increases.

- 5 The plan also:
- implements the decision to fully fund water and wastewater interest from rates, rather than using depreciation reserves
 - maintains the funding of water and wastewater depreciation at the higher rates indicated in year three of the LTP
 - provides for the part year of interest on external debt to be funded from the district operations reserve
- 6 The changes also result in Council moving closer to operating a balanced budget, which is a key target for the LTP financial strategy.
- 7 As such, the annual plan reflects only minimal variation from what was set out for year three of the LTP, and the limited nature of these changes means that formal consultation on the Annual Plan 2026/2027 is not legally required under LGA s95(2A).
- 8 Staff are recommending to Council that no formal consultation on the annual plan be undertaken due to no significant or material differences from year three of the LTP. Instead, Council will provide information to the community to keep the community well-informed. This is particularly important because of the scale of increases for individual properties as noted below.

Rate increase

- 9 Although there is minimal change from what was forecast for the year in the LTP, it is important to be clear that this does not mean there will be no increase in rates. In particular, households with water services will see higher increases as Council meets the requirements of the Water Services Delivery Plan to operate financially sustainable water services by fully funding depreciation on water, sewerage, and stormwater over the next two years (26/27: 27.08%; 27/28: 25.28%).
- 10 The below table compares the draft rate increases for 2026/2027 compared to the prior year and year 3 of the LTP.

	LTP year 3	Draft 26/27
Water, Sewerage and Stormwater Rates	34.06%	27.08%
Other Rates (incl. roading, rubbish, general and local rates)	4.83%	4.97%

- 11 Overall, total rate revenue is budgeted to increase by \$7.5 million from the prior year, this is principally due to:
- **wastewater (\$2.6 million)** – related to the repayment of interest costs from rates, which were previously paid from the funded depreciation reserve, funding of depreciation, new debt costs and increased maintenance
 - **water (\$1.7 million)** – related to the repayment of interest costs from rates, which were previously paid from the funded depreciation reserve, increased depreciation funding, new debt costs and government water service levies
 - **general rate (\$1.6 million)** – related to new software costs and changes to license fees, new office loan repayments and depreciation, increase in depreciation funding, audit fees for the LTP and elected members remuneration, in line with the government determination
 - **roading (\$1.1 million)** - allowing for a larger roading programme and to be able to fund any additional opportunities for roading work funded programmes that might come from NZTA/Government.

How the rate increase influences properties

- 12 The actual changes to rates for individual properties will vary across the district depending on the property type, location, capital value and the services provided. The average changes by township and land use are explained in paragraph 94 with more detailed information included in attachment E. In summary the average increase for a residential property is around \$605 per year (14%), largely due to higher wastewater and water costs, with the wastewater rate up \$278 to \$1,207 and the water rate up \$218 to \$1,120.
- 13 Commercial and industrial properties are affected by both roading and higher water and wastewater costs, with commercial properties increasing on average by \$1,580 (15%) and industrial by \$580 (12%). Lifestyle properties, which typically do not receive water, sewerage or waste services, have a lower average increase of \$162 (7%). Increases for rural properties are predominantly driven by changes in the roading rate and general rate which are both set on capital value. Farming increases on average by \$375 (6%), dairy farming by \$785 (5%) and forestry by \$33 (1%).
- 14 Mining properties are seeing an average rates increase of \$5,631 (32%) due to the closure of the Fernhill Limeworks. This has shifted a portion of the roading rate across the remaining mining properties. Staff have yet to consider whether the sector's minimum tonnage assumption should be adjusted in light of this change.

Context

- 15 The Long Term Plan 2024-2034 (LTP) sets out Council's vision, workplan and associated costs to achieve this vision along with financial information and performance information that will be used to measure progress over the ten year period of the plan. The LTP is prepared three yearly with an annual plan prepared in the intervening years (years two and three).
- 16 The annual plan provides an opportunity to review what was proposed for the 2026/2027 year in the LTP including any changes to projects and budgets required since the LTP was prepared. In developing the annual plan, Council also considers whether changes are required as a result of economic, statutory or financial factors, as well as any changes to assumptions, priorities, workplan costs and funding.
- 17 The annual plan provides a mechanism to acknowledge any variances whilst ensuring consistency with the direction proposed in the LTP and ensures the on-going needs of the community are being met.
- 18 The purpose of the annual plan is to:
 - a) contain the proposed annual budget and funding impact statements for the year to which the annual plan relates.
 - b) identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year.
 - c) provide integrated decision making and co-ordination of the resources of the local authority.
 - d) contribute to the accountability of the local authority to the community.
- 19 Once adopted, it becomes the delivery and financial plan for the year and is used to calculate the assessment of rates on properties.
- 20 The review process and development of the plan to date has been undertaken with elected members and staff.

Discussion

- 21 The key changes to the financial information in this Annual Plan compared to year three of the LTP are detailed below. Some of these have resulted from factors outside of Council's control, and others have been made to reflect previous discussions and decisions of Council and community boards.

Roading programme

- 22 Subsequent to the LTP being approved, NZTA confirmed the three-year roading programme that it would contribute to. Overall, it was a reduction of \$18.9 million to the operations and maintenance programme (excluding footpaths) of which Council contributes 45% of the funding and NZTA 55%.
- 23 Roothing expenditure in this 2026/2027 reflects the remaining three-year NZTA approved roading programme however rates revenue continues to reflect the adopted LTP. Council agreed to keep rates revenue at this higher level in case additional NZTA programme initiatives occurred that would allow for additional works to be undertaken.
- 24 Council continues to advocate to both NZTA and Government officials on the importance of maintaining the current levels of service and ensuring a fair return of funding to Southland. To date, Council has had the opportunity to co-fund a further \$5 million of works over the three years, with the balance of any rating money not spent being used to reduce roading loans. In total \$3.7 million has been repaid in 2024/2025 with the remaining \$1 million expected to be repaid in 2025/2026.
- 25 For this annual plan compared to year three of the LTP, the roading programme has increased from \$48.2 million to \$50.6 million split between the capital programme (\$3.8 million) and a reduction in the operating expenditure (\$1.4 million).
- 26 It is important to note that changes to how the NZTA programme is spent means that some of the levers used historically to ensure the use of funds will not be available to the same extent which may result in a higher underspend, in this the last year of the three-year programme.

Depreciation

- 27 Depreciation relating to water, wastewater, stormwater, roading, the new Invercargill office and public conveniences has been updated. Overall, it has increased by \$200,000 compared to year three of the LTP.
- 28 As part of the LTP, Council agreed to increase the depreciation funding of water and wastewater assets by five percent annually until fully funded. Lower than budgeted asset valuation increases have reduced depreciation requirements. As a result, the depreciation funding provided for in the LTP is higher than is now necessary, with water depreciation being funded at 80% and wastewater at 81% instead of the budgeted 75%.
- 29 To meet the governments three waters regulations, the Councils water plan required a balanced budget from 1 July 2028. To achieve this, Council needs to fully fund depreciation from 1 July 2027. Given the one-off increase that will be necessary to achieve this, no changes have been made at this stage to the level of depreciation funding planned for year three of the LTP.

30 Depreciation on the new office building has been calculated for six months.

Funding of part year external interest

31 When Council undertakes a project that is funded from an internal loan, interest and principal repayments on the loan are not charged until the following year to minimise the early collection of rates if the project does not occur as planned.

32 A timing difference is arising because to fund the internal loan, external debt is generally needed and, when external debt is drawn down, interest is charged from that date. This results in a period where external interest costs are unfunded (estimated at \$535,000 in 2026/2027).

33 On the other side, there are instances where rates have been collected for interest and principal on loans for projects that were expected to be completed but have been carried forward (2025/2026, \$891,000). Any excess rates in the business units are transferred to the relevant rates reserves at year end. Of the \$891,000, \$474,000 is going to the district operations reserve and \$371,000 relates to the early repayment of some roading loans as discussed above in the roading section.

34 Based on this, staff are recommending that for 2026/2027, any external interest shortfall be funded, if required, from the District Operations Reserve.

35 As part of developing the Long Term Plan 2027-2037, Council will need to consider if it wishes to make any changes to the way it handles these issues moving forward.

Wastewater disposal standards

36 The wastewater disposal standards were enacted by government late last year. Since then, staff have been working to assess if there are any material changes that are needed to be made to the treatment solutions, project scopes or cost assumptions included in the LTP and subsequently in the Water Services Delivery Plan.

37 It is not expected any changes will be required to this Annual Plan and instead will be incorporated into the LTP 2027-2037.

38 The wastewater projects included in this Annual Plan are based on the LTP. Of the projects to be completed in 2026/2027, \$16.1million relate to wastewater consent renewals with a further \$95.5 million related to these works budgeted in future LTP years.

Water Services Delivery Plan impact in 2027/2028

39 On the 12 November 2025, the Department of Internal Affairs approved Councils Water Services Delivery Plan (WSDP). To be compliant, it needs to demonstrate financial sustainability by 1 July 2028 with depreciation on three waters assets to be fully funded through rates by then.

40 As noted in the depreciation section above, Council has been moving towards fully funding water and wastewater assets gradually, 5% each year, to manage rate increases. Funding of stormwater depreciation has been considered with the planning of each LTP, but affordability concerns have meant this has been held off until water and wastewater was fully funded.

- 41 Overall, implementing the WSDP will mean that in 2027/2028 three water rates will need to increase a further 13% in total (from 12.3% to 25.28%), above that indicated in the LTP.

	27/28 additional depreciation	Rate increase impact		27/28 revised rate per unit \$ (GST incl)
		%	\$ (GST incl)	
Water	\$508,799	6%	\$67.33	\$159.20
Wastewater	\$902,553	8%	\$97.82	\$283.85
Stormwater	\$1,432,086	93%	\$147.44	\$179.93
Total	\$2,843,437	13%	\$312.59	\$622.98

- 42 The table shows the impact per full rating unit for each service and the estimated total rate increase for the service with the additional depreciation added.

- 43 How much each property will pay will be dependent on whether it is in a water or wastewater service area and for stormwater whether the property pays a full or quarter charge.

Water Regulatory fees

- 44 Government has required that Councils contribute to the running costs of the new water service entity Taumata Arowai and the Commerce Commission as regulator.

- 45 These new levies came into effect on 1 July 2025. Councils share has been estimated at \$174,215 and has been included in has been included in 2026/2027.

Projects

- 46 The LTP adopted on the 26 August 2024 included \$80.6 million of projects for 2026/2027. In preparing the Annual Plan, these projects have been amended for expected or known changes including amendments to 2025/2026 that will affect 2026/2027. These include community board requests (as noted below) and changes discussed with the Finance & Assurance Committee in December 2025 (attachment D).

- 47 The summarised table below outlines the projects planned for 2026/2027 by activity compared to year three of the LTP and details the revised 2025/2026 budget.

Activities	2025/2026 Revised Budget	2026/2027 LTP Budget	2026/2027 Annual Plan
Community Resources:			
Offices & Buildings	\$7,118,327	\$5,555,435	\$5,555,435
Toilets	\$2,120,629	\$2,779,145	\$3,723,079
Parks & Reserves	\$3,108,938	\$2,304,574	\$1,406,161
SIESA	\$8,038,150	\$126,656	\$7,876,656
Others (*)	\$2,766,364	\$1,048,487	\$687,368
Corporate Service	\$1,084,563	\$722,411	\$531,366
Three Waters and Waste			
Water	\$5,445,713	\$10,203,586	\$10,180,695
Sewerage	\$7,717,002	\$19,590,285	\$19,288,825
Stormwater	\$4,559,018	\$2,879,069	\$1,705,591
Transport:			
Airport	\$818,845	\$41,697	\$76,697
Footpaths	\$1,563,117	\$1,310,692	\$100,000
Roading	\$30,655,390	\$30,795,902	\$34,641,290
Others (**)	\$748,081	\$3,238,930	\$2,004,197
	\$75,744,136	\$80,596,869	\$87,777,360

**Others* - under Community Resources includes activities such as Cemeteries, Community Housing, Halls, Library Services, Other Property and Waster Services
** *Others* under Transport includes activities such as Boat Ramps, Cycle Trails, Harbour and Stewart Island Jetties

- 48 The key change between the LTP and the annual plan is the inclusion of the first year of costs in relation to the SIESA solar project. A detailed listing of the draft Annual Plan 2026/2027 projects is provided in attachment C.
- 49 Overall, projects funded through local rates have been discussed with community boards as part of the November/December board meetings. Through these discussions, additional changes were requested to the boards 2025/2026 projects (refer table below). Council is now being asked to approve these changes. The adjustments have been incorporated into the financial information included in this report, as they also affect the budgeted loan interest and principal repayments in 2026/2027. If Council makes any changes to these recommendations, they will be reflected in the annual plan presented in June.

Community Board Town Project	Current budget (2025/2026)	Revised budget (2025/2026)	Recommended timing (year) and budget
Northern			
FBUILD003A -Lumsden Information Centre - Exterior and interior paint and various repairs	\$30,000	\$81,000	Budget moved from project FBUILD004A Lumsden Information Centre - Interior repaint and floor piling
FBUILD004A-Lumsden Information Centre - Interior repaint and floor piling	\$51,000	\$0	Combine into Project FBUILD003A -Lumsden Information Centre - Exterior and interior paint and various repairs
Tuatapere Te Waewae			
P-11143 - Tuatapere Hall - LED Lighting and Heat Pumps	\$14,280	\$0	Combine into Project P-11444 - Tuatapere Hall remove chimneys and structural report
P-11444 - Tuatapere Hall remove chimneys and structural report	\$9,000	\$23,280	Budget moved from project P-11143 Tuatapere Hall LED lighting and heat pumps
Wallace Takitimu			
P-11201- Nightcaps - McGregor Park development	\$203,539	\$101,539	\$102,000 moved to 2026/27
Fiordland			
P-10769A - Manapouri - Recreational Reserve Playground Equipment renewal	\$42,840	\$0	Moved to 2026/27
Waihopai Toetoe			
P-11098A – Edendale – Proposed dog park	\$51,000	\$0	Moved to 2026/27
P-10761A - Edendale recreation reserve playground equipment renewal	\$2,855 (loan)	\$2,855 (Waihopai Toetoe Community Board reserve)	Funding source to be changed
FPARK010A - Woodlands reconstruction of the track to Kingswood Bush	\$51,000 (Woodlands general reserve \$39,028 & Loan \$11,972)	\$51,000 (Woodlands general reserve \$42,143 & Loan \$8,857)	Funding source to be changed
P-11206B - Wyndham playground redevelopment	\$76,500 (loan)	\$76,500 (Waihopai Toetoe Community Board reserve)	Funding source to be changed
FFOOT001R - Edendale Wyndham footpath renewal programme	\$376,444 (NZTA \$63,618, Loan \$275,803 & Edendale Wyndham footpath reserve \$37,023)	\$376,444 (NZTA \$63,618, Loan \$274,310 & Edendale Wyndham footpath reserve \$38,516)	Funding source to be changed
Edendale and Wyndham five speed feedback signs	\$48,860 (Waihopai Toetoe ward reserve \$20,060 & Loan \$28,800)	\$48,860 (Waihopai Toetoe ward reserve \$21,607 & Loan \$27,253)	Funding source to be changed

Community Board Town Project	Current budget (2025/2026)	Revised budget (2025/2026)	Recommended timing (year) and budget
(FFOOT105A, FFOOT106A, FFOOT108A, FFOOT109A and FFOOT112A)			
Oraka Aparima			
P-11214 – Riverton – Riparian Planting	\$10,100	\$15,312	Bring forward \$5,212 for stage 3 planting from 2026/27 and combine with stage 1-2 to complete all planting in 2025/26 with this work to be funded
FFOOT004A - Riverton - New footpaths: fund this project from reserves rather than loans.	\$1,841 (Loan)	\$1,841 (Riverton General Reserve)	Funding source to be changed
Oreti			
P-10831 - Winton Centennial Park Playground - Equipment renewal	\$30,600	\$0	Moved to 2026/27

50 Please note that there are likely to be further changes to projects before the annual plan is presented to Council in June. These will reflect any additional forecasting changes approved by Council in its April meeting.

Internal loans

51 At the 30 June 2027, Council is budgeting \$139 million of internal loans, this is \$29 million less than the LTP projection for year three. This is principally due to the revised delivery times of projects being undertaken as well as the repayment of \$3.23 million sat 30 June 2025 of district rate funded internal loans from the district operations reserve that had remaining terms of between one and eight years.

52 Overall, the level of interest and principal repayments has reduced by \$2.6 million from year three of the LTP due to the reduced loan balance and also the reduction in the interest rate applied to loans from 5.7% to 4.82%.

Contract renewals

53 The community facilities team have approximately 137 contracts up for renewal as detailed in the reports to Finance and Assurance Committee and Council in August 2025. Due to expire on the 30 June 2026, these relate to mowing, gardening, toilet, office cleaning and litter collection.

54 As the tenders are currently out, the budgets in the draft annual plan are based on the current contracted rates with an allowance for inflation.

55 Tender evaluations are planned to occur shortly and depending on timing, any monetary changes required may be made as part of the final Annual Plan prepared. If the timing does not allow for changes and they are required, relevant unbudgeted expenditure resolutions will be sought, and the resulting costs and funding will be included in the forecasting of the Annual Plan 2026/2027.

56 Community Boards have been made aware of the process and will be kept informed of the impact of the changes as they become known.

Regional Heritage grant

57 The Southland Regional Heritage Committee (SRHC) came to a natural end with the expiry of the Heads of Agreement on the 30 November 2025.

58 A service delivery review of the provision of heritage services in Southland is to be prepared with a report back to Council before 30 June 2026.

59 In the meantime, costs in relation to cataloguing (\$90,000), of which the majority was for the Southland Museum & Art Gallery (SMAG) have been removed in this Annual Plan.

60 Decisions made from the review will be incorporated into the preparation of the LTP37.

Rate penalties

61 As part of the budgeting process, Council estimates the level of rate penalties expected. These penalties are used to offset general rates collected.

62 When setting the rates for 2025/2026, Council resolved to apply penalties one month after the instalment date or financial year-end, rather than after one week. As a result of this change, and the continued resolution of longer-term outstanding rate debt, staff expect penalty revenue to reduce. Staff have therefore reduced the Annual Plan budget to \$300,000 from \$416,000 (as forecast in year three of the LTP).

Fees and Charges

63 Attachment B outlines the changes proposed to fees and charges in 2026/2027. Of the 664 fees, 64% (422) are not changing from 2025/2026, 15 fees have been removed, as they are no longer required (shaded brown in the attachment). A further 15 fees have decreased including:

- water/sewerage loans and rates postponement fees – reduced due to lower interest costs
- LIM and property file requests -reduced due to updated costs
- Dipton hall hire fees – reduced in line with the community board recommendation.

64 As detailed below, of the fees increasing, 171 are due to inflationary cost increases (up to 4%). A further 42 have increased by more than 4%, including three new fees.

65 Council's ability to set fees and charges is supported by various pieces of legislation, each with different consultation requirements. At this stage, staff are not recommending formal consultation, as the proposed changes are minor and do not trigger any statutory consultation requirements (including for Resource Management Act and Food Act fees which remain unchanged aside from the nationally prescribed MPI food levy increase).

66 Instead, staff suggest that Council may wish to undertake proactive communication to inform the community about the changes prior to adoption.

67 Summary of fee increases

- building control - electronic submission fees increased between \$4.60-\$109 in line with the software provider contract; hard copy application scanning increased by \$30 to align with other departments
- community housing rents - increased due to higher maintenance costs:
 - single flats up \$15 (to \$170)
 - double flats up \$20 (to \$195)
 - non-priority tenant up between \$18-\$24 (to \$204 to \$234)
- information management - LIM/property file fees increased by \$7-\$30 based on updated costs and average processing times
- food fees - MPI levy increased by \$33 in line with prescribed regulations
- hall/office hire – increases of \$2.50-\$90 as recommended by community boards
- library services - photocopying and printing increased between 30c-\$1 to align with external provider charges
- refuse/wheelie bins - whiteware disposal increased by \$1-\$2, monthly bin collection increased by \$1 to match the monthly equivalent of annual bin rate
- roading - worksite non-conformance fee increased by \$15
- vehicle mileage - increased by 13c to \$1.17 to align with IRD rates.

New fees:

- building control - \$1,500 PIM for small standalone buildings (“granny flats”) as recent legislation changes removes the requirement for building consent but requires a more comprehensive PIM
- Tokanui hall - \$50 cleaning fee as recommended by community board
- miscellaneous charges - \$62.50 fee to recover costs for receiving and processing records external agency records (e.g. private BCA building information).

Options

68 The following reasonably practicable options have been identified and assessed in this report:

Option 1 – confirm or change the draft financial information for the Annual Plan and fees for 2026/2027 and inform the community.

Option 2 – confirm or change the draft financial information for the Annual Plan and fees for 2026/2027 and undertake formal consultation with the community.

Recommended option:

- 69 The recommended option is Option 1 – confirm or change the draft financial information for the Annual Plan and fees for 2026/2027 and inform the community.

Option 1 – confirm or change the draft financial information for the Annual Plan and fees for 2026/2027 and inform the community.

Advantages	Disadvantages
<ul style="list-style-type: none"> • avoids creating the expectation that substantive change is proposed or able to be accommodated in the plan and confirms the (LTP) approach adopted in 2024 • enables information to be shared with the community about where Council is at with the implementation of the LTP programme or other projects they may have an interest in • is more cost effective than developing and running a full consultation process • residents and ratepayers are still able to communicate with council through normal channels including public forum sessions at any Council or community board meetings • reduced consultation fatigue • staff can proceed with the work required to prepare the document for adoption • staff can focus on other priorities including the development of the LTP and implementation of the new financial system. 	<ul style="list-style-type: none"> • lower level of community input, as residents are informed but not formally consulted • perception risk if some in the community believe they should have been consulted despite the changes from the LTP not being material. • less opportunity to identify community concerns early, though informal feedback may still occur • depending on the level of change to the financial information or fees, this may result in significant or material changes that could require consultation and impact the timeline to adopt the Annual Plan by 30 June.

Option 2 – confirm or change the draft financial information for the Annual Plan and fees for 2026/2027 and undertake formal consultation with the community.

Advantages	Disadvantages
<ul style="list-style-type: none"> • offers the community a formal opportunity to provide feedback • reduces risk of perceived lack of transparency, particularly for rate increases or sensitive issues • may identify community views or impacts that staff or elected members have not anticipated. 	<ul style="list-style-type: none"> • Council is not proposing any substantive change from the LTP year 3 and is therefore not actively seeking community feedback on any new programme or funding options, which makes full consultation unnecessary. In addition it is not clear what new material would be included in any consultation document • formal consultation incurs a higher cost to ratepayers than other options • adds cost and time, including staff capacity, preparation of consultation materials, advertising, hearings, and deliberations. This would also divert resources away from the LTP process and other work • may also create confusion for the community, as feedback on the annual plan could overlap with or dilute input intended for the LTP • depending on the level of change to the financial information or fees, this may result in significant or material changes that could require consultation and impact the timeline to adopt the Annual Plan by 30 June.

Legal considerations

- 70 The Annual Plan 2025/2026 is a requirement of the Local Government Act 2002 (LGA) and is also closely aligned with the Local Government (2002) Rating Act (LGRA).
- 71 The LGA requires Council to adopt a long term plan (LTP) once every three years and in the two intervening years Council is required to prepare and adopt an annual plan.
- 72 The purpose of an annual plan includes setting out budgets for the coming financial year, identifying any variations from the financial statements and funding impact statements included in the LTP for the relevant year (year 2 or 3), and providing the basis for Council striking the rates. It also helps Council be accountable to the community.
- 73 Annual Plans in the intervening years between LTPs are an opportunity to make adjustments to the LTP.

- 74 The LGA states that local authorities must consult with the public during the annual plan process if the plan includes significant or material differences from the content of the LTP, for the financial year to which the proposed annual plan relates. If Council considers it has significant or material differences, then the LGA requires the consultation document to include the following to explain any differences such as:
- significant or material variations or departures from the financial statements or funding impact statement
 - significant new spending proposals
 - a decision to delay or not proceed with a significant project.
- 75 However, under s95(2A) of the LGA, where there are no significant or material differences from the content of the LTP and the financial year to which an annual plan relates, Council is not required to consult as part of the development of the plan.
- 76 In these cases, the annual plan is essentially confirming what has already been consulted on through the LTP.
- 77 As noted in the financial considerations and significance assessment below, the variations to the financial information and fees have been deemed to be neither significant nor material and do not trigger the need for formal consultation. This supports the recommendation that Council proceed with a community information approach rather than formal consultation

Strategic alignment

Strategic direction

- 78 The plan will continue to progress the programme of works set out in the LTP, along with the associated community outcomes and strategic priorities. While some adjustments have been made to project timing, these changes do not impact Council's ability to deliver on the intended strategic direction over the ten-year LTP timeframe.

Policy and plan consistency

- 79 Given that there are no significant or material differences between the proposed Annual Plan 2026/2027 and year three of the Long-term Plan (LTP) as outlined in the below, the plan is considered consistent with Council's current financial and infrastructure strategies and supporting policies.
- 80 The key departures relate primarily to adjustments in project timing, with these still falling within the overall LTP framework.

Financial considerations

- 81 All anticipated costs related to the Annual Plan 2026/2027 have been incorporated into the budgets at this time and the financial information presented and attached reflects the overall financial consequence of these.

Financial summary – Annual Plan 2026/2027 compared to year 3 of the LTP

- 82 The draft Annual Plan 2026/2027 financial statements including comparisons to year three of the LTP are included in attachment B with the key financial information summarised below.

Income & expenses	LTP year 3 (\$million)	Draft 26/27 (\$million)	Variance	Main reason for variance
Income (incl rates)	132.42	130.57	-1.8 (-1.4%)	▼ rates (interest costs)
Expenses (incl depreciation)	<u>133.35</u>	<u>130.82</u>	-2.5 (-1.9%)	▼ interest & maintenance ▲ employee expenses
Surplus/(deficit)	(0.93)	(0.25)	-0.68	Note: AP 25/26: (7.9m)
<i>Balanced Budget</i>	99.3%	99.8%		Note: AP 25/26: 93.9%
Capital expenses	78.58	86.49	7.9 (10%)	▲ project timing
Other funding (incl reserves/loans)	35.18	42.40	7.2 (20%)	▲ loans (project)
Rate income				
Water, sewerage, stormwater	22.1	21.2	-0.9 (4%)	
<i>% change over prior year</i>	34.06%	27.08%		
Other rates	64.3	63.5	-0.8 (1.2%)	
<i>% change over prior year</i>	4.83%	4.97%		

- 83 Council's planned deficit is \$0.25 million, which is \$0.68 million lower than indicated in the LTP.
- 84 Overall **income** has reduced by \$1.8 million from a planned \$132.4 million to \$130.6 million. The key changes are:

Income	Difference in (\$million)
Decrease in expected property sale revenue pending the development of the spatial plan	(\$0.7)
Decrease in interest & dividends received. This is now budgeted under comprehensive revenue in line with accounting rules.	(\$0.8)
Decrease in rates revenue	(\$1.7)
Increase in NZTA funding in line with the NZTA approved programme	\$1.5

- 85 Overall **operating expenditure** is down \$2.5 million from a planned \$133.3 million to \$130.8 million. The main changes are:

Expenses	Difference in (\$million)
Employee expenses: Increase in costs due mainly to inflationary pressures	\$0.6
Finance Costs: The level of borrowings has decreased by \$14.7 million as well as interest rates decreasing from 5.67% to 4.82%	(\$1.77)
Other council expenditure: Decrease in road maintenance costs	(\$1.3)

- 86 Overall **rates** income for water, wastewater, and stormwater is \$0.8 million lower than forecast for year three of the LTP, reducing from a planned \$22.1 million to \$21.2 million. Rates income for all other activities is also \$0.8 million lower than planned, decreasing from \$64.3 million to \$63.5 million. The main driver of these reductions is lower interest costs, due to fewer loans being drawn down in earlier years as a result of project timing changes. This has deferred loan interest repayments, and the lower interest rates on borrowings have also contributed to the reduction.

Benchmarks

- 87 Council is required under the Local Government (Financial Reporting and Prudence) Regulations 2014 and section 100 of the Local Government Act 2002 to report against a set of benchmarks around three key elements of financial prudence – affordability, sustainability and predictability. As shown in the table below, Council is meeting all of the benchmarks except the balanced budget benchmark.

Benchmark	Quantified Limit	Planned as per LTP 26/27	Met for LTP 26/27	Planned as per the AP 26/27	Met for AP 26/27
Rates Affordability Benchmark	11.0%	11.0%	Yes	9.8%	Yes
Debt Affordability Benchmark	175%	100.2%	Yes	85.9%	Yes
Balanced Budget Benchmark	100%	99.3%	No	99.8%	No
Essential Services Benchmark	100%	165%	Yes	162%	Yes
Debt Servicing Benchmark	10%	5.76%	Yes	4.48%	Yes

- 88 The balanced budget benchmark requires Council to ensure that projected operating revenues are set at a level that is sufficient to meet projected operating expenditure. In the first seven years of the LTP, Council's projected annual income is budgeted to be less than the operating expenditure and this means Council will not meet this benchmark for this period.
- 89 As part of adopting the LTP, Council agreed it was financially prudent to project operating deficits in seven of the ten years of the plan as Council was transitioning towards fully funding depreciation on its water and wastewater infrastructure. In line with Council's Water Delivery Plan, approved by the government, fully funding of Councils water infrastructure will be achieved in 2027/2028, the first year of the 2027-2037 LTP.

Rate increase from 2025/2026 to 2026/2027

- 90 The information below relates to the proposed rates for 2026/2027 compared to the prior year (2025/2026). This varies from the financial information shown above which compares the proposed rates for 2026/2027 against what was forecast for year three 2026/2027 in the LTP.
- 91 Overall rates are budgeted to increase by \$7.5 million (excl GST). The impact on any ratepayer will differ depending on the type of property, its location and the services it pays for as well as the capital value of the property and any other factors such as being contiguous.
- 92 The key reasons for the increase include:
- \$1.1 million for roading to reflect the NZTA approved 3 year programme and to allow for Council to undertake any additional opportunities for roading work funded programmes that might come from NZTA/Government
 - \$0.3 million for stormwater related to increased interest and repayments (\$185,000) and an increase in maintenance (\$105,000)
 - \$0.3 million for additional waste disposal and collection costs because of annual contract and volume increases (\$255,000)
 - \$2.6 million in wastewater costs, including the repayment of interest costs from rates, which were previously paid from the funded depreciation reserve (\$1.3 million), funding of depreciation (\$740,000), new debt costs (\$177,000), maintenance (\$171,000), other costs (\$224,000) including new water service levies (\$49,000) and telecommunication improvements (\$140,000)

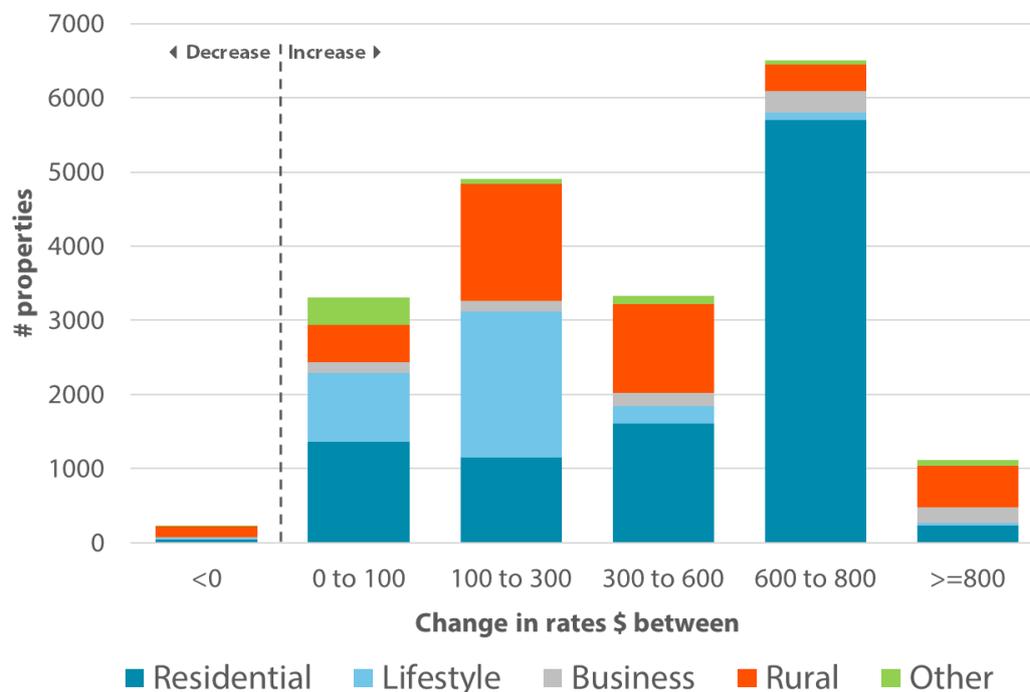
- \$1.7 million in water costs, including the repayment of interest costs from rates, which were previously paid from the funded depreciation reserve (\$765,000), increased depreciation funding (\$307,000), new debt costs (\$294,000), new water service levies (\$120,000), other costs (\$189,000)
- \$1.6 million for the general rate, covering new software costs and changes to license fees (\$432,000), new office loan repayments and depreciation (\$293,000), increase in depreciation (\$454,000), audit fees for the LTP (\$147,000), elected members remuneration, in line with the government determination (\$125,000).

Offset by a \$0.3 million reduction in rates penalties and an increase in the rates SDC pays to itself.

Average rate increases

- 93 The proposed rate change for individual properties will vary across the district depending on the property type, location, capital value and the services provided. The average changes are noted below with more detailed information included in attachment E.
- 94 For the average residential property, the increase is around \$605 per year (14%), or about \$12 per week. The main drivers for this are higher wastewater and water costs, with the wastewater rate up \$278 (from \$929 to \$1,207) and the water rate up \$218 (from \$901 to \$1,120). It is also important to note that the average residential rate change varies significantly by township, depending on the services it receives, they range from an increase of \$124 (5%) in Athol to around \$694 (14%) in Te Anau.
- 95 Rate impacts also differ across property type. Commercial and industrial properties are affected by both roading and higher water and wastewater costs, with commercial properties increasing on average by \$1,580 (15%) and industrial by \$580 (12%). Lifestyle properties, which typically do not receive water, sewerage or waste services, have a lower average increase of \$162 (7%). Increases for rural properties are predominantly driven by changes in the roading rate and general rate - farming increases on average by \$375 (6%), dairy farming by \$785 (5%), forestry by \$33 (1%) and mining by \$5,631 (32%).
- 96 The higher average increase for the mining sector is the result of the closure of the Fernhill Limeworks at Centre Bush/Limehills. This property is now rated as farming rather than mining for the roading rate, which has had a flow-on impact on the amount of roading rates payable by the remaining mining properties. These properties are now picking up the share of the heavy-vehicle rate allocation for the roading rate that was previously paid by the limeworks, which accounted for around 20% of the total capital value of the mining sector.
- 97 Staff have not yet had an opportunity to consider whether the closure of the limeworks should result in a reduction in the minimum tonnage allocated to the mining sector for the roading rate, or whether the existing tonnage assumption remains reasonable on the basis that other lime mines may continue to supply the market in place of the closed limeworks.
- 98 A summary of the proposed increase in bands by land use and the number of properties to which it will apply is presented in the graph below. Please note that these figures reflect the proposed rates at 17 February 2026 and exclude increases due to outliers like new houses being built or one-off changes to the way a property is rated due changes to the property.

Number of properties and \$ change range by landuse



Significance assessment

- 99 As noted earlier, Council must consult on the annual plan where there are significant or material differences from the LTP for the financial year to which the annual plan relates. If there are no such differences, Council is not legally required to consult, as in these cases the annual plan confirms what has already been consulted on through the LTP.
- 100 Council’s Significance and Engagement Policy sets out the framework for determining the degree of significance attached to particular issues, proposals, decisions and activities and when communities can expect to be engaged in the decision-making process. The level of significance is shown in the table below.

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.

- 101 Staff have reviewed the financial information for the draft annual plan and compared this to what was proposed for year three of the LTP to assess the significance of any changes.

- 102 The key changes as discussed in the financial summary above relate to:
- increased capital expenses (\$7 million) due to changes in project timing with associated increases in project funding from loans/reserves. More information about the changes in project timing are noted earlier in the report.
 - lower operating expenses (\$2.5 million) due principally to reduced loan interest and maintenance costs
 - lower income (\$1.8 million) due to lower rates flowing from lower operating expenses

Assessing the significance of these changes using policy criteria

How much does the matter impact on Council's community outcomes for Southland district?

- 103 Little or no impact - the plan will continue to work towards the LTP community outcomes. While there have been some changes to project timing, this will not affect Council's ability to deliver on the intended community outcomes.
- 104 The LTP 2024-2034 (adopted in August 2024) forecast higher rate increases in years 1-3 (13%, 8%, 11%) to support essential infrastructure renewals and move toward fully funding depreciation and to ensure a balanced budget where operating costs are funded from operating income rather than reserves or debt. The focus was on prioritising bridge renewals and investment in the ageing roading network, noting that rising costs meant Council could no longer maintain the same amount of work for the same funding, resulting in reduced levels of service on some roads.
- 105 The Annual Plan 2026/2027 continues to work towards these goals with some changes in project timing and accelerates the progress towards funding depreciation on waters and operating a balanced budget.

Does the matter impact the levels of service for any Council activity (as set out in the LTP)?

- 106 Little or no impact - the adjustments are not likely to impact the LTP level of service as they are not significantly or materially different from what was included in the LTP. The changes largely relate to the timing of capital programme delivery with some projects from 2025/2026 expected to be carried over into 2026/2027 and some projects originally planned for 2026/2027 being done earlier or deferred to another year.

Does the matter align with existing Council strategies, plans and policies and previous Council decisions?

- 107 Aligned - the proposed changes are implementation/timing adjustments within the existing LTP strategic framework and decisions previously resolved by Council.

How are people impacted by the matter? Are particular groups disproportionately impacted (such as Māori, socio-economic groups)?

- 108 The proposed changes are primarily related to the timing of when projects will be delivered. As the overall rates increase is lower than what was forecast for year three of the LTP, the financial impact on the community is expected to be slightly less than previously anticipated. At this stage, no particular groups are identified as being disproportionately impacted by the proposed changes.

Does the matter mitigate or help the district adapt to climate change?

- 109 Neutral - the proposed changes are timing adjustments and are not expected to have any material impact on the climate change outcomes built into the LTP.

How big are the financial costs for the matter? Are they already budgeted for?

- 110 The financial impacts are close to that forecast in the LTP and are aligned with changes approved by Council through forecasting. The higher capital expenditure is a timing effect rather than change in programme or scope. Changes in debt and interest costs are a result of changes in project timing with reduced loan drawdowns to date. While the capital expenditure is higher, the movement is within adopted strategy and funding policies and does not require a departure from the LTP's financial strategy parameters.

Is the matter reversible?

- 111 Yes - while the annual plan establishes the financial parameters for the year, Council retains the ability to make alternative decisions within those budgets through its normal decision-making and governance processes.

Are the public interested in the matter?

- 112 Moderate - there is likely to be public interest in the rates increase (even if below LTP forecast) or where projects are deferred or removed. Interest is likely to be place-based for communities directly affected by specific project changes. Clear communication on what has changed and why will help manage expectations.

Overall significance assessment

- 113 Overall, the Annual Plan 2026/2027 is largely aligned with year 3 of the LTP, with the adjustments proposed relating mainly to the timing and phasing of projects, along with associated funding movements. These changes remain consistent with the three-year programme outlined in the adopted LTP. Rates increases are slightly lower than forecast in the LTP for year three, primarily due to lower interest costs resulting from changes in project timing. Although capital expenditure is \$7 million higher than originally forecast, this increase reflects previously approved carry-forwards and does not represent a shift away from the LTP three-year capital programme or financial strategy. Changes to fees and charges are minor and largely reflect standard inflationary increases.
- 114 As such, the annual plan reflects only minimal variation from what was set out for year three of the LTP 2024–2034, and the limited nature of these changes means that formal consultation on the Annual Plan 2026/2027 is not legally required under LGA s95(2A).
- 115 Given this and the predominantly inflation-based changes to fees and charges, the overall level of significance is assessed as low to moderate under Council's Significance and Engagement Policy.

Community views

- 116 Formal public consultation on the Annual Plan 2026/27 is not being recommended because there are no significant or material differences from what was already outlined in year three of the Long Term Plan 2024–34. The annual plan is consistent with the projects, budgets, and levels of service previously consulted on through the LTP and therefore does not trigger the statutory threshold that would require further consultation.

- 117 Although formal consultation is not required, Council will provide an information flier to ensure transparency and to keep the community well-informed. This will outline:
- the average rates increase for the three waters and the other rates, noting that this is an average and does not mean everyone will see an increase of this amount
 - the substantial increase in water-related rates, which was previously signalled in the LTP as part of the planned investment in three-waters infrastructure. This reflects higher depreciation funding and increased maintenance and electricity costs.
 - an update on central government reforms, summarising what these changes may mean for Southland communities, our assets, and future funding arrangements
- 118 This approach ensures Council continues to provide clear, open, and accessible information to the community about rates, assets, and national reforms that influence local decision making.

Climate change considerations

- 119 The decision to confirm the draft financial information in relation to the 2026/2027 Annual Plan has no direct climate change implications.
- 120 However, the projects and activities on which this plan is prepared will continue to provide opportunities to reduce emissions and enhance climate resilience. This will be achieved through careful consideration of asset design and location, incorporating changing rainfall patterns, sea-level rise, updated standards, and innovative approaches, as well as seeking ways to minimise greenhouse gas emissions during construction.
- 121 At this stage, staff have not assessed the emissions impact of the proposed revision. Climate resilience will continue to be addressed during project scoping and design phases.

Risk and mitigations

- 122 There will continue to be risk around the delivery of projects both from internal and external factors.
- 123 The Annual Plan 2026/2027 carries financial and operational risks, particularly if budgets are insufficient to fund actual costs. This may occur where projects are not fully scoped or priced, or where actual contract prices exceed estimates. This is considered to be a medium risk, one that is likely to occur but with minor consequences given that inflationary increases have been included in the plan budgets and staff have updated forecasts for expected changes. Where a funding gap exists, Council may need to approve unbudgeted expenditure using short-term loan or reserve funding until the next budgeting review. Council may also need to reprioritise or defer non-essential projects, adjust service levels, or seek alternative funding sources. This risk can be mitigated through updated cost estimates and early communication with the elected members.

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- 124 To date, some three waters projects have been delayed due to contractor delays and lower than anticipated responses to recent tenders due to current contractor workloads. As a result, this may further delay works in the 2025/2026 year which will have a flow on effect into the 2026/2027 year. To mitigate the risk, contract managers will be required to monitor contractual obligations, expectations, processes and adherence of the contractors to their timeframes. However, some risk will not be able to be mitigated and will result in the revision of works as part of the forecasting process and any other reviews necessary.
- 125 There is also low social (reputational) risk if Council make significant changes to projects from those originally forecast in the LTP as the community has been consulted on that programme. This risk can be mitigated through clear communication with the community about the reasons for any changes.

Next steps

- 126 Staff will finalise the draft plan and communication material.
- 127 The final draft plan will be presented in May/June 2026, going to the Finance and Assurance Committee before being considered for adoption by Council. The final will incorporate any forecasting changes approved by Council in April 2026 and any other unbudgeted expenditure requests received before the end of April 2026.

Attachments

- A Draft Annual Plan financial statements 2026/2027 [↓](#)
- B Schedule of proposed changes to fees and charges 2026/2027 [↓](#)
- C Project List 2026/2027 [↓](#)
- D Proposed changes to 2025/2026 projects [↓](#)
- E Analysis of proposed rates 2026/2027 [↓](#)

Prospective Statement of Comprehensive Income	Actual 2024/25 (\$000)	AP 2025/26 (\$000)	LTP 2026/27 (\$000)	AP 2026/27 (\$000)
Income				
Rates revenue	71,652	77,151	86,355	84,682
Other revenue	14,782	13,530	13,933	13,826
Interest and dividends	1,138	20	1,618	761
Grants and subsidies (including NZTA)*	20,921	28,491	28,381	29,892
Other gains/(losses)	1,851	2,408	2,136	1,408
Vested assets	3,412	-	-	-
Development and financial contributions	44	-	-	-
	113,799	121,600	132,423	130,569
Expenditure				
Employee benefit expenses	19,759	22,120	21,398	21,974
Depreciation and amortisation	41,315	45,894	45,191	45,427
Finance costs	3,688	4,807	7,622	5,849
Other council expenditure	55,719	56,667	59,136	57,577
	120,481	129,488	133,347	130,826
Share of associate's surplus/(deficit)	843	-	-	-
SURPLUS/(DEFICIT) BEFORE TAX	(5,839)	(7,888)	(924)	(257)
Income tax benefit	-	-	-	-
SURPLUS/(DEFICIT) AFTER TAX	(5,839)	(7,888)	(924)	(257)
Financial assets at fair value through other revenue and expense	3,428	1,957	-	1,778
Gain/(Loss) on property, plant and equipment revaluations	26,396	46,756	53,988	47,310
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	23,985	38,868	53,065	48,831

Prospective Statement of Changes in Equity	Actual 2024/25 (\$000)	AP 2025/26 (\$000)	LTP 2026/27 (\$000)	AP 2026/27 (\$000)
Balance on 1 July	2,246,155	2,296,280	2,350,481	2,302,836
Total comprehensive revenue and expense for the year	23,985	38,868	53,065	48,831
Balance on 30 June	2,270,140	2,335,148	2,403,546	2,351,666

Prospective Statement of Financial Position	Actual 2024/25 (\$000)	AP 2025/26 (\$000)	LTP 2026/27 (\$000)	AP 2026/27 (\$000)
Equity				
Retained earnings	696,473	689,933	701,330	685,554
Asset revaluation reserves	1,517,844	1,602,617	1,660,561	1,611,910
Fair value reserves	9,173	8,734	4,526	12,907
Other reserves	46,650	33,864	37,129	41,295
TOTAL EQUITY	2,270,140	2,335,148	2,403,546	2,351,666
Current assets				
Cash and Cash equivalents	23,822	1,000	1,000	1,000
Trade and other receivables	8,579	10,801	13,444	11,803
Inventories	149	130	117	149
Work in Progress	2,197	-	-	-
Other financial assets	-	667	474	4,038
	34,747	12,598	15,035	16,990
Non-current assets				
Property, plant and equipment	2,287,123	2,409,133	2,522,270	2,450,449
Intangible assets	6,655	5,728	4,669	6,655
Forestry assets	13,490	15,780	18,120	16,020
Internal Loans	-	-	-	138,454
Investments in Associates	3,028	2,185	2,083	3,028
Long Term Investments	41,109	40,534	44,117	45,441
	2,351,405	2,473,360	2,591,259	2,660,047
TOTAL ASSETS	2,386,152	2,485,957	2,606,294	2,677,037
Current liabilities				
Trade and other payables	8,860	11,754	12,667	10,212
Contract retentions and deposits	1,699	2,156	3,347	3,232
Employee benefit liabilities	492	3,301	3,059	3,102
Development and financial contributions	2,816	1,045	990	1,061
Provisions	1,061	-	-	1,127
Investments in associates	1,127	-	-	-
Borrowings	9,000	10,000	4,238	30,000
	25,055	28,256	24,301	48,734
Non-current liabilities				
Employee benefit liabilities	9	11	11	9
Provisions	8,369	8,316	8,761	8,940
Internal Loans - Liability	-	-	-	138,454
Borrowings	82,575	114,227	169,675	129,233
	90,953	122,553	178,447	276,637
TOTAL LIABILITIES	116,008	150,809	202,748	325,371
NET ASSETS	2,270,144	2,335,148	2,403,546	2,351,666

Statement of Prospective Cash Flows	Actual 2024/25 (\$000)	AP 2025/26 (\$000)	LTP 2026/27 (\$000)	AP 2026/27 (\$000)
Cash flows from operating activities				
Receipts from rates revenue	72,484	77,151	86,355	84,682
Receipts from Waka Kotahi NZ Transport Agency	40,691	26,109	23,782	28,076
Interest and dividends	990	20	1,618	761
Receipts from other revenue	60	12,965	19,296	16,405
Payment to suppliers and employees	(78,571)	(80,443)	(79,689)	(78,911)
Interest paid	(3,232)	(4,807)	(7,622)	(5,849)
GST (net)	316	-	-	-
Net cash inflow/(outflow) from operating activities	32,738	30,995	43,739	45,165
Cash flows from investing activities				
Receipts from sale of property, plant and equipment	1,651	1,148	866	138
Receipts from investments	-	1,957	-	10,000
Purchase of property, plant and equipment	(43,731)	(69,251)	(78,579)	(86,488)
Acquisition of investments	(28,002)	2,980	(1,395)	(4,414)
Purchase of intangible assets	-	-	-	-
Net cash inflow/(outflow) from investing activities	(70,083)	(63,166)	(79,109)	(80,764)
Cash flows from financing activities				
Proceeds from borrowings	66,775	31,718	39,406	45,600
Repayment of borrowings	(11,000)	-	(4,036)	(10,000)
Net cash inflow/(outflow) from financing activities	55,775	31,718	35,369	35,600
Net increase/(decrease) in cash and cash equivalents	18,431	(453)	-	-
Cash and cash equivalents at the beginning of the year	5,392	1,453	1,001	1,000
Cash and cash equivalents at the end of the year	23,822	1,000	1,001	1,000

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities	Actual 2024/25 (\$000)	AP 2025/26 (\$000)	LTP 2026/27 (\$000)	AP 2026/27 (\$000)
Surplus/(deficit) after tax in prospective income statement	(5,840)	(7,888)	(924)	(257)
Add/(Less) non-cash items				
Depreciation and amortisation	41,315	45,894	45,191	45,427
Forestry Revaluation	200	(1,260)	(1,270)	(1,270)
Vested Assets	-	-	398	-
Emission trading units	-	-	-	-
Add/(Less) items classified as investing or financing activities				
Gains/(losses) in PPE disposal	(1,651)	(1,148)	(866)	(138)
Add/(Less) movements in working capital items				
Trade and Other Receivables	(5,892)	(2,830)	(394)	(394)
Inventories	-	(0)	-	-
Trade and Other Payables	4,606	(1,772)	1,603	1,797
Net cash flow from operating activities	32,738	30,995	43,738	45,165

Schedule of changes proposed to fees and charges 2026/27 (for draft Annual Plan as at 17.02.26)

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Key: ■ New fee ■ Removed fee		2025/26 (GST incl)	2026/27 (GST incl)	Change \$	Reason for change
Fee					

Alcohol - sale and supply of alcohol and gambling

Other fees payable					
Administration fee	Per hour	\$160.00	\$163.00	\$3.00	Inflationary adjustment

Building solutions

Processing time charge-out rates					
Administration	Per hour	\$160.00	\$165.00	\$5.00	Inflationary adjustment
Building control/compliance officer	Per hour	\$247.00	\$255.00	\$8.00	As above
Additional inspection charge-out rate					
Includes re-inspection (after a failed inspection) and also cancelled inspections (if not cancelled by 2pm the day prior to the inspection booking).	Per inspection	\$385.00	\$395.00	\$10.00	Inflationary adjustment
Building work					
Freestanding fireplace (Residential only - includes new and second-hand as well as warranty replacement installations and wetback heaters). Includes code compliance certificate application fee and no electronic submission fee will be applied.		\$645.00	\$660.00	\$15.00	Inflationary adjustment
Inbuilt fireplace (Residential only - includes new and second-hand as well as warranty replacement installations and wetback heaters). Includes code compliance certificate application fee and no electronic submission fee will be applied.		\$870.00	\$890.00	\$20.00	As above
\$0 - \$5,000		\$1,190.00	\$1,220.00	\$30.00	As above
\$5,001 - \$10,000		\$1,540.00	\$1,575.00	\$35.00	As above
\$10,001 - \$20,000		\$2,270.00	\$2,320.00	\$50.00	As above
\$20,001 - \$50,000		\$3,050.00	\$3,120.00	\$70.00	As above
\$50,001 - \$100,000		\$3,900.00	\$3,985.00	\$85.00	As above
\$100,001 - \$250,000		\$5,145.00	\$5,260.00	\$115.00	As above
\$250,001 - \$500,000		\$6,700.00	\$6,850.00	\$150.00	As above
\$500,001 - \$900,000		\$8,200.00	\$8,380.00	\$180.00	As above
\$900,000 +		\$10,700.00	\$10,940.00	\$240.00	As above
*Unlined shed/accessory building - \$20,001-\$500,000		\$2,500.00	\$2,555.00	\$55.00	As above
*Unlined shed/accessory building - \$500,001-\$900,000		\$4,240.00	\$4,335.00	\$95.00	As above
*Unlined shed/accessory building - \$900,000 +		\$5,100.00	\$5,215.00	\$115.00	As above

Key: ■ New fee ■ Removed fee		2025/26	2026/27	Change	Reason for change
Fee		(GST incl)	(GST incl)	\$	
Residential re-roof/re-clad only (includes addition of insulation)		\$1,630.00	\$1,665.00	\$35.00	As above
Other fees and charges applied to a building consent (where relevant)					
Site service assessment		\$405.00	\$415.00	\$10.00	Inflationary adjustment
Compliance schedule/statement	Per Compliance Schedule Issued	\$247.00	\$255.00	\$8.00	As above
Application for minor variation		\$235.00 + hourly rate for processing time spent and inspections required.	\$240.00 + hourly rate for processing time spent and inspections required.	\$5.00	As above
Amendment to building consent (includes durability modification applications)	Cost is per hour. Amendments relate ONLY to amending works within the scope the original application. Additional works that expand the scope are required to be applied for as a new building consent	\$247.00 + hourly rate for processing time spent and inspections required.	\$252.00 + hourly rate for processing time spent and inspections required.	\$5.00	As above
Extension of time for building consent		\$105.00	\$107.00	\$2.00	As above
Building Act certificate - Section 37 (Resource Consent Required)		\$160.00	\$165.00	\$5.00	As above
Building Act certificate - Section 71-74 (Natural Hazard)		\$247.00	\$252.00	\$5.00	As above
Building Act certificate - Section 75-83 (Building over allotments)		\$247.00	\$252.00	\$5.00	As above
Code compliance certificate application		\$141.00	\$145.00	\$4.00	As above
Other applications received by Council					
Service required	Fee/ charges comprises				
PIM	Project information memorandum (PIM only application)	\$485.00	\$500.00	\$15.00	Inflationary adjustment
PIM – commercial/industrial	Project information memorandum (PIM only application)	\$667.00	\$685.00	\$18.00	As above
PIM – small standalone	Project information memorandum (PIM only application)	\$0.00	\$1,500.00	\$1,500.00	New legislation introduced by government means small standalone buildings (e.g. Granny Flats) no longer require a building consent but instead will require a PIM. The PIM for these is more

Key: ■ New fee ■ Removed fee					
Fee		2025/26 (GST incl)	2026/27 (GST incl)	Change \$	Reason for change
					extensive to cover all the required areas than the current PIM
Amusement device permit		\$11.50	\$11.75	\$0.25	Inflationary adjustment
Certificate for public use (note: cost of subsequent CPU application = previous charge x 2)	First application	\$415.00	\$425.00	\$10.00	As above
Certificate of acceptance – urgent works	Applies to emergency work only	\$1,320.00	\$1,350.00	\$30.00	As above
Exemption to building consent application - Schedule 1	Acceptance of paperwork	\$272.00	\$280.00	\$8.00	As above
Exemption to building consent application - Schedule 1 (2)		\$577.00	\$590.00	\$13.00	As above
Other fees for activities/services performed by Council					
Service required	Fee/charges comprises				
Building warrant of fitness (BWOFF) onsite inspection	1-3 system types	\$385.00	\$395.00	\$10.00	Inflationary adjustment
Building warrant of fitness (BWOFF) onsite inspection	4-5 system types	\$580.00	\$595.00	\$15.00	As above
Building warrant of fitness (BWOFF) onsite inspection	6+ system types	\$675.00	\$690.00	\$15.00	As above
Annual BWOFF renewal	Per Hour – Minimum 1 hour	\$160.00	\$165.00	\$5.00	As above
Relocatable building report		\$535.00	\$550.00	\$15.00	As above
Earthquake prone building	Engineer report review and decision	\$370.00	\$380.00	\$10.00	As above
Replacement Earthquake Prone Building Notice (after 2 issued)		\$157.00	\$160.00	\$3.00	As above
Exemption from undertaking seismic strengthening	Application fee	\$470.00	\$480.00	\$10.00	As above
Compliance schedule – amendments	Per hour – minimum 1 hour	\$270.00	\$275.00	\$5.00	As above
Change of use (S115) – if no building consent lodged or building work required to be undertaken		\$405.00	\$415.00	\$10.00	As above
Swimming pool inspection (includes spa pools and pool safety barrier)		\$237.00	\$242.00	\$5.00	As above
Swimming pool re-inspection		\$180.00	\$185.00	\$5.00	As above
Swimming pool report	Receipt of independent qualified pool inspector review	\$56.00	\$57.00	\$1.00	As above
Alternative solution or waiver (formal request to add to Council's register)	Assessment of other than minor alternatives (paid on lodging)	\$1,365.00	\$1,395.00	\$30.00	As above
Sale of alcohol and resource consent assessments in relation to the Building Act and Building Code	Per hour – minimum 1 hour	\$157.00	\$160.00	\$3.00	As above
Notice to fix – Not supplying a building warrant of fitness (BWOFF)		\$270.00	\$275.00	\$5.00	As above
Notice to fix – Issued for all reasons excluding not supplying building warrant of fitness. Includes issuing Dangerous / Insanitary Notice for circumstances that are not incidental e.g. fire and not displaying earthquake prone building notice.		\$525.00	\$540.00	\$15.00	As above
Data report	Per report	\$35.00	\$36.00	\$1.00	As above

Key: ■ New fee ■ Removed fee					
Fee		2025/26 (GST incl)	2026/27 (GST incl)	Change \$	Reason for change
Administration service providers charges					
Electronic submission fee - value of work equal to or less than \$124,999	Building consent applications amendments	\$92.00	\$96.60	\$4.60	As per contract with software provider
Electronic submission fee - equal to and over 2.5 million - \$1,875 flat fee (excl GST)	Building consent applications amendments	\$2,156.25	\$2,265.50	\$109.25	As above
COA Electronic submission fee - value of work equal to or less than \$124,999		\$92.00	\$96.60	\$4.60	As above
COA Electronic submission fee - fixed fee value of work greater than \$125,000		\$402.50	\$425.50	\$23.00	As above
CPU Electronic submission fee		\$92.00	\$96.60	\$4.60	As above
Search fee of certificate of title and appellation details.	Each	\$36.00	\$37.00	\$1.00	Inflationary adjustment
Hard copy application scanning	Per consent	\$70.00	\$100.00	\$30.00	Increased to match resource planning

Community housing rents

Edendale - Pioneer Place (10)	Per week	\$155.00	\$170.00	\$15.00	Increased due to higher maintenance costs
Edendale - Seaward Road (1 two bedroom)	Per week	\$175.00	\$195.00	\$20.00	As above
Lumsden - 4 Tauna Street (4)	Per week	\$155.00	\$170.00	\$15.00	As above
Nightcaps - 12 Annan Street (6)	Per week	\$155.00	\$170.00	\$15.00	As above
Ohai - 100 Birchwood Road (5)	Per week	\$155.00	\$170.00	\$15.00	As above
Otautau - 1 Rochdale Street (1)	Per week	\$175.00	\$195.00	\$20.00	As above
Otautau - 50 King Street (4)	Per week	\$155.00	\$170.00	\$15.00	As above
Riversdale - 48 York Road (2)	Per week	\$155.00	\$170.00	\$15.00	As above
Riverton/Aparima - 125 Havelock Street (Trotters Court) (8 single flats)	Per week	\$155.00	\$170.00	\$15.00	As above
Riverton/Aparima - 111 Havelock Street (Jacobs Court) (4 double flats)	Per week	\$175.00	\$195.00	\$20.00	As above
Tuatapere - 26 Orawia Road (8)	Per week	\$155.00	\$170.00	\$15.00	As above
Winton - 3 Queen Street (6)	Per week	\$155.00	\$170.00	\$15.00	As above
Wyndham - Menzies Court (10)	Per week	\$155.00	\$170.00	\$15.00	As above
Non-priority tenant rents any location	Per week	\$186.00 to \$210.00	\$204.00 to \$234.00	\$18.00- \$24.00	As above
Note · applies to new and reviewed tenancies.					

Key: ■ New fee ■ Removed fee		2025/26 (GST incl)	2026/27 (GST incl)	Change \$	Reason for change
Fee					
- existing double tenancies will be reviewed at the single rate due to the basis of their fees and charges and contracts of the time of the commencement of the tenancy.					

Early payment of specified rates – liability schedule

Edendale sewerage loan rate - 25 years (incl connection cost)		\$4,123.00	\$3,691.00	-\$432.00	Change in interest rates
Edendale sewerage loan rate - 25 years (excl connection cost)		\$3,412.00	\$3,054.00	-\$358.00	As above
Edendale water loan rate - 25 years		\$978.00	\$876.00	-\$102.00	As above
Tuatapere sewerage loan rate - 25 years		\$2,115.00	\$1,855.00	-\$260.00	As above
Wallacetown sewerage loan rate - 25 years		\$1,700.00	\$1,450.00	-\$250.00	As above
Wyndham sewerage loan rate - 25 years (incl connection cost)		\$4,137.00	\$3,762.00	-\$375.00	As above
Wyndham sewerage loan rate - 25 years (excl connection cost)		\$3,362.00	\$3,057.00	-\$305.00	As above
Wyndham water loan charge - 25 years		\$1,034.00	\$941.00	-\$93.00	As above

Environmental health – other fees

Nuisances					
Hourly rate to investigate, visit, research or attend to correspondence/ administration; a situation where it has been established that a property is causing a nuisance and the owner has failed to abate the nuisance		\$168.00	\$171.00	\$3.00	Inflationary adjustment
E-coli water sampling fee					
The keeping of animals, poultry and bees bylaw					
Hourly rate to investigate, visit, research or attend to correspondence/ administration where it has been established that a permit was required plus actual travel costs and disbursements	Per hour	\$168.00	\$171.00	\$3.00	Inflationary adjustment
General hourly rate					
All other activities undertaken by environmental health staff, shall be charged at the actual cost calculated at	Per hour	\$168.00	\$171.00	\$3.00	Inflationary adjustment

Food

Food businesses operating under the Food Act 2014					
With food control plans or national programmes					
Application fees					
MPI food business levy fee (flat rate payable annually per site on new and renewal applications) including Council collection fee		\$78.78	\$111.84	\$33.06	As per MPI increase per year

Key: ■ New fee ■ Removed fee		2025/26 (GST incl)	2026/27 (GST incl)	Change \$	Reason for change
Fee					
Copies of Food Control Plan folder and documents		Actual cost	\$0.00	Removed	Customers can source from MPI so no longer required

Halls, community centres and Council property

Athol hall					
Hall hire	Per hour	\$10.00	\$100.00	\$90.00	As per CB request
Dipton hall					
Hall hire	Hourly rate (minimum 4 hours)	\$35.00 - \$80.00	\$10.00 - \$80.00	-\$25.00 - \$0.00	As per CB request
Hall night rates		\$250.00 - \$350.00	\$250.00	\$0.00 - \$100.00	As per CB request
Te Anau – Lions Park public shower					
Shower base fee	Per 8 mins	\$7.50	\$10.00	\$2.50	
Tokanui hall					
Hall hire	Night charge per night (after 5pm)	\$120.00	\$150.00	\$30.00	As per CB request
Cleaning	Per hour	\$0.00	\$50.00	\$50.00	As per CB request
Waikawa hall					
Hall hire	Full day	\$200.00	\$0.00	Removed	No longer a council owned hall - remove from schedule
	Half day (no more than 4 hrs)	\$50.00	\$0.00	Removed	As above
Meetings		\$25.00	\$0.00	Removed	As above
Funerals and elections		\$150.00	\$0.00	Removed	As above
Social functions	5pm to 1am	\$120.00	\$0.00	Removed	As above
Lounge/supper room	All day	\$80.00	\$0.00	Removed	As above
	Part day	\$60.00	\$0.00	Removed	As above
Damage/breakages	Repair/replacement	At cost	\$0.00	Removed	As above
Cleaning (if required)		\$100.00	\$0.00	Removed	As above
Heaters	Per 20 minutes	\$1.00	\$0.00	Removed	As above
Bond	No GST	\$50.00	\$0.00	Removed	As above
Wyndham hall					
Hall hire - night charge	Per night (after 5pm)	\$120.00	\$150.00	\$30.00	As per CB request
Cleaning	Per hour	\$35.00	\$50.00	\$15.00	As per CB request
Wyndham camping ground					
Non powered vehicle site	Per day (maximum 6 people per site)	\$38.00	\$30.00	-\$8.00	As per CB request
Council property – room hire					

Key: ■ New fee ■ Removed fee					
Fee		2025/26 (GST incl)	2026/27 (GST incl)	Change \$	Reason for change
Otautau - chambers	Per hour	\$17.25	\$20.00	\$2.75	Make consistent across district offices
Otautau – interview room	Per hour	\$12.50	\$20.00	\$7.50	As above
Te Anau – meeting room	Per hour Half day	\$10.00	\$20.00	\$10.00	Change to per hour and make consistent across all offices

Interment fees for cemeteries

Standard interment five years old and over					
Calcium (Isla Bank)		\$2,460.00	\$2,546.00	\$86.00	Allowance for contract increase
Centre Hill		\$2,460.00	\$2,546.00	\$86.00	As above
Dipton		\$2,460.00	\$2,546.00	\$86.00	As above
Edendale		\$2,460.00	\$2,546.00	\$86.00	As above
Halfmoon Bay		\$2,460.00	\$2,546.00	\$86.00	As above
Lumsden		\$2,460.00	\$2,546.00	\$86.00	As above
Lynwood		\$2,460.00	\$2,546.00	\$86.00	As above
Otautau		\$2,460.00	\$2,546.00	\$86.00	As above
Otautau RSA (less \$300)		\$2,160.00	\$2,246.00	\$86.00	As above
Riverton		\$2,460.00	\$2,546.00	\$86.00	As above
Riverton RSA (less \$200)		\$2,260.00	\$2,346.00	\$86.00	As above
Nightcaps (Wairio)		\$2,460.00	\$2,546.00	\$86.00	As above
Wallacetown		\$2,460.00	\$2,546.00	\$86.00	As above
Winton		\$2,460.00	\$2,546.00	\$86.00	As above
Woodlands		\$2,460.00	\$2,546.00	\$86.00	As above
Wreys Bush		\$2,460.00	\$2,546.00	\$86.00	As above
Wyndham		\$2,460.00	\$2,546.00	\$86.00	As above
Other cemetery fees					
Interment one year old and up to five years old		\$1,230.00	\$1,273.00	\$43.00	Inflationary adjustment
Interment stillborn and up to one year old		\$615.00	\$636.00	\$21.00	As above
Purchase of exclusive right to burial - standard or ashes plot		\$165.00	\$170.00	\$5.00	As above
Cremated ashes into existing ashes or standard plot - Council to prepare:					As above
· grass surface		\$754.00	\$780.00	\$26.00	As above
· hard surface, ie concrete (fee plus actual contractor costs based on a time and material basis)		\$165.00	\$170.00	\$5.00	As above
Cremated ashes into existing ashes or standard plot - family or funeral director to prepare and finish site		\$165.00	\$170.00	\$5.00	As above

Key: ■ New fee ■ Removed fee					
Fee		2025/26 (GST incl)	2026/27 (GST incl)	Change \$	Reason for change
Memorial wall - placement of plaque		\$165.00	\$170.00	\$5.00	As above
Probes		\$273.00	\$283.00	\$10.00	As above
Out of standard hours burial		\$742.00	\$768.00	\$26.00	As above

Library and office charges

Photocopying/printing A4	Per side	\$0.20	\$0.50	\$0.30	Align with external provider charges
Photocopying/printing colour A4	Per side	\$1.00	\$2.00	\$1.00	As above
Photocopying/printing A3	Per side	\$0.50	\$1.00	\$0.50	As above
Photocopying/printing colour A3	Per side	\$3.00	\$3.50	\$0.50	As above
3D printing charge (only available in Winton)	Base cost + Per gram of filament	.40c per gram of filament	Base cost \$5.00 + per gram of filament .40c	\$5.00	In line with other council's. Base cost for processing and administration.
Faxing	Per 10 pages	\$1.00	\$0.00	Removed	No longer a service provided

Miscellaneous charges

Charge out rate for vehicles (for all activity areas)	Per kilometre	\$1.04	\$1.17	\$0.13	As per IRD rates
Rate postponement fee - one-off charge upon approval of postponement of rates and annual interest charged on balance of postponed rates	Per property	4.91%	4.88%	-0.03%	Interest rate set in line with annual plan assumptions
Credit card fees		Actual cost	Council Merchant charge	N/A	Clarification that fee is based on the merchant charge
Research of Council's archives and/or filing search fees	Per hour (first 30 minutes free)	\$110.00	\$62.50	-\$47.50	Reflect actual costs and time
Receipt and processing of records from external agencies	Per hour	\$0.00	\$62.50	\$62.50	To recover costs of receipt and processing records received from external entities, e.g private BCA's

Registered premises (non-food)

Other registered premises – annual fees					
Hairdressers		\$305.00	\$0.00	Removed	Remove as the regulations have been revoked
Hourly rate for re-inspections	Inspector time for travel, onsite inspections, and report	\$168.00	\$171.00	\$3.00	Inflationary adjustment
Other fees					
Any other certificate or amendment	Per hour	\$168.00	\$171.00	\$3.00	Inflationary adjustment

Key: ■ New fee ■ Removed fee		2025/26	2026/27	Change	Reason for change
Fee		(GST incl)	(GST incl)	\$	

Refuse, transfer stations and recycling

Tandem trailers or high side trailers	Refuse	\$92.00	\$94.00	\$2.00	Inflationary adjustment (rounded for \$10 and \$10 tokens)
Trucks per 1,000 kg gross weight		\$100.00	\$102.00	\$2.00	As above
Cars (Te Anau), single trailer/ute (Te Anau), tandem trailer (Te Anau) /tonne	Refuse	\$310.00	\$318.00	\$8.00	As above
Cars (Te Anau), single trailer/ute (Te Anau), tandem trailer (Te Anau)/tonne	Recycling and green waste	\$82.00	\$84.00	\$2.00	As above
Trucks per tonne confirmed by weight docket		\$310.00	\$316.00	\$6.00	As above
Unstripped car body surcharge		\$160.00	\$164.00	\$4.00	As above
Stripped car body		\$56.00	\$58.00	\$2.00	As above
Scrap cars (Stewart Island/Rakiura only)		\$56.00	\$58.00	\$2.00	As above
Whiteware – desgassing	Each	\$40.00	\$42.00	\$2.00	As above
Recycling and reuse only available at Stewart Island/Rakiura					
Whiteware		\$21.00	\$22.00	\$1.00	As above
Greenwaste/cleanfill – Braggs Bay					
Tandem trailers or high side trailers		\$45.00	\$46.00	\$1.00	Inflationary adjustment
Truck		\$65.00	\$66.00	\$1.00	As above
Other Items available to purchase only at Stewart Island/Rakiura					
Rubbish bags	SDC bag of 52	\$215.00	\$220.00	\$5.00	Inflationary adjustment
Recycling bin		\$25.00	\$26.00	\$1.00	As above
Burn bin - commercial	Per trailer/ute	\$33.00	\$34.00	\$1.00	As above
Burn bin - household	Per trailer/ute	\$25.00	\$26.00	\$1.00	As above

Riverton Harbour licensing fees

Wharf fee	Per metre	\$39.61	\$39.86	\$0.25	As per subcommittee request
Transfer fee (cost of transferring license fee)		\$179.68	\$183.63	\$3.95	As per subcommittee request

Road reserve and service fees

Additional inspection fee (all services)					
Roading asset manager or transport manager	Per hour	\$241.50	\$247.50	\$6.00	Inflationary adjustment
Roading contract manager or roading engineer	Per hour	\$173.25	\$180.00	\$6.75	As above
Corridor access request and corridor management activities					
Corridor access request (non invasive)	Fee	\$100.00	\$102.50	\$2.50	As above
Small invasive (up to 3 lineal metres in any direction)	Fee	\$165.00	\$170.00	\$5.00	As above

Key: ■ New fee ■ Removed fee		2025/26	2026/27	Change	Reason for change
Fee		(GST incl)	(GST incl)	\$	
Medium invasive (3 to 20 lineal metres in any direction)	Fee	\$250.00	\$256.25	\$6.25	As above
Large invasive (over 20 lineal metres in any direction)	Fee	\$330.00	\$340.00	\$10.00	As above
Global invasive	Fee	\$350.00	\$360.00	\$10.00	As above
Global non invasive	Fee	\$100.00	\$102.50	\$2.50	As above
Temporary closure of roads for public events (treat as road opening)	Fee	\$165.00	\$170.00	\$5.00	As above
Temporary closure of roads	Fee	\$250.00	\$256.25	\$6.25	As above
Corridor manager additional activities					
Standard revisions (including incomplete applications)	Fee	\$82.50	\$85.00	\$2.50	As above
Detailed revisions (including incomplete applications). Includes up to 1 hour	Fee	\$165.00	\$170.00	\$5.00	As above
Desktop audit/inspections. Includes up to 30 minutes	Fee	\$82.50	\$85.00	\$2.50	As above
Walk-out/site audit, includes up to 1 hour	Fee	\$245.00	\$250.00	\$5.00	As above
Follow up on overdue start/end worksite notification to Council	Fee	\$82.50	\$85.00	\$2.50	As above
Light investigations. Includes up to 1 hour in relation to the work, discussion from the corridor manager required with the public and/or contractor	Fee	\$165.00	\$170.00	\$5.00	As above
Declined investigation (health and safety breach, breach of code/work access permit/traffic management plan). Includes up to 2 hours.	Fee	\$330.00	\$340.00	\$10.00	As above
Traffic management plans (TMP)					
Traffic management plan (TMP) applications					
Standard traffic management plan	Fee	\$165.00	\$170.00	\$5.00	Inflationary adjustment
Traffic Management Plan Priority Processing Fee – where approval is required in less than that the statutory timeframe (i.e. start date is less than 5 days from submission date)	Fee	\$310.00	\$317.50	\$7.50	As above
Generic traffic management plan. Includes 2 hours of work, additional time required will be charged at rate of \$160.00	Fee	\$330.00	\$340.00	\$10.00	As above
Processing of a traffic management plan that fails to meet the preliminary check - inadequate documentation or information to process traffic management plan from outset.	Fee	\$82.50	\$85.00	\$2.50	As above
Traffic management plan amendment fee - resubmission	Fee	\$100.00	\$102.50	\$2.50	As above
Traffic management plan amendment fee – date extension	Fee	\$50.00	\$51.25	\$1.25	As above
Road controlling authority inspections					
Inspection of unapproved work (activities undertaken without an approved traffic management plan). minimum charge.	Fee	\$640.00	\$656.00	\$16.00	As above

Key: ■ New fee ■ Removed fee					
Fee		2025/26 (GST incl)	2026/27 (GST incl)	Change \$	Reason for change
Inspection of non-approved traffic management methodology (methodology deployed substantially outside traffic management plan approval) minimum charge.	Fee	\$640.00	\$656.00	\$16.00	As above
Inspection of non-conformance - worksite deployed not in accordance with traffic management plan - minimum charge. Additional time required will be charged at a rate of \$160.00 per hour.	Fee	\$320.00	\$335.00	\$15.00	As above
Stock management					
Stock crossing at grade - no annual charge + \$10.00 replacement tag fee + \$50.00 extra site visit	Bond (no GST)	\$1,575.00	\$1,615.00	\$40.00	Inflationary adjustment
	Fee	\$190.00	\$195.00	\$5.00	As above
Stock races	Bond (no GST)	\$250.00	\$256.25	\$6.25	As above
	Fee	\$190.00	\$195.00	\$5.00	As above
Stock droving	Fee	\$82.50	\$85.00	\$2.50	As above
Drainage					
Lower a road culvert	Bond (no GST)	\$500.00	\$512.50	\$12.50	Inflationary adjustment
	Fee	\$190.00	\$195.00	\$5.00	As above
Drainage on roadsides (new drainage)	Bond (no GST)	\$500.00	\$512.50	\$12.50	As above
	Fee	\$190.00	\$195.00	\$5.00	As above
Stormwater connection to kerb and channel	Bond (no GST)	\$250.00	\$256.25	\$6.25	As above
	Fee	\$82.50	\$85.00	\$2.50	As above
Crossings/vehicular accessways					
Urban – unsealed	Bond (no GST)	\$2,000.00	\$2,050.00	\$50.00	Inflationary adjustment
	Fee	\$165.00	\$170.00	\$5.00	As above
Urban – sealed	Bond (no GST)	\$5,000.00	\$5,125.00	\$125.00	As above
	Fee	\$165.00	\$170.00	\$5.00	As above
Commercial urban/rural (includes dairy tanker access)	Bond (no GST)	\$20,000.00	\$20,500.00	\$500.00	As above
	Fee	\$250.00	\$256.25	\$6.25	As above
Rural – private	Bond (no GST)	\$2,000.00	\$2,050.00	\$50.00	As above
	Fee	\$165.00	\$170.00	\$5.00	As above
Carriageway					
Public/private utilities and services on roadsides (treat as a road opening)	Bond (no GST)	\$1,000.00	\$1,025.00	\$25.00	Inflationary adjustment
	Fee	\$190.00	\$195.00	\$5.00	As above
Stock underpasses (+ deed of grant at \$100.00)	Bond (no GST)	\$5,000.00	\$5,125.00	\$125.00	As above
	Fee	\$190.00	\$195.00	\$5.00	As above

Key: ■ New fee ■ Removed fee			2025/26	2026/27	Change	Reason for change
Fee			(GST incl)	(GST incl)	\$	
Application fee where dust suppressant carried out by applicant	Fee		\$165.00	\$170.00	\$5.00	As above
Requests to physically form roads	Fee (\$126.00/hr plus disbursements and/or \$275.00/hr for special Council meeting and \$560.00/hr thereafter for special Council meeting, plus disbursements)		\$460.00	\$471.50	\$11.50	As above
Stopping of roads	Fee (\$126.00/hr plus disbursements and/or \$275.00/hr for special Council meeting and \$560.00/hr thereafter for special Council meeting, plus disbursements)		\$460.00	\$471.50	\$11.50	As above
Application for permit on road margin, not specified below	Fee		\$82.50	\$85.00	\$2.50	As above
Signs on roads	Fee (resource consents)		\$82.50	\$85.00	\$2.50	As above
Road margin planting	Fee		\$82.50	\$85.00	\$2.50	As above
Cultivation of road margin	Fee		\$82.50	\$85.00	\$2.50	As above
Storage on the road margin (type 3 roads only)	Fee		\$82.50	\$85.00	\$2.50	As above
Whitebait huts on the road margin	Fee		\$165.00	\$170.00	\$5.00	As above
Permanent fencing in the road margin	Fee		\$190.00	\$195.00	\$5.00	As above
RAPID numbering	Fee		\$180.00	\$185.00	\$5.00	As above

Water tanker charges

Standard charge for supply of water per cubic metre (1,000 L)		\$2.90	\$2.96	\$0.06	Inflationary adjustment
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Wheelie bins

New/additional recycling bin collection fee (per month charge from 1st of the month following request bin to 30 June of the following year)	Monthly equivalent of annual recycling bin collection rate	\$18.68	\$19.71	\$1.03	Proposed rate for 26/27 divided by 12 months
New/additional rubbish bin collection fee (per month charge from 1st of the month following request bin to 30 June of the following year)	Monthly equivalent of annual rubbish bin collection rate	\$18.68	\$19.71	\$1.03	As above

Attachment C: Full project list 2026/2027 Annual Plan				
Row	Activity and area	Project ID	Project Description	2026/2027 AP Budget (\$'000)
1	Community Resources			
2	Community Facilities			
3	Halls			
4	Oreti	FHALL010A	Browns Hall - Interior decoration	\$20,849
5	Fiordland	FHALL041A	Manapouri Hall - Interior Repaint	\$83,395
6	Wallace-Takitimu	FHALL054A	Nightcaps Hall - Repairs to exterior wall and minor repairs	\$95,884
7	Wallace-Takitimu	FHALL056A	Ohai Hall - Interior repaint	\$41,698
8	Tuatapere-Te Waewae	FHALL063A	Tuatapere Hall - Exterior repaint	\$36,485
9	Tuatapere-Te Waewae	FHALL070A	Orawia Hall - Exterior repaint	\$46,910
10	Waihopai-Toetoe	FHALL073A	Tokanui Hall - Window replacement	\$31,273
11	Oreti	P-10584A	Tussock Creek Hall - Replace water tanks and filter system	\$14,594
12	Oreti	P-11163A	Oreti Plains Hall - LED lighting	\$8,340
13	Halls Total			\$379,428
14	Offices & Buildings			
15	District	FBUILD010A	Lumsden Office - Exterior repaint	\$26,061
16	District	FBUILD011A	Otautau Office - Internal refurbishment	\$260,610
17	District	P-10710A	Invercargill Building	\$5,250,000
18	District	P-11191A	Te Anau Library - Entrance flooring and automatic doors	\$18,764
19	Offices & Buildings Total			\$5,555,435
20	Other Property			
21	District	FBUILD028A	Waikiwi Yard - Remove hedges and build new fences in conjunction with neighbours	\$23,513
22	District	FBUILD029A	Waikiwi Yard - Options analysis for future facility provisions for depot/yard	\$10,000
23	Waihopai-Toetoe	P-11222A	Wyndham Camping Ground - Upgrade construction	\$75,000
24	Other Property Total			\$108,513
25	Toilets			
26	District	FTOIL003A	District Wide Toilets - Refurbishment one toilet. Allowance to look at the feasibility of installing a public toilet at Woodlands	\$104,244
27	District	P-10639A	District Wide Toilets - Renewal preparation	\$271,034
28	District	P-10642A	District Wide Toilets - Renewal preparation	\$471,210
29	District	P-10642B	District Wide Toilets - Renewal construction	\$383,600
30	District	P-10647A	Riverton Toilet - Renewal preparation	\$208,488
31	District	P-10649A	District Wide Toilets - Renewal preparation	\$150,000
32	District	P-10649B	District Wide Toilets - Renewal construction	\$1,830,525
33	District	P-11092A	District Wide Toilets - Public toilets	\$303,978
34	Toilets Total			\$3,723,079

Row	Activity and area	Project ID	Project Description	2026/2027 AP Budget (\$000)
35	Community Services			
36	Cemeteries			
37	District	P-10974A	District Wide - Cemetery beams	\$17,000
38	Cemeteries Total			\$17,000
39	Community Housing			
40	District	FHOUS003A	Community Housing - Internal repaint 21 units	\$125,093
41	District	FHOUS018A	Community Housing - Replace roof	\$31,273
42	District	FHOUS020A	Community Housing - Replacement of water bore at Riversdale	\$10,424
43	Community Housing Total			\$166,790
44	Open Spaces			
45	Parks & Reserves			
46	District	FPARK033A	Edendale Scenic Reserve - Bridge maintenance	\$15,637
47	District	FPARK043A	Dunsdale Picnic Ground - Renew management plan	\$62,546
48	Fiordland	FPARK048A	Te Anau - Container for Festive Decorations	\$11,000
49	Wallace-Takitimu	FPLAY016A	Nightcaps Playground - Maintenance	\$9,903
50	Fiordland	P-10769A	Manapouri - Recreational Reserve Playground Equipment renewal	\$42,840
51	Fiordland	P-10809A	Te Anau - Boat Harbour Playground Equipment Renewal	\$62,546
52	Tuatapere-Te Waewae	P-10822A	Tuatapere Jack and Mattie Bennett Memorial Park Playground - Equipment Renewal	\$129,031
53	Waihopai-Toetoe	P-10864A	Edendale and Wyndham - Creation of multi-use track	\$51,000
54	Oreti	P-10831A	Winton Centennial Park Playground - Equipment renewal	\$30,600
55	Northern	P-11194A	Lumsden - Basketball hoop	\$5,228
56	Wallace-Takitimu	P-11201A	Nightcaps - McGregor Park development	\$623,220
57	Stewart Island/Rakiura	P-11208A	Stewart Island/Rakiura - Car park and walking link development	\$102,000
58	Stewart Island/Rakiura	P-11208A	Stewart Island/Rakiura - Car park and walking link development	\$260,610
59	Parks & Reserves Total			\$1,406,161
60	SIESA			
61	SIESA			
62	Stewart Island/Rakiura	FSIESA001A	Rakiura/Stewart Island renewable energy project	\$7,750,000
63	Stewart Island/Rakiura	P-11207A	Stewart Island/Rakiura SIESA - Capital renewal programme	\$126,656
64	SIESA Total			\$7,876,656
65	Waste Services			
66	Waste Services			
67	District	P-11180A	Wyndale Transfer Station - Shed maintenance	\$15,637
68	Waste Services Total			\$15,637

Row	Activity and area	Project ID	Project Description	2026/2027 AP Budget (\$000)
69	Sewerage			
70	Sewerage			
71	Sewerage - Wastewater Consent renewal project			
72	District	P-10453B	Balfour Waste Water Treatment Plant - Consent renewal treatment upgrade	\$1,400,000
73	District	P-10453C	Balfour Waste Water Treatment Plant - Consent renewal treatment upgrade	\$600,000
74	District	P-10454A	Edendale/Wyndham Waste Water Treatment Plant - Consent renewal preparation	\$94,957
75	District	P-10454B	Edendale/Wyndham Waste Water Treatment Plant - Consent renewal treatment upgrade	\$2,450,000
76	District	P-10454C	Edendale/Wyndham Waste Water Treatment Plant - Consent renewal treatment upgrade	\$1,050,000
77	District	P-10455A	Gorge Road Waste Water Treatment Plant - Consent renewal preparation	\$110,000
78	District	P-10459A	Manapouri - Wastewater treatment upgrade	\$5,409,359
79	District	P-10459B	Manapouri - Wastewater treatment upgrade	\$2,318,297
80	District	P-10461A	Monowai Waste Water - Consent renewal investment	\$93,750
81	District	P-10466A	Otautau Waste Water Treatment Plant - Consent renewal preparation	\$157,901
82	District	P-10483A	Wallacetown Waste Water - Consent contribution to Alliance	\$95,000
83	District	P-10486A	Winton Waste Water Treatment Plant - upgrade	\$1,736,657
84	District	P-10486B	Winton Waste Water Treatment Plant - upgrade	\$214,643
85	District	P-11420A	Ohai Waste Water - Consent renewal	\$210,535
86	District	P-11424A	District Wide Waste Water - Consent renewals for townships	\$150,000
87	Sewerage - Wastewater Consent renewal project - Total			\$16,091,099
88	Sewerage - Others			
89	District	P-10448A	District Wide - End of life wastewater pumps and electrics	\$157,901
90	District	P-10462A	Nightcaps Waste Water Treatment Plan - Treatment upgrade and land disposal investigation	\$95,000
91	District	P-10465A	Otautau Wastewater - Switchboard renewals	\$21,054
92	District	P-10472A	Stewart Island/Rakiura Waste Water Treatment Plant - Switchboards, cabinets and pumps	\$5,263
93	District	P-10474A	Stewart Island/Rakiura Waste Water Treatment Plant - Consent renewal preparation	\$25,000
94	District	P-10487A	Winton Waste Water Network - Stormwater infiltration project	\$526,338
95	District	P-11219A	District Wide Wastewater Network - Renewals	\$1,052,675
96	District	P-11331A	Te Anau Treatment Plant - Sludge removal	\$146,025
97	District	P-11336A	Riverton Waste Water - Infiltration and infow	\$526,338
98	District	P-11347A	Lumsden - Rising main renewal	\$210,535
99	District	P-11351A	Manapouri Pump Station - Upgrades	\$157,901
100	District	P-11366A	Edendale/Wyndham Waste Water Treatment Plant - Ultraviolet unit flowmeter	\$52,634
101	District	P-11388A	Curio Bay Waste Water Treatment Plant - Tanks renewal	\$63,161
102	District	P-11418A	Tokanui and Riversdale Waste Water - Inflow project to comply with consent limits	\$157,901
103	Sewerage -Others - Total			\$3,197,726

Row	Activity and area	Project ID	Project Description	2026/2027 AP Budget (\$000)
104	Stormwater			
105	Stormwater			
106	Stormwater			
107	District	P-10443A	Te Anau Stormwater - Discharge improvements to surface water at Lakefront	\$10,527
108	District	P-10445A	Winton - Investigation and replacement of storm main	\$526,338
109	District	P-11060A	Te Anau Stormwater - Sandy Brown Road stormwater upgrade	\$195,000
110	District	P-11227A	Te Anau Stormwater - Plan network investigations for cross connection with operations con	\$26,317
111	District	P-11228A	Te Anau Stormwater - Creation of a new detention/retention basin	\$473,704
112	District	P-11233A	Tuatapere Stormwater - Reticulation renewal	\$105,268
113	District	P-11234A	District Wide Storm Water - General drains and ditch cleaning	\$105,268
114	District	P-11247A	District Wide Storm Water - Treatment improvements	\$263,169
115	Stormwater Total			\$1,705,591
116	Transport			
117	Roading			
118	Airport			
119	Fiordland	FAIR001A	Extension of gravel road	\$35,000
120	Fiordland	P-10993A	Te Anau Airport - Heat pump replacement	\$15,637
121	Fiordland	P-10998A	Te Anau Airport - Upgrade to security system	\$5,212
122	Fiordland	P-11185A	Te Anau Airport - New ride on lawnmower	\$10,424
123	Fiordland	P-11186A	Te Anau Airport - Furniture replacement	\$10,424
124	Airport Total			\$76,697
125	Cycle Trails			
126	District	FCYCLE001A	Around The Mountains Cycle Trail - Continuous improvement programme	\$20,869
127	Cycle Trails Total			\$20,869
128	Footpaths			
129	Ardlussa	FFOOT003A	Riversdale - New footpath	\$50,000
130	Ardlussa	FFOOT003B	Riversdale - New footpath	\$50,000
131	Footpaths Total			\$100,000
132	Roading			
133	District	FROAD001A	District Wide - Bridge programme 2024-2034	\$9,857,425
134	District	FROAD002A	District Wide - Unsealed road renewal programme 2024-2034	\$2,916,475
135	District	FROAD003A	District Wide - Resurfacing programme 2024-2034	\$9,281,030
136	District	FROAD004A	District Wide - Drainage renewal programme 2024-2034	\$2,231,660
137	District	FROAD004B	District Wide - Drainage renewal programme 2024-2034	\$104,346
138	District	FROAD005A	District Wide - Pavement rehabilitation programme 2024-2034	\$6,108,018
139	District	FROAD006A	District Wide - Structure component renewal programme 2024-2034	\$1,282,487
140	District	FROAD007A	District Wide - Traffic services programme 2024-2034	\$1,129,852
141	District	FROAD007B	District Wide - Traffic services programme 2024-2034	\$179,997
142	District	FROAD012A	Resilience programme Monowai suspension bridge	\$1,550,000
143	Roading Total			\$34,641,290

Row	Activity and area	Project ID	Project Description	2026/2027 AP Budget (\$000)
144	Water Facility			
145	Stewart Island Jetties			
146	Stewart Island/Rakiura	FJETTY001A	Stewart Island/Rakiura Freds Camp - Wharf refurbishment	\$56,292
147	Stewart Island/Rakiura	P-10203A	Stewart Island/Rakiura Ulva Island Wharf - Replacement	\$607,508
148	Stewart Island/Rakiura	P-10670A	Stewart Island/Rakiura Golden Bay Wharf - Renewal preparation	\$200,000
149	Stewart Island/Rakiura	P-10674A	Stewart Island/Rakiura Millars Beach - Wharf Refurbishment	\$92,796
150	Stewart Island Jetties Total			\$956,596
151	Boat Ramps			
152	Fiordland	P-11119B	Te Anau - Boat Ramp Floating Jetty Construction	\$312,732
153	Boat Ramps Total			\$312,732
154	Harbour			
155	Oraka-Aparima	P-11225B	Construct new wharf at Pleasure Boat Wharf Riverton	\$714,000
156	Harbour Total			\$714,000
157	Water Supply			
158	Water Supply			
159	Drinking Water			
160	District	P-10007A	Eastern Bush Water Supply - Upgrade	\$1,842,182
161	District	P-10007B	Eastern Bush Water Supply - Upgrade	\$1,842,181
162	District	P-10337A	Winton Water Tower - Engineers report	\$42,107
163	District	P-10433A	District Water Supply - Three waters IT ION integration	\$52,634
164	District	P-10471A	Te Anau Water Supply - Upgrade of contact tanks	\$210,535
165	District	P-10489A	District Water Supply - Dosing and monitoring instrumentation	\$105,268
166	District	P-10490B	SCADA to all water schemes	\$87,372
167	District	P-10494A	District Water Supply - End of life water tanks storage maintenance	\$52,634
168	District	P-10495A	District Water Supply - End of life water pumps and electrical	\$52,634
169	District	P-10500A	Lumsden Water Supply - Consent renewal preparation	\$157,901
170	District	P-10502A	Mossburn Water Supply - Reservoir and chlorine monitoring	\$263,169
171	District	P-10503A	Mossburn Water Supply - Consent renewal preparation	\$157,901
172	District	P-10506A	Ohai/Nightcaps Water Treatment Plant - Consent renewal preparation	\$157,901
173	District	P-10517A	District Water Supply - Replacement of AC pipe at end of life	\$1,579,013
174	District	P-10520A	District Water Supply - Acuflo manifolds and check valves	\$105,268
175	District	P-10521A	District Water Supply - IT Asset master data configuration	\$52,634
176	District	P-11251A	Eastern Bush Water Supply - Consent renewal	\$157,901
177	District	P-11252A	Eastern Bush Water Supply - Install reservoir flow monitoring	\$263,169
178	District	P-11253A	Eastern Bush Water Supply - Install flow monitoring with near real-time data access and alerting	\$105,268
179	District	P-11255A	Eastern Bush Water Supply - Backflow (remove and seal all direct feeds)	\$26,317
180	District	P-11266A	Tuatapere Water Supply - Ultraviolet system replacement	\$150,000

Row	Activity and area	Project ID	Project Description	2026/2027 AP Budget (\$'000)
181	District	P-11270A	Te Anau Water Supply - Install a new manifold for chlorine dosing prior to the contact tanks	\$157,901
182	District	P-11277A	District Water Supply - Treated water reservoir lids and structural defect maintenance	\$52,634
183	District	P-11282A	Riverton Water Supply - Install a streaming current meter on raw intake into clarifier to monitor and control PACL dose	\$52,634
184	District	P-11292A	Manapouri Water Supply - Design and install reticulation to these areas from Manapouri township to Kepler Block	\$1,490,338
185	District	P-11294A	Ohai/Nightcaps Water Treatment Plant - Power improvements	\$78,951
186	District	P-11295A	Ohai/Nightcaps Water Treatment Plant - Discharge line to sewer installation	\$157,901
187	District	P-11301A	Edendale/Wyndham Water Supply - Nitrate-Nitrogen (NO3-N) levels assessment	\$5,263
188	District	P-11306A	District Wide Water Supply - Reticulation backflow prevention assessment and installation	\$26,317
189	District	P-11307A	District Wide Water Supply - Reticulation backflow prevention policy development	\$21,054
190	District	P-11316A	Tuatapere Water Supply - Source water bore contamination prevention	\$42,107
191	District	P-11403A	District Wide Water Supply - Instrumentation replacement	\$157,901
192	District	P-11413A	District Water Supply - IT IPS metering module and anomaly reporting	\$52,634
193	District	P-11414A	District Water Supply - IT data improvements	\$52,634
194	District	P-11415A	District Water Supply - Auto valving to meet drinking water standards compliance	\$263,169
195	District	P-11416A	District Water Supply - IT asset master data correction and validation	\$52,634
196	District	P-11417A	District Water Supply - IT telemetry SCADA integration with IPS	\$52,634
197	Drinking Water Total			\$10,180,695
198	Corporate Services			
199	Corporate Services			
200	District	FINFO003A	District Wide - Ongoing digitisation projects	\$375,000
201	District	FINFO004A	District Wide - Equipment renewal	\$156,366
202	Corporate Services Total			\$531,366
	Grand Total			\$87,777,360

Attachment D**Proposed changes to the 2025/2026 projects, as recommended by Finance & Assurance in December 2025**

Areas	Project	Current budget (2025/2026)	Capital delivery programme adjustment	Revised budget (2025/2026)
District	FBUILD028A-Waikivi Yard - Remove hedges and build new fences in conjunction with neighbours	\$38,513	(\$23,513)	\$15,000
District	FBUILD029A-Waikivi Yard - Options analysis for future facility provisions for depot/yard	\$10,000	(\$10,000)	\$0
District	P-10642A-District Wide Toilets - Renewal preparation	\$206,356	(\$106,356)	\$100,000
District	P-10642B-District Wide Toilets - Renewal construction	\$438,600	(\$383,600)	\$55,000
District	P-10649A-District Wide Toilets - Renewal preparation	\$447,780	(\$150,000)	\$297,780
District	P-11092A-District Wide Toilets - Public toilets	\$353,978	(\$303,978)	\$50,000
District	P-11483-Reserve Management Plans	\$251,537	(\$51,537)	\$200,000
District	P-11481A-Te Anau Recycling Container relocation and CCTV	\$25,302	(\$8,802)	\$16,500
District	FINF0001A-District Wide - Archives business case	\$100,000	(\$100,000)	\$0
District	FINF0002A-District Wide - Archives requirements as the result of business case in 2024/2025	\$510,000	(\$442,500)	\$67,500
District	FINF0003A-District Wide - Ongoing digitisation projects	\$86,860	(\$31,860)	\$55,000
District	P-10453B-Balfour Waste Water Treatment Plant - Consent renewal treatment upgrade	\$800,000	(\$650,000)	\$150,000
District	P-10454B-Edendale/Wyndham Waste Water Treatment Plant - Consent renewal treatment upgrade	\$6,500,000	(\$6,500,000)	\$0
District	P-10454A-Edendale/Wyndham Waste Water Treatment Plant - Consent renewal preparation	\$244,957	(\$94,957)	\$150,000
District	P-10455A-Gorge Road Waste Water Treatment Plant - Consent renewal preparation	\$205,000	(\$110,000)	\$95,000
District	P-10459A-Manapouri - Wastewater treatment upgrade	\$4,894,897	(\$780,000)	\$4,114,897
District	P-10461A-Monowai Waste Water - Consent renewal investment	\$153,750	(\$93,750)	\$60,000
District	P-10462A-Nightcaps Waste Water Treatment Plan - Treatment upgrade and land disposal investigation	\$189,824	(\$95,000)	\$94,824
District	P-10474A-Stewart Island/Rakiura Waste Water Treatment Plant - Consent renewal preparation	\$41,610	(\$25,000)	\$16,610
District	P-10483A-Wallacetown Waste Water - Consent contribution to Alliance	\$128,125	(\$98,125)	\$30,000
District	P-11331A-Te Anau Treatment Plant - Sludge removal	\$206,025	(\$146,025)	\$60,000
District	P-11060A-Te Anau Stormwater - Sandy Brown Road stormwater upgrade	\$1,061,792	(\$195,000)	\$866,792
District	FROAD001A-District Wide - Bridge programme 2024-2034	\$9,157,425	(\$4,767,425)	\$4,114,897
District	FROAD006A-District Wide - Structure component renewal programme 2024-2034	\$1,176,525	(\$627,562)	\$548,963

Areas	Project	Current budget (2025/2026)	Capital delivery programme adjustment	Revised budget (2025/2026)
District	P-11248A-Orawia Water Supply - Consent renewal preparation	\$102,500	(\$44,000)	\$58,500
District	P-11406A-Riverton Water Treatment Plant - Upgrade	\$1,644,389	(\$1,469,389)	\$175,000
District	P-11406B-Riverton Water Treatment Plant - Upgrade	\$1,587,500	(\$1,587,500)	\$0
District	P-11223B-Te Anau Rural Water Supply - scheme audit remediation	\$558,923	(\$258,923)	\$300,000
Fiordland	FPARK011A-Manapouri Frasers Beach - Reserve management plan renewal	\$102,000	(\$102,000)	\$0
Northern	FBUILD001-Garston playcentre building - exterior repaint	\$30,000	(\$30,000)	\$0
Northern	P-10734-Garston Old Post Office - Replace Distribution Board	\$14,280	(\$14,280)	\$0
Oreti	P-11454-Dipton - Repair or replace bridge across ditch at reserve and level street	\$10,000	(\$10,000)	\$0
Riverton Harbour	P-11225B-Construct new wharf at Pleasure Boat Wharf Riverton	\$814,000	(\$714,000)	\$100,000
Stewart Island	P-11208-Stewart Island/Rakiura - Car park and walking link development	\$102,000	(\$102,000)	\$0
Stewart Island	P-10295-Stewart Island/Rakiura Ulva Island Wharf - Replacement	\$872,508	(\$607,508)	\$265,000
Stewart Island	P-10670A-Stewart Island/Rakiura Golden Bay Wharf - Renewal preparation	\$255,000	(\$200,000)	\$55,000
Stewart Island	P-10670B-Stewart Island/Rakiura Golden Bay Wharf - Renewal construction	\$250,000	(\$250,000)	\$0
Stewart Island	P-10674-Stewart Island/Rakiura Millars Beach - Wharf Refurbishment	\$126,796	(\$92,796)	\$34,000
Tuatapere-Te Waewae	P-11474-Tuatapere Domain Gate	\$5,819	(\$5,819)	\$0
Tuatapere-Te Waewae	FPARK024A-Orepuki Water Tower - Repairs	\$102,000	(\$102,000)	\$0
Waihopai-Toetoe	P-10864A-Edendale and Wyndham - Creation of multi-use track	\$600,000	(\$600,000)	\$0
Waihopai-Toetoe	FFOOT107A-Gorge Road - Speed feedback sign at Gorge Road Invercargill Highway	\$20,000	(\$20,000)	\$0
Waihopai-Toetoe	FFOOT110A-Gorge Road - Speed feedback sign at Tokanui Gorge Road Highway	\$20,000	(\$20,000)	\$0
Waihopai-Toetoe	P-10840A-Wyndham Museum Disposal	\$100,911	(\$40,000)	\$60,911



Draft Annual Plan 2026/2027

Analysis of rates changes (based on budgets as at 17 February 2026)

Introduction

The analysis of rates changes has been prepared to give the reader more information about that resulting rates impact of the proposed Annual Plan 2026/2027 budgets and expenditure. The following tables and graphs show how the draft annual plan budgets will affect property rates from 1 July 2026. The analysis for 2026/2027 is based on the budget and rating information as at 17 February 2026 with the 2025/2026 comparisons based on the budget and rating information as per the 2025/2026 rate setting. Please note all budgeted figures exclude GST other than figures related to rates per property or rating unit which include GST.

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Key rating information

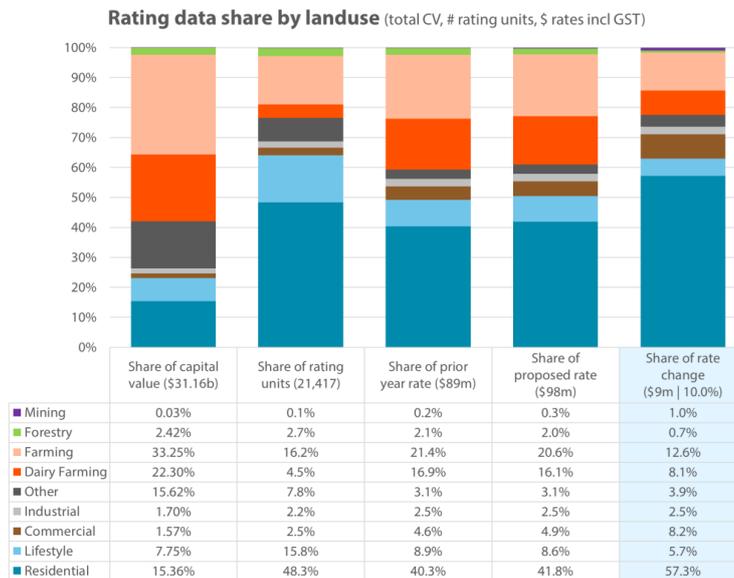
The table and chart below shows the make up of Council’s rating units by landuse (as at 17 February 2026) with the table grouping landuse sectors into Rural (dairy, farming, forestry, mining) and Urban (residential, lifestyle, commercial, industrial, other). The information helps to show how rates are distributed across the different landuse sectors in Southland District based on the Council’s proposed annual plan rating approach. All rates figures include GST unless otherwise stated.

Total rates (excluding penalties, water meter charges and internal rates) are budgeted to increase \$8.9 million over the 2025/2026. The majority of the increase is for the roading rate (\$1.3m – 4.6%), sewerage rates (\$3m – 30.5%), water rates (\$1.9m – 24.6%), stormwater rates (\$0.4m – 27%), general rate (\$1.9m – 6.0%) and local rates (\$0.3m – 5.5%). The total increase will affect individual properties differently depending on the type of property and the buildings on the land, its rating land use, where it is located and the rates payable in this area as well as the capital value of the property. The graphs and table in this document provide more information on the change per property.

The column chart shows the share of the overall capital value (used to set two rates) and number of rating units (which affects how fixed charge rates are allocated). It also details the total rates paid by each sector in 25/26 compared to proposed rates in 26/27. It shows that rural properties make up around 58% of the overall capital value whereas urban/business type properties make up around 77% of total rating units. Urban properties would contribute around 61% of the total rates (up 2% on 25/26) with the urban sector picking up the majority of the 26/27 rate increase.

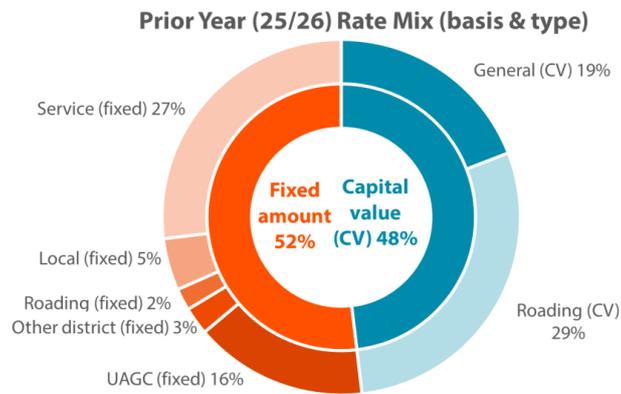
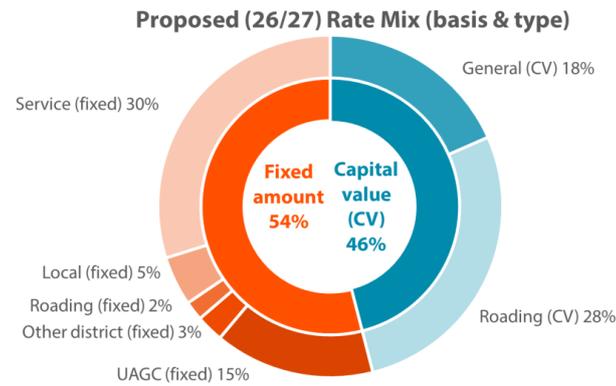
	Share of total cv (\$31.16b)	Share of rating units (21,405)	Share of current 25/26 rate (incl GST) (\$89m)	Share of 26/27* rate (incl GST) (\$98m)	Share of rate increase (incl GST) (10% \$9m)
Rural ¹	58% 1,808b	23% 5,032	41% \$36m	39% \$38m	22% \$2m
Urban ²	42% 1,309b	77% 16,385	59% \$53m	61% \$60m	78% \$7m

¹Rural type properties include farming, dairy, forestry and mining ²Urban type properties include residential, lifestyle, commercial, industrial and other



Mix of rates

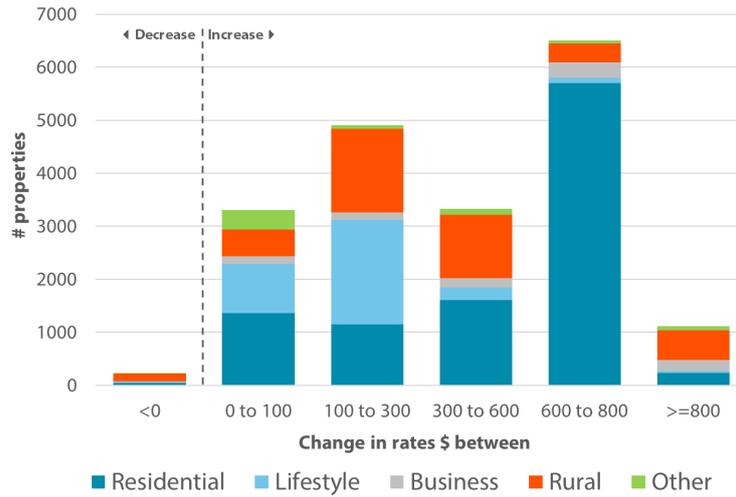
The pie charts below show the portion of total rates set by property capital value versus a fixed amount per rating unit. Fixed rates will make up 2% more of the total rate take in 26/27 primarily as a result of the increase in water and wastewater rate revenue compared to the prior year.



How the proposed rates will affect different types of properties

The following tables and graphs show in more detail how the proposed 26/27 budgets in the draft annual plan will affect property rates from 1 July 2026. The graph below shows range of rate increases for different land use types. The majority of residential properties are forecast to rates increases between \$600 - \$800 in 26/27. Most rural properties are forecast to have rate increases between \$100 to \$600. Business properties also have range of increases, with the higher increases related to large commercial or industrial properties. The amount of increase per property will vary depending on the value of the property (include the change in rating valuation compared to other properties), its rating landuse and location and/or services provided.

Number of properties and \$ change range by landuse



Number of properties and % change range by landuse

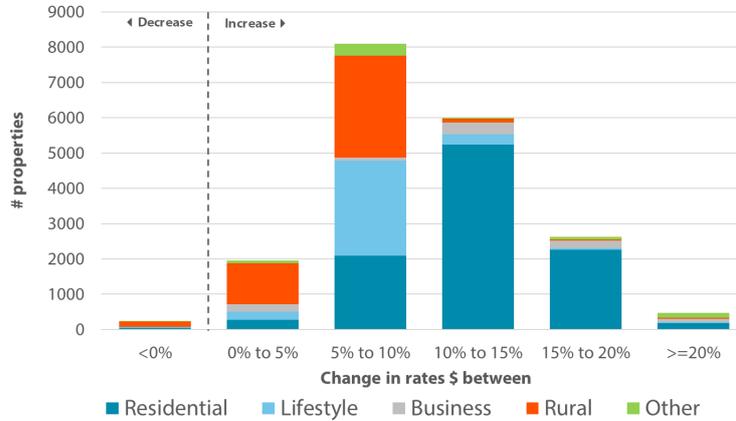


Table 1: Average rate and rate change (including GST) by landuse sector

Landuse Sector	Average capital value	Average rate		26/27 av. rate change		
		Current 25/26	Proposed AP 26/27*	\$	%	\$ per week
Residential	\$500k	\$3,883	\$4,420	\$537	15%	\$10
Lifestyle	\$769k	\$2,614	\$2,776	\$162	7%	\$3
Commercial (Business)	\$1,002k	\$8,827	\$10,408	\$1,580	15%	\$30
Industrial (Business)	\$1.34m	\$5,766	\$6,346	\$580	12%	\$11
Dairy Farming (Rural)	\$7.39m	\$16,641	\$17,426	\$785	5%	\$15
Farming (Rural)	\$3.14m	\$6,396	\$6,771	\$375	6%	\$7
Forestry (Rural)	\$1.64m	\$8,733	\$8,766	\$33	1%	\$1
Mining (Rural)	\$457k	\$12,147	\$17,778	\$5,631 ¹	32%	\$108
Other	\$4.49m	\$5,528	\$6,067	\$539	11%	\$10
All sectors	\$1.47m	\$5,009	\$5,495	\$486	11%	\$9

This table and the graphs below excludes properties that are contiguous, not rated or new properties that did not pay rates in 25/26. Note residential in this table includes vacant properties which is why this differs from the residential total on the following page.

1 - Please note that the higher average increase for the mining sector is the result of the closure of the Fernhill Limeworks at Centre Bush/Limehills. This property is now rated as farming rather than mining for the roading rate, which has had a flow-on impact on the amount of roading rates payable by the remaining mining properties. These properties are now picking up the share of the heavy-vehicle rate allocation for the roading rate that was previously paid by the limeworks, which accounted for around 20% of the total capital value of the mining sector.

Staff have not yet had an opportunity to consider whether the closure of the limeworks should result in a reduction in the minimum tonnage allocated to the mining sector for the roading rate, or whether the existing tonnage assumption remains reasonable on the basis that other lime mines may continue to supply the market in place of the closed limeworks.

Table 2: Average residential rate and rate change (including GST) by community board and town

Community board Town	Average capital value	Average rate		26/27 av. rate change		
		Current 25/26	Proposed AP 26/27*	\$	%	\$ per week
Ardlussa	\$402k	\$3,169	\$3,515	\$345	10%	\$7
Balfour	\$331k	\$3,928	\$4,496	\$567	14%	\$11
Riversdale	\$476k	\$3,500	\$3,925	\$425	12%	\$8
Waikaia	\$333k	\$2,350	\$2,480	\$130	6%	\$2
Fiordland	\$741k	\$4,829	\$5,520	\$690	14%	\$13
Manapouri	\$621k	\$4,675	\$5,343	\$668	14%	\$13
Te Anau	\$758k	\$4,851	\$5,545	\$694	14%	\$13
Northern	\$378k	\$3,820	\$4,296	\$476	12%	\$9
Athol	\$495k	\$2,446	\$2,570	\$124	5%	\$2
Garston	\$533k	\$2,486	\$2,630	\$145	6%	\$3
Lumsden	\$363k	\$4,399	\$5,039	\$641	15%	\$12
Mossburn	\$329k	\$3,329	\$3,638	\$309	9%	\$6
Ōraka Aparima	\$624k	\$4,325	\$4,921	\$596	13%	\$11
Colac Bay	\$561k	\$2,556	\$2,704	\$148	6%	\$3
Riverton	\$639k	\$4,554	\$5,207	\$653	14%	\$13
Thornbury	\$330k	\$2,298	\$2,432	\$134	6%	\$3
Ōreti	\$519k	\$4,126	\$4,739	\$614	15%	\$12
Centre Bush/ Limehills/Browns	\$418k	\$2,411	\$2,611	\$200	8%	\$4
Dipton	\$276k	\$2,150	\$2,314	\$164	8%	\$3
Wallacetown	\$529k	\$3,565	\$4,018	\$453	13%	\$9
Winton	\$526k	\$4,378	\$5,058	\$680	16%	\$13
Stewart Island/Rakiura	\$612k	\$3,695	\$4,128	\$433	12%	\$8
Tuatapere Te Waewae	\$312k	\$4,023	\$4,606	\$584	15%	\$11
Monowai	\$268k	\$2,720	\$3,114	\$394	14%	\$8
Orepuki	\$341k	\$2,243	\$2,482	\$239	19%	\$5
Tuatapere	\$311k	\$4,361	\$5,007	\$646	15%	\$12
Waihōpai Toetoe	\$375k	\$4,199	\$4,807	\$607	14%	\$12
Edendale	\$447k	\$4,545	\$5,210	\$665	15%	\$13
Gorge Road	\$292k	\$2,857	\$3,230	\$373	13%	\$7
Tokanui	\$322k	\$3,229	\$3,686	\$457	16%	\$9
Woodlands	\$414k	\$2,390	\$2,643	\$253	11%	\$5
Wyndham	\$313k	\$4,427	\$5,082	\$654	15%	\$13
Wallace Takitimu	\$302k	\$4,179	\$4,833	\$654	16%	\$13
Nightcaps	\$250k	\$4,182	\$4,846	\$664	16%	\$13
Ohai	\$202k	\$4,153	\$4,816	\$663	16%	\$13
Otautau	\$375k	\$4,242	\$4,901	\$659	16%	\$13
Wairio	\$233k	\$2,826	\$3,147	\$321	11%	\$6
All Residential Households	\$551k	\$4,276	\$4,881	\$605	14%	\$12

Residential households exclude properties that are contiguous, vacant and not rated or located outside of an urban or semi-urban rating boundary in order to mirror urban residential households. This table also excludes new properties that did not pay rates in 25/26.

Table 3: Average rural rate and rate change (including GST) by community board area

Community board	Average capital value	Average rate		26/27 av. rate change		
		Current 25/26	Proposed AP 26/27*	\$	%	\$ per week
Ardlussa	\$5.38m	\$11,000	\$11,763	\$762	7%	\$15
Fiordland	\$4.40m	\$12,222	\$12,795	\$572	5%	\$11
Northern	\$4.90m	\$10,406	\$11,061	\$655	8%	\$13
Oraka Aparima	\$3.12m	\$6,771	\$7,047	\$276	5%	\$5
Oreti	\$3.43m	\$7,371	\$7,771	\$400	6%	\$8
Tuatapere Te Waewae	\$3.25m	\$7,783	\$8,228	\$445	5%	\$9
Waihopai Toetoe	\$3.24m	\$6,943	\$7,257	\$313	5%	\$6
Wallace Takitimu	\$4.57m	\$9,972	\$10,413	\$441	5%	\$8
All Rural Properties	\$3.82m	\$8,356	\$8,795	\$439	6%	\$8

Rural includes all dairy, farming, forestry and mining properties in rural CB areas. This table also excludes new properties that did not pay rates in 25/26.

Table 4: Average business rate and rate change (including GST) by community board area

Community board	Average capital value	Average rate		26/27 av. rate change		
		Current 25/26	Proposed AP 26/27*	\$	%	\$ per week
Ardlussa	\$0.34m	\$3,278	\$3,758	\$480	17%	\$9
Fiordland	\$1.42m	\$10,352	\$12,222	\$1,870	14%	\$36
Northern	\$0.38m	\$4,126	\$4,661	\$536	11%	\$10
Oraka Aparima	\$0.46m	\$4,864	\$5,665	\$802	13%	\$15
Oreti	\$1.02m	\$5,166	\$5,808	\$642	11%	\$12
Stewart Island/Rakiura	\$0.71m	\$5,176	\$6,128	\$952	19%	\$18
Tuatapere Te Waewae	\$0.37m	\$4,178	\$4,795	\$617	12%	\$12
Waihopai Toetoe	\$2.34m	\$8,503	\$9,294	\$791	11%	\$15
Wallace Takitimu	\$0.27m	\$3,460	\$4,000	\$540	13%	\$10
All Business Properties	\$1.02m	\$6,501	\$7,482	\$981	13%	\$19

Business includes all commercial and industrial properties. This table also excludes new properties that did not pay rates in 25/26.

Figure 1: Average \$ change in rates (including GST) by community board and town

by \$ increase

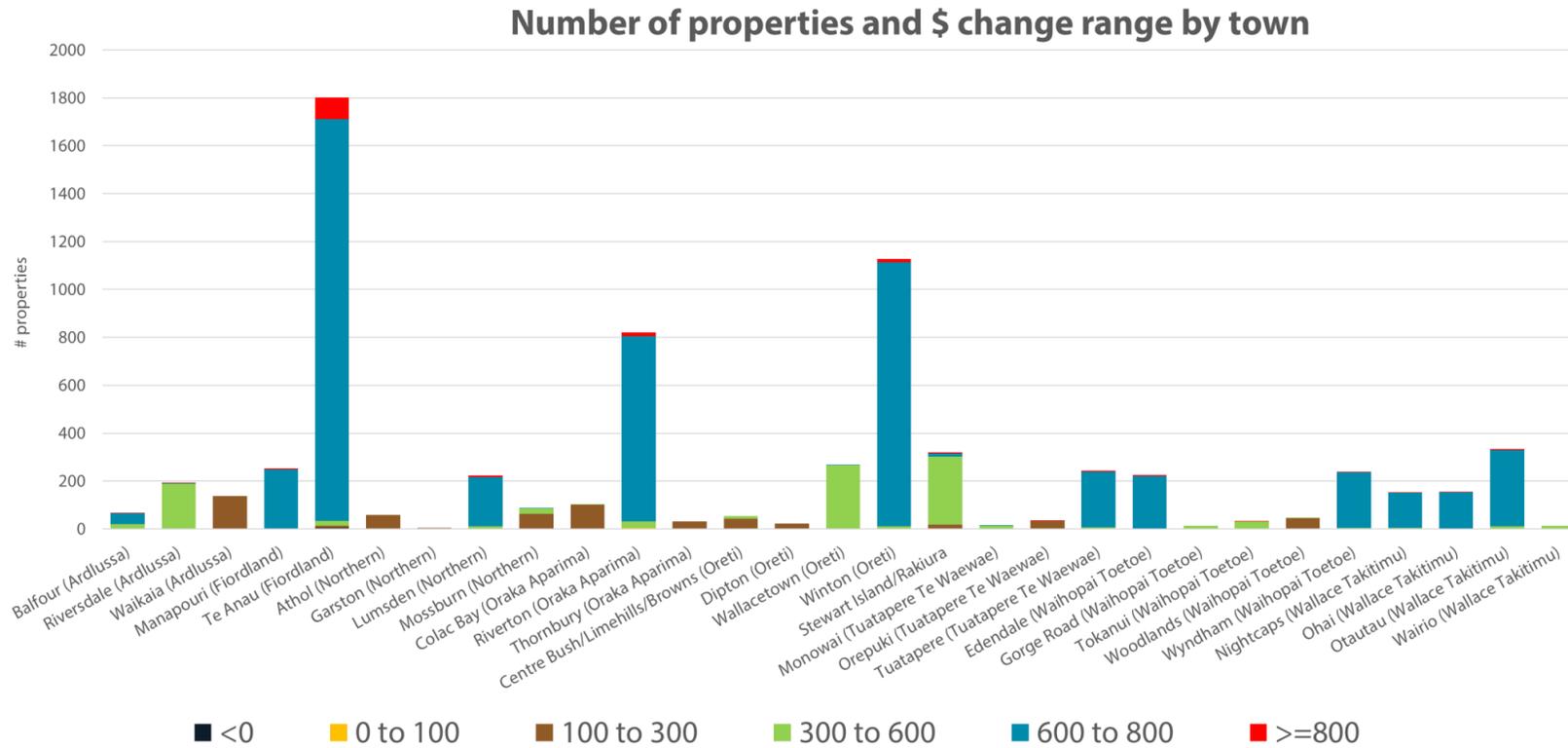


Figure 2: Average % change in rates (including GST) by community board and town

by % increase

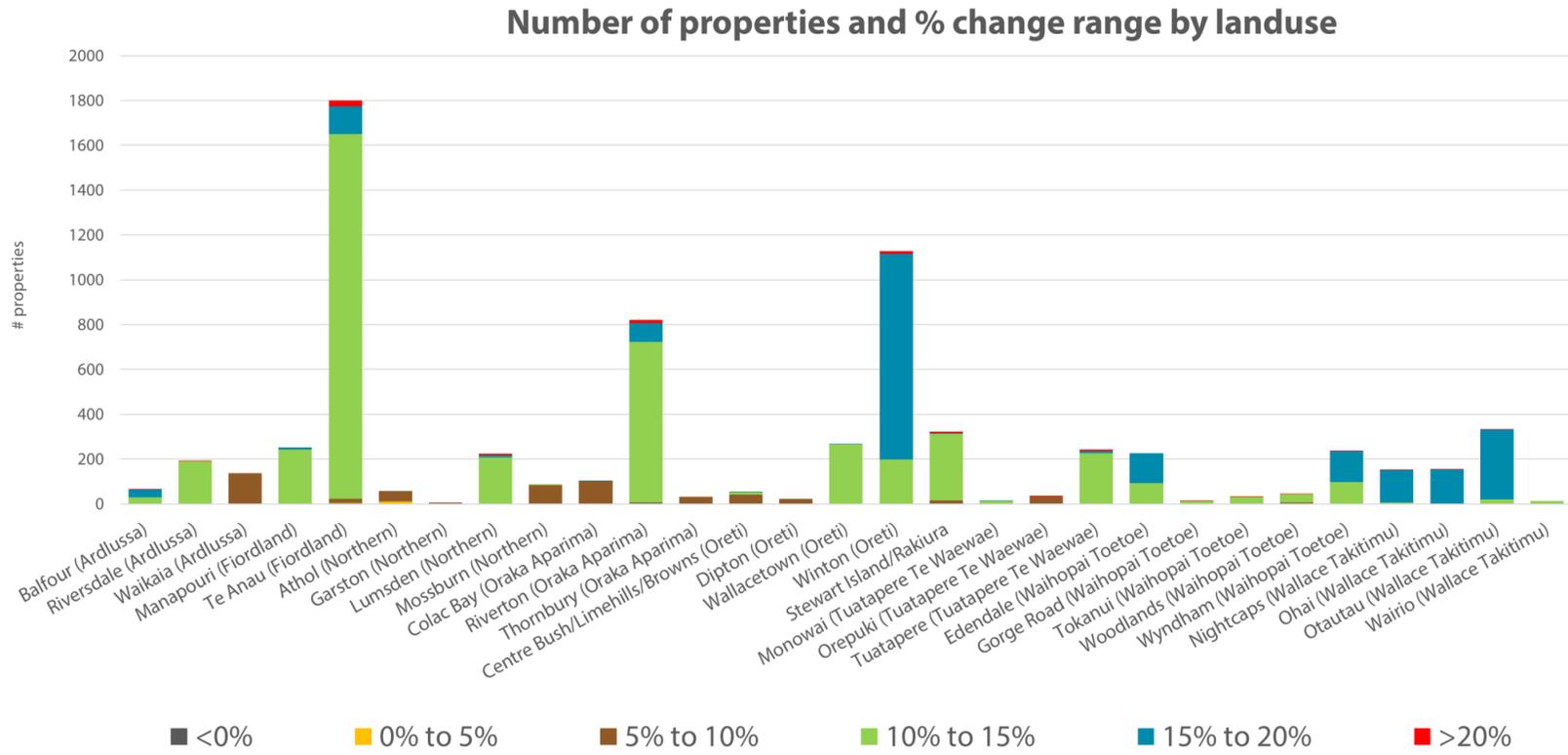


Table 5 below shows the proposed rates for various landuse types and different property values. The table shows total rates and the category of rate including district (paid by all properties), local (set in community board areas), service (for service type activities like water and sewerage with some district-wide and others in specific areas).

Table 5: Sample properties showing proposed rate change (including GST) over current year

Sector	Land Value	Capital Value	TOTAL RATES				DISTRICT RATES				LOCAL RATES				SERVICE RATES			
			Actual 25/26	Proposed AP 26/27*	Change		Actual 25/26	Proposed AP 26/27*	Change		Actual 25/26	Proposed AP 26/27*	Change		Actual 25/26	Proposed AP 26/27*	Change	
					\$	%			\$	%			\$	%			\$	%
Residential & Lifestyle																		
Residential (Winton)	\$150,000	\$510,000	\$4,091	\$5,015	\$925	23%	\$1,721	\$1,920	\$199	12%	\$275	\$296	\$21	8%	\$2,095	\$2,800	\$705	34%
Residential (Manapouri)	\$560,000	\$1,040,000	\$4,964	\$5,993	\$1,029	21%	\$2,455	\$2,709	\$254	10%	\$414	\$485	\$71	17%	\$2,095	\$2,800	\$705	34%
Residential (Balfour)	\$105,000	\$390,000	\$2,303	\$2,597	\$294	13%	\$1,527	\$1,741	\$214	14%	\$337	\$383	\$46	14%	\$439	\$473	\$34	8%
Residential (Ohai)	\$60,000	\$275,000	\$3,936	\$4,891	\$954	24%	\$1,382	\$1,570	\$188	14%	\$459	\$521	\$62	13%	\$2,095	\$2,800	\$705	34%
Residential (Te Anau)	\$250,000	\$760,000	\$4,409	\$5,489	\$1,080	24%	\$1,929	\$2,292	\$363	19%	\$385	\$397	\$12	3%	\$2,095	\$2,800	\$705	34%
Residential (Otautau)	\$80,000	\$445,000	\$4,033	\$5,006	\$973	24%	\$1,590	\$1,823	\$233	15%	\$348	\$383	\$35	10%	\$2,095	\$2,800	\$705	34%
Residential (Tuatapere)	\$70,000	\$290,000	\$3,964	\$4,878	\$915	23%	\$1,396	\$1,592	\$197	14%	\$473	\$486	\$13	3%	\$2,095	\$2,800	\$705	34%
Lifestyle (Athol)	\$520,000	\$855,000	\$2,248	\$2,549	\$301	13%	\$2,045	\$2,315	\$269	13%	\$202	\$234	\$32	16%	\$0	\$0	\$0	0%
Lifestyle (Manapouri)	\$380,000	\$900,000	\$3,435	\$4,254	\$819	24%	\$1,955	\$2,382	\$426	22%	\$226	\$280	\$54	24%	\$1,254	\$1,593	\$338	27%
Lifestyle (Wyndham)	\$250,000	\$900,000	\$2,568	\$2,986	\$418	16%	\$2,025	\$2,382	\$357	18%	\$105	\$132	\$27	26%	\$439	\$473	\$34	8%
Lifestyle (Riverton/Aparima)	\$1,100,000	\$2,100,000	\$2,822	\$3,676	\$855	30%	\$2,363	\$3,171	\$809	34%	\$21	\$32	\$11	55%	\$439	\$473	\$34	8%
Rural (Farming, Dairy Farming, Mining, Forestry)																		
Farming (Non-Dairy)	\$4,510,000	\$5,260,000	\$9,241	\$9,536	\$295	3%	\$9,054	\$9,352	\$298	3%	\$186	\$183	(\$3)	(2%)	\$0	\$0	\$0	0%
Farming (Non-Dairy)	\$6,950,000	\$8,150,000	\$12,742	\$14,095	\$1,353	11%	\$12,664	\$14,009	\$1,345	11%	\$78	\$86	\$9	11%	\$0	\$0	\$0	0%
Farming (Non-Dairy)	\$5,300,000	\$6,500,000	\$9,890	\$11,630	\$1,740	18%	\$9,703	\$11,357	\$1,653	17%	\$186	\$273	\$87	47%	\$0	\$0	\$0	0%
Farming (Non-Dairy)	\$2,020,000	\$2,180,000	\$4,212	\$4,156	(\$55)	(1%)	\$4,152	\$4,093	(\$59)	(1%)	\$60	\$63	\$3	6%	\$0	\$0	\$0	0%
Mining	\$2,850,000	\$4,320,000	\$103,985	\$154,081	\$50,096 ¹	48%	\$103,880	\$153,967	\$50,087	48%	\$105	\$114	\$9	9%	\$0	\$0	\$0	0%
Dairy	\$13,500,000	\$16,100,000	\$27,210	\$35,251	\$8,041	30%	\$26,749	\$34,799	\$8,050	30%	\$462	\$452	(\$9)	(2%)	\$0	\$0	\$0	0%
Dairy	\$9,100,000	\$10,910,000	\$22,160	\$24,043	\$1,882	8%	\$21,859	\$23,705	\$1,846	8%	\$301	\$337	\$36	12%	\$0	\$0	\$0	0%
Dairy	\$13,700,000	\$17,500,000	\$35,308	\$37,899	\$2,592	7%	\$34,915	\$37,475	\$2,560	7%	\$393	\$424	\$31	8%	\$0	\$0	\$0	0%
Dairy	\$19,800,000	\$24,400,000	\$51,969	\$56,409	\$4,440	9%	\$47,721	\$51,842	\$4,121	9%	\$302	\$310	\$9	3%	\$3,947	\$4,257	\$310	8%
Forestry	\$1,260,000	\$1,300,000	\$8,652	\$7,192	(\$1,461)	(17%)	\$8,595	\$7,128	(\$1,467)	(17%)	\$57	\$64	\$7	12%	\$0	\$0	\$0	0%
Business (Industrial, Commercial, Other including utilities, churches, schools etc)																		
Industrial	\$270,000	\$530,000	\$4,039	\$4,937	\$898	22%	\$2,108	\$2,314	\$207	10%	\$275	\$296	\$21	8%	\$1,656	\$2,327	\$670	40%
Industrial	\$380,000	\$890,000	\$6,905	\$8,460	\$1,555	23%	\$2,902	\$3,098	\$196	7%	\$276	\$323	\$47	17%	\$3,727	\$5,039	\$1,313	35%
Commercial	\$235,000	\$950,000	\$5,470	\$6,434	\$964	18%	\$3,099	\$3,312	\$213	7%	\$276	\$323	\$47	17%	\$2,095	\$2,800	\$705	34%
Commercial	\$1,300,000	\$7,150,000	\$14,635	\$17,427	\$2,792	19%	\$14,439	\$17,235	\$2,796	19%	\$196	\$192	(\$4)	(2%)	\$0	\$0	\$0	0%
Other	\$88,000	\$100,000	\$1,106	\$1,183	\$77	7%	\$1,011	\$1,089	\$78	8%	\$94	\$94	(\$1)	(1%)	\$0	\$0	\$0	0%

1 - Please note that the higher average increase for the mining sector is the result of the closure of the Fernhill Limeworks at Centre Bush/Limehills. This property is now rated as farming rather than mining for the roading rate, which has had a flow-on impact on the amount of roading rates payable by the remaining mining properties. These properties are now picking up the share of the heavy-vehicle rate allocation for the roading rate that was previously paid by the limeworks, which accounted for around 20% of the total capital value of the mining sector.

Staff have not yet had an opportunity to consider whether the closure of the limeworks should result in a reduction in the minimum tonnage allocated to the mining sector for the roading rate, or whether the existing tonnage assumption remains reasonable on the basis that other lime mines may continue to supply the market in place of the closed limeworks.

Main rate changes

Table 6 (below left) details the change in rate per unit typically paid by residential households in townships connected to water and wastewater for an average residential property. Table 7 (below right) details the same information for average rural properties (dairy farming, other farming, forestry and mining).

Table 6: Main residential/household rate changes	Proposed AP 26/27* Increase (including GST)	
	\$	%
Uniform Annual General Charge	\$42	5%
Stormwater - Full charge	\$33	26%
District Wastewater Rate-Full Charge	\$278	30%
District Water Rate-Full Charge	\$218	24%
Rubbish Bin Collection	\$13	6%
Recycle Bin Collection	\$13	6%
Roading UTR	\$0	0%
General Rate CV (av. CV \$500k)	\$19	6%
Roading Rate CV (av. CV \$500k)	\$24	6%
Total	\$639	
Community Board Urban (full charge)	(\$2) to \$36	av. \$11
Halls	(\$33) to \$79	av. \$5
Other Local (Pool, Airport, SIESA)	(\$1) to \$6	av. \$1

Table 7: Main rural rate changes	Proposed AP 26/27* Increase (including GST)	
	\$	%
Uniform Annual General Charge	\$42	5%
Stormwater - Quarter charge	\$8	26%
Roading UTR	\$0	0%
General Rate CV		
Farming (av. CV \$3.1m)	\$117	6%
Dairy Farming (av. CV \$7.4m)	\$275	6%
Forestry (av. CV \$1.6m)	\$61	6%
Mining (av. CV \$5m)	\$17	6%
Roading Rate CV		
Farming (av. CV \$3.1m)	\$154	5%
Dairy Farming (av. CV \$7.4m)	\$337	3%
Forestry (av. CV \$1.6m)	(\$181)	(1%)
Mining (av. CV \$5m)	\$5,467	53%
Total Farming	\$321	
Total Dairy	\$663	
Total Forestry	(\$70)	
Total Mining	\$5,535	
Community Board Rural (quarter charge)	(\$1) to \$9	av. \$3
Halls	(\$33) to \$79	av. \$5
Other Local (Pool, Airport, SIESA)	(\$1) to \$6	av. \$1

Table 8 (below) shows the forecast rate per unit by rate grouping (district rates, local rates and service rates) and details the \$ and % change for 26/25 from 25/26. The rows highlighted in blue show the rate types that are typically paid by residential properties (versus rural properties) which are summarised above.

Table 8: List of proposed rates for 26/27 showing change from 25/26 (including GST)

□ indicates rate proposed to be removed □ indicates main residential type rates

Rate Description	Actual 25/26	Proposed AP 26/27*	Change	
			\$	%
District Rates				
Uniform Annual General Charge	812	854	42	5%
General Rate CV	0.00064441	0.00068167	0.00003726	6%
Regional Heritage	50	45	(5)	(10%)
Roading Commercial CV	0.00153383	0.00158315	0.00004932	3%
Roading Dairy CV	0.00134171	0.00138736	0.00004565	3%
Roading Farming CV	0.00084934	0.00089830	0.00004896	6%
Roading Forestry CV	0.00414513	0.00403482	(0.00011031)	(3%)
Roading Industrial CV	0.00144707	0.00149563	0.00004856	3%
Roading Lifestyle CV	0.00075852	0.00080704	0.00004852	6%
Roading Mining CV	0.02275026	0.03471761	0.01196735	53%
Roading Other CV	0.00022756	0.00024211	0.00001455	6%
Roading Residential CV	0.00075852	0.00080704	0.00004852	6%
Roading UTR	104	104	0	0%
Stormwater - Full charge	126	158	33	26%
Stormwater - Quarter Charge	31	40	8	26%
Service Rates				
District Water Rate-Full Charge	901	1,120	218	24%
District Water Rate-Half Charge	451	560	109	24%
District Water Rate-Trough Charge	180	224	44	24%
District Water - Meter Charge	225	225	0	0%
Te Anau Rural Water - Annual Charge	1,333	1,376	43	3%
Te Anau Rural Water - Full Unit	888	917	29	3%
Te Anau Rural Water - Half Unit	444	459	14	3%
District Wastewater Rate-Full Charge	929	1,207	278	30%
District Wastewater Rate-Half Charge	464	603	139	30%
Woodlands Septic Tank Cleaning Charge	152	268	115	76%
Recycle Bin Collection	224	237	13	6%
Rubbish Bin Collection	224	237	13	6%
Stewart Island Waste Management Rate	294	304	10	3%
Local Community Board Rates				
Ardlussa CB Rural	70	70	0	0%
Ardlussa CB Urban	281	281	0	0%
Fiordland CB Semi Urban	132	137	5	4%
Fiordland CB Rural	66	68	2	4%
Fiordland CB Urban	264	273	9	4%
Northern CB Rural	90	94	4	4%
Northern CB Semi Urban	180	187	7	4%
Northern CB Urban	361	375	14	4%
Ōraka Aparima CB Rural	64	63	(1)	(1%)
Ōraka Aparima CB Semi Urban	127	126	(1)	(1%)
Ōraka Aparima CB Urban	254	252	(2)	(1%)
Ōreti CB Rural	53	61	8	14%
Ōreti CB Semi Urban	106	121	15	14%
Ōreti CB Urban	212	243	30	14%
Stewart Island/Rakiura Community Board Rate	252	273	21	8%
Tuatapere Te Waewae CB Rural	102	103	1	1%
Tuatapere Te Waewae CB Semi Urban	205	207	2	1%
Tuatapere Te Waewae CB Urban	410	413	3	1%
Waihōpai Toetoe CB Rural	61	64	3	5%
Waihōpai Toetoe CB Semi Urban	121	127	6	5%

Rate Description	Actual 25/26	Proposed AP 26/27*	Change	
			\$	%
Waihōpai Toetoe CB Urban	242	254	12	5%
Wallace Takitimu CB Rural	77	86	9	12%
Wallace Takitimu CB Semi Urban	155	173	18	12%
Wallace Takitimu CB Urban	310	346	36	12%
Other Local Rates				
Airport Rate	59	60	1	2%
SIESA	200	200	0	0%
Pool Rates				
Fiordland Pool	14	14	(0)	(1%)
Northern Pool Rate	23	24	1	4%
Otautau Pool Rate	37	37	0	0%
Riverton Pool	26	32	6	21%
Takitimu Pool Rate	28	28	(0)	(0%)
Tuatapere Ward Pool Rate	7	7	0	0%
Waihōpai Toetoe Pool	11	10	(1)	(11%)
Winton Pool Rate	17	17	(0)	(0%)
Hall Rates				
Aparima Hall	42	42	0	0%
Athol Memorial Hall Rate	136	141	5	4%
Balfour Hall	83	102	19	23%
Blackmount Hall	49	52	2	5%
Browns Hall	49	49	0	0%
Brydone Hall	80	81	1	2%
Clifden Hall	72	73	1	2%
Colac Bay Hall	139	139	0	0%
Dacre Hall	43	43	0	0%
Dipton Hall	145	178	33	23%
Eastern Bush Hall	82	82	0	0%
Edendale-Wyndham Hall	45	58	13	29%
Fiordland Community Event Centre	44	50	6	13%
Five Rivers Hall	218	208	(10)	(4%)
Glenham Hall	49	48	(1)	(2%)
Gorge Road Hall	48	48	0	0%
Heddon Bush Hall	70	68	(2)	(3%)
Hedgehope/Glencoe Hall	76	76	0	0%
Limehills Hall	83	86	3	4%
Lochiel Hall	35	35	(0)	(1%)
Lumsden Hall	89	73	(16)	(18%)
Mabel Bush Hall	49	50	1	1%
Manapouri Hall	139	152	13	9%
Mandeville Hall	44	45	1	2%
Mimihau Hall	62	62	0	0%
Mokoreta/Redan Hall	88	84	(3)	(4%)
Mossburn Hall	98	65	(33)	(34%)
Myross Bush Hall	28	28	0	0%
Nightcaps Hall	126	132	6	5%
Ohai Hall	137	147	10	7%
Orawia Hall Rate	123	104	(19)	(16%)
Orepuki Hall Rate	125	151	26	21%
Oreti Plains Hall	127	127	0	0%
Otapiri/Lora Gorge Hall	118	121	4	3%
Riversdale Hall	74	80	6	8%
Ryal Bush Hall	110	110	0	0%
Seward Downs Hall	44	50	6	13%
Stewart Island Hall	76	78	2	3%
Thornbury Hall	140	146	6	4%
Tokenui/Quarry Hills Hall	133	195	62	47%
Tuatapere Hall	57	66	9	15%
Tussock Creek Hall	25	104	79	318%

18/02/2025

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Rate Description	Actual 25/26	Proposed AP 26/27*	Change	
			\$	%
Tuturau Hall	50	50	0	0%
Waianiwa Hall	101	104	4	4%
Waikaia Recreation	70	77	7	10%
Waikawa Community Centre	72	72	(0)	(0%)
Waimahaka Hall	67	68	1	1%
Waimatuku Hall	40	40	0	0%
Wairio Community Centre	55	55	(1)	(1%)
Wallacetown Hall	69	75	6	8%
Winton Hall	32	36	5	15%
Wrights Bush Hall	32	32	0	0%
Waihōpai Toetoe Hall grant	74	74	0	1%
Loan Rates				
Edendale Water Loan Charge - 25 yrs	149	148	(0)	(0%)
Wyndham Water Loan Charge - 25 yrs	143	143	(0)	(0%)
Edendale Sewerage Loan Charge -25 yrs	518	518	(1)	(0%)
Edendale Swge Loan inc.conn - 25 years	626	626	(1)	(0%)
Tuatapere Sewerage Loan Charge - 25 yrs	359	359	(0)	(0%)
Wallacetown Sewerage-Loan Charge 25 yrs	329	329	(0)	(0%)
Wyndham Sewerage Loan Charge - 25 yrs	464	464	(1)	(0%)
Wyndham Swge Loan inc.conn - 25 yrs	572	571	(1)	(0%)

30% Rating Cap

The Local Government (Rating) Act states that certain rates must not exceed 30% of total rates revenue.

The rates are:

- the uniform annual general charge (UAGC); and
- targeted rates that are set on a uniform basis and are calculated as a fixed amount per rating unit or separately used or inhabited part of a rating unit (excl targeted rates set solely for water supply, sewage disposal and any fixed rate that uses a differential e.g. community board rates, stormwater rates).

Councils are required to keep fixed charges below a set proportion of total rates because a high level of uniform charges is considered regressive, placing a disproportionate burden on lower-value (and often lower-income) households.

While total rates have been increasing, the proportion set on a uniform basis has been decreasing over time. This is because water and wastewater rates (which are excluded from the uniform rate but included in the total rates) have grown faster than other rates. This has led to a gradual decrease in the proportion of rates set on a uniform basis over time. In addition, the introduction of new differentials in 2021/2022 resulted in some rates no longer being treated as a uniform charge, further contributing to the decline.

The left table below shows the proportion of rates set on a uniform basis over time. The right table below shows the proposed rates for 2026/2027 to be set on a uniform basis.

Year	% from uniform rates
26/27*	19.13%
25/26	20.10%
24/25	21.08%
23/24	22.80%
22/23	22.99%
21/22	23.41%
20/21	26.62%
19/20	27.09%

Proposed Rates for AP 2026/2027 (excl GST)	
Maximum allowed in 30%	85,075,058
General UAGC	12,795,064
Roading UTR	1,550,374
Local Rates (pools, airport)	444,161
Hall Rates	824,082
Regional Heritage	657,922
Total Rates from UTR	16,271,602
Percentage of Total Rates	19.13%

While the above fits within the legislative guidelines, it is also useful to consider the mix of Council's total rate take in terms of proportion set using capital value or as a fixed amount per unit (including service rates and fixed differentials). The graphs on page 3 shows the overall mix of rates in terms of how rates are set and the different rate groups. In 2026/2027, 54% of total rates will be set as a fixed amount (2025/2026: 52%). Fixed charges generally shift rates onto low value properties or sectors with the majority of properties (mostly residential). Capital value rates shift the burden onto higher value properties (mostly rural).

Transport Procurement Strategy

Record no: R/26/1/805
Author: Hartley Hare, Strategic manager transport
Approved by: Fran Mikulicic, Group manager infrastructure and capital delivery
Report type: Decision

Purpose

- 1 The purpose of this report is to present Southland District Council's Transport Procurement Strategy (November 2025) for approval.
- 2 The strategy outlines how Council will plan, procure, and manage transport activities over the next three years to ensure safe, resilient, and affordable delivery of services across the district's extensive road network.
- 3 It also seeks confirmation that Council has complied with its decision-making obligations and that the strategy is ready to be adopted following New Zealand Transport Agency endorsement.

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 moderate importance based on Council's Significance and Engagement Policy. On this basis no further engagement has been undertaken.
- 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) approves the Transport Procurement Strategy as endorsed by NZTA.

Executive summary

- 4 This report seeks approval of Southland District Council's Transport Procurement Strategy (November 2025), which sets out how Council will plan, procure, and deliver subsidised transport activities over the next three years. New Zealand Transport Agency (NZTA) requires all approved organisations to submit an updated procurement strategy for endorsement every three years, and NZTA has reviewed and endorsed this version. Council approval is now required to finalise the strategy and enable procurement of major contracts beginning in 2026.
- 5 Southland District Council manages over 5,000 km of roads across a geographically large and sparsely populated district. The Long Term Plan 2024–2034 commits to significant investment in maintenance, renewals, resilience works, and bridge replacements, with approximately 55% of funding provided through NZTA's Funding Assistance Rate. The Transport Procurement Strategy provides a structured procurement approach to support this programme, outlining procurement models for professional services, reseals, road maintenance, physical works, and specialist contracts.

-
- 6 Key findings in the strategy highlight challenges such as a limited contractor market, seasonal delivery constraints, ageing assets, and increasing resilience demands. Recommended procurement approaches include continued use of collaborative maintenance contracts, expanded use of the professional services panel, competitive procurement as the default, and targeted direct appointment where justified. The strategy also integrates broader outcomes related to, sustainability, carbon reduction, economic development, and market capability.
- 7 The recommended option is to approve the Transport Procurement Strategy, as it ensures continued compliance with NZTA procurement requirements and maintains eligibility for co-funding. It also provides certainty for suppliers and aligns procurement delivery with the 2024–2034 LTP.

Context

- 8 Southland District Council is required under the Land Transport Management Act 2003 and the NZTA Procurement Manual to maintain an endorsed Transport Procurement Strategy. NZTA requires approved organisations to resubmit their procurement strategy every three years to ensure ongoing compliance with national procurement standards and eligibility for the Funding Assistance Rate (FAR). The previous strategy falls within this three-year cycle, and an updated version is required at this time to maintain subsidy eligibility and support the delivery of Council's transport programme.
- 9 The Transport Procurement Strategy sets out how Council will procure all subsidised transport activities, including professional services, maintenance, renewals, resurfacing, bridge replacements, lighting, and minor improvements. These activities make up Council's largest expenditure area and are essential to delivering a safe, resilient, and affordable roading network for Southland's communities.
- 10 The strategy reflects:
- the direction of the Long Term Plan 2024–2034, including significant investment in renewals and resilience
 - findings of the Section 17A review, which recommended continuation of collaborative maintenance delivery and expansion of in-house capability
 - current market conditions, including constrained contractor capacity, high mobilisation costs, and seasonal limitations
 - increased resilience pressures driven by climate change and ageing assets.
- 11 The Transport Procurement Strategy ensures procurement activity is aligned with best practice, supports long-term affordability, provides certainty to the supplier market, and maintains compliance with NZTA procurement rules.
- 12 This report is presented now because NZTA's review has been completed and endorsement provided. Council approval is required to maintain FAR subsidy eligibility and to proceed with significant upcoming procurements for the 2025–2026 period (including road maintenance contracts).

Discussion

- 13 The Southland District Council Transport Procurement Strategy provides the framework for all procurement activity related to the transport network over the next three years. It outlines procurement approaches for professional services, road maintenance, resurfacing, rehabilitations, bridges, lighting, and minor improvements.
- 14 Key elements include:
- procurement models – competitive procurement as the default; use of collaborative (alliance-style) maintenance contracts; professional services panel; selective direct appointment only where permitted
 - market analysis – small and constrained supplier market, high mobilisation costs, seasonal limitations, and increasing resilience expectations
 - implementation of section 17A review findings – strengthening in-house capability, enhanced compliance oversight, and bringing resale administration in-house
 - broader outcomes – embedding sustainability, carbon reduction, and social outcomes
 - internal capacity improvements – creation of a new regulatory, corridor access (RCA) compliance/ role and appointment of a commercial infrastructure manager.

Options

- 15 The following reasonably practicable options have been identified and assessed in this report:
- Option 1 – Approve the Transport Procurement Strategy
- Option 2 – Do not approve, or implement the strategy
- Option 3 – Request amendments prior to approval.

Recommended option:

- 16 The recommended option is Option 1 – Approve the Transport Procurement Strategy. The strategy has been prepared in consultation with Council staff, incorporates the recommendations of the section 17A review, ensures compliance with NZTA procurement requirements and maintains eligibility for NLTF co-funding.

Option 1 – Approve the Transport Procurement Strategy

Advantages	Disadvantages
<ul style="list-style-type: none"> • ensures compliance with NZTA procurement requirements • maintains eligibility for NLTF co-funding. Provides certainty ahead of major procurements • implements section 17A improvements • supports long-term affordability and resilience. 	<ul style="list-style-type: none"> • reduces flexibility to significantly alter procurement direction mid-term.

Option 2 – Do not approve or implement the strategy

Advantages	Disadvantages
<ul style="list-style-type: none"> allows further reconsideration of procurement approaches. 	<ul style="list-style-type: none"> non-compliance with NZTA requirements risks losing co-funding eligibility delays critical procurements for 2025/2026.

Option 3 – Request amendments

Advantages	Disadvantages
<ul style="list-style-type: none"> allows refinement of specific strategy components. 	<ul style="list-style-type: none"> risks delaying endorsement and procurement timelines risks losing co-funding eligibility may delay critical procurements for 2025/2026.

Legal considerations

- 17 The Transport Procurement Strategy is required under the Land Transport Management Act 2003. The strategy must comply with the NZTA Procurement Manual to maintain co-funding eligibility.
- 18 Council must meet the decision-making requirements of the Local Government Act 2002, including Section 79.
- 19 Procurement activity must align with Council’s Procurement Policy and Delegations Manual.

Strategic alignment

Strategic direction

- 20 The Transport Procurement Strategy supports Council’s strategic direction by:
 - delivering the transport outcomes identified in the Long Term Plan 2024–2034
 - supporting community outcomes relating to safety, connectivity, and wellbeing
 - ensuring sustainable, resilient, and affordable investment in the roading network
 - aligning with the Southland Regional Land Transport Plan and national priorities for safety, resilience, and value for money.

Policy and plan consistency

- 21 This matter is consistent with:
- Council’s Procurement Policy
 - Long Term Plan 2024–2034
 - Southland Regional Land Transport Plan
 - Section 17A review outcomes.

No inconsistencies have been identified under Section 80 of the Local Government Act.

Financial considerations

- 22 Approval of the Transport Procurement Strategy has no unbudgeted financial impact on Council. The Strategy supports delivery of approximately \$125 million in planned transport investment over the first three years of the Long Term Plan 2024–2034, with around 55% of this programme funded through NZTA’s Funding Assistance Rate. All procurement activity outlined in the strategy is already budgeted for within the LTP and NLTP allocations, and no new costs, reserves, loans, or changes to rates are required as a result of approving the Strategy. Internal resource changes – such as the introduction of an RCA compliance role and appointment of a commercial infrastructure manager – are modest relative to the scale of the roading activity and have been, or would be, costed within existing staff budgets and work programmes.
- 23 The procurement models proposed in the strategy are designed to reduce price escalation risk and support long-term pricing stability, ensuring expenditure remains within approved budgets. Funding requirements for all procurement processes will be met from existing operational and capital budgets, consistent with Council’s financial delegations and oversight by the finance business partner.
- 24 Approval of the strategy therefore ensures that Council can continue to access NZTA co-funding while delivering the transport programme within its existing financial parameters.

Significance assessment

- 25 This matter has been assessed as being of moderate significance in accordance with Council’s Significance and Engagement Policy. While the approval of the Transport Procurement Strategy is largely administrative and forms part of Council’s normal business cycle, it is a substantive decision that influences how Council procures and delivers its largest activity – transport – over the next three years. The strategy supports delivery of community outcomes relating to safe, resilient, and connected communities, and therefore has a moderate impact on achieving those outcomes, consistent with the “moderate importance” category in Appendix 2 of the Policy.
- 26 The decision does not alter levels of service or create new financial commitments beyond what is already provided for in the Long Term Plan, nor does it depart from existing Council strategies or policies. Impacts on the community are indirect and primarily relate to ensuring continuity of procurement and access to NZTA co-funding rather than changes felt directly by residents.

- 27 Financial costs are already budgeted for and come within approved LTP and NLTP allocations, which aligns with the “moderate importance” criteria where expenditure is substantive but within budget. Public interest is expected to be limited due to the technical and procedural nature of the decision, further supporting a moderate significance designation. Accordingly, no additional community engagement is required beyond standard reporting, as allowed for matters of moderate importance under the Policy.

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

- 28 Under Section 78 of the LGA, Council must consider community views. Community feedback on transport priorities has been gathered through the Long Term Plan and Regional Land Transport Plan consultations. As this decision is administrative, aligns with existing commitments, and does not change service levels, no further engagement has been undertaken.
- 29 There are no specific or disproportionate impacts on Māori, and no additional iwi engagement is required.

Climate change considerations

- 30 Climate change considerations are relevant to this matter. The strategy addresses climate change by embedding resilience-focused procurement models and encouraging suppliers to minimise carbon emissions and waste. It also supports sustainable asset management through the intervention hierarchy and by prioritising renewals and resilience works to adapt to extreme weather, flooding, and ageing infrastructure
- 31 These provisions assist Council in meeting its climate adaptation and mitigation commitments.

Risk and mitigations

- 32 There are minimal risks associated with approving the Transport Procurement Strategy. Approval commits Council to consider internal resourcing improvements, such as expanding compliance capability, and embeds multi-year procurement models that reduce flexibility to change approach mid-term. These risks are low and mitigated through existing LTP funding, contract review mechanisms, and NZTA oversight. Market uncertainty remains a possibility, but the strategy’s structured procurement models, professional services panel, and improved programme visibility help manage price and competition risks.

-
- 33 In contrast, the risks of not approving the strategy are significant. Without approval, Council risks non-compliance with NZTA procurement rules, which may jeopardise eligibility for the 55% Funding Assistance Rate. Major 2025–2026 procurements—such as the road maintenance alliances—cannot proceed without an approved strategy, leading to delivery delays, cost escalation, and reduced supplier confidence in Southland’s already constrained market. Overall, approving the strategy presents a low, manageable risk, while not approving it carries high risk.

Next steps

- 34 If approved by Council, the strategy will be implemented with major procurements commencing in 2026.

Attachments

- A Transport Procurement Strategy [↓](#)



Transport Procurement Strategy

November 2025

Southland District Council
Te Rohe Pōtae o Murihiku

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Transport Procurement Strategy

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1. Executive summary

Southland District Council's Long Term Plan 2024–2034 commits to a significant programme of investment in transport infrastructure to maintain resilience, safety, and connectivity across the district's extensive roading network. Over the next decade, Council will prioritise renewals, critical bridge replacements, and resilience works to manage the impacts of climate change and ageing assets.

In the first three years of the plan, Council will invest approximately \$125 million in roading and transport activities, with approximately \$69 million co-funded through the National Land Transport Fund at a Funding Assistance Rate of 55%. This investment underpins Council's role in delivering safe, sustainable, and accessible transport networks that enable strong community outcomes and economic growth.

Southland District Council's Transport Procurement Strategy has been developed to ensure that the Council delivers the desired outcomes with the funding provided and it signals Council's intentions for procurement of subsidised land transport activities. It is required under the Land Transport Management Act.

Procurement strategy audience

Primarily the supplier market and Southland District Council (SDC) staff responsible for delivering transport procurement activities.

Policy framework

This strategy is guided by SDC's Procurement Policy and the NZTA Procurement Manual to ensure best value for money for both taxpayers and ratepayers.

Key issues and opportunities

The Southland district has an extensive, low volume roading network spread across a large, sparsely populated area. This presents several challenges, including ageing assets, increasing resilience pressures, and a limited local contractor market. SDC is also highly dependent on NZTA co-investment (55% FAR) and must balance the significant cost of transport with the community's ability to pay.

To address these challenges, SDC will:

- use competitive procurement as the default to promote open and fair competition
- apply innovative models such as alliance delivery and, in limited cases, direct appointment where this delivers better value
- package works to attract strong supplier interest and improve pricing
- provide forward visibility of its 10-year programme to support local market capability
- collaborate regionally to share specialist resources and build market depth.

Corporate ownership and endorsement

This Transport Procurement Strategy has been reviewed by Southland District Council's executive leadership team and approved by the group manager infrastructure and capital projects. Responsibility for implementation and review of the strategy rests with the strategic manager transport. This strategy will be reviewed at least every three years, or earlier if significant changes occur to SDC's transport programme, organisational structure, or NZTA procurement rules.

Recommendations for NZTA

Southland District Council recommends NZTA:

- a) Endorses the Transport Procurement Strategy, together with Council's Procurement Policy.
- b) Approves the continued use of collaborative contract delivery models for maintenance contracts, using a 1+6+2 term (9 years) (advanced component).
- c) Approves SDC's professional services panel for closed contest procurement above \$200,000 (advanced component).
- d) Approves SDC's professional services panel for direct appointment for specialist services above \$100,000 (advanced component).

2. Policy context

Long Term Plan 2024 - 2034

Southland District Council's (SDC) Long Term Plan 2024–2034 recognises the district's extensive and dispersed roading network as critical to economic and social wellbeing. Over the next 10 years, Council intends to:

- prioritise asset maintenance and renewals to ensure safe, resilient, and fit-for-purpose transport connections
- respond to resilience pressures from climate change, storm events, and ageing infrastructure
- balance renewals and upgrades with affordability, recognising the limited contractor market and the need to stage investment sustainably
- support community outcomes by maintaining access to essential services, tourism routes, and productive industries
- align investment with NZTA's NLTP and national priorities for safety, resilience, and value for money.

Beyond the 10-year horizon, ongoing funding challenges, coupled with increasing resilience and safety requirements, will require innovative procurement approaches and stronger regional collaboration.

Council's Long Term Plan states the aim of the roading and transport activity is to provide a land transport network that enables people and goods to be moved throughout the district safely, conveniently, comfortably and efficiently. Roothing is the single biggest activity Council has, by expenditure, income, and as a share of rates. Raising the local share for roading activity has a significant economic impact on Southland's relatively small number of ratepayers.

Operating context

The Southland district has an extensive, low volume roading network covering more than 5,000 kilometres across a land area of 30,000 km². The network supports a dispersed population and underpins the district's agricultural, forestry, mining, and tourism-based economy. This geographic scale, combined with a small local market and challenging climate, creates unique procurement and delivery conditions that shape how SDC plans and manages its transport programme.

SDC faces several interrelated challenges that influence how it delivers value through procurement:

- ageing roading and bridge assets — a high proportion of the network requires renewal within the 10-year planning horizon, creating both funding and delivery pressures
- growing resilience risks — climate change, severe weather events, flooding, and coastal hazards are placing increasing stress on the network and driving the need for more robust design, construction, and maintenance practices
- affordability constraints — transport is SDC's largest activity by expenditure. Raising the local share for roading has a significant impact on a relatively small ratepayer base, requiring careful staging of investments
- limited contractor market — Southland has a small supplier pool, which can constrain competition, increase costs, and create risk to programme delivery

- funding dependency — approximately 55% of SDC's transport programme is co-funded by NZTA through the NLTF. Any changes to funding assistance rates (FAR) or National Land Transport Programme (NLTP) priorities pose a material risk to programme certainty
- competing investment priorities — other major infrastructure demands (water reform, housing, community assets) create competition for limited financial and organisational resources
- health and safety compliance pressures — increasingly stringent safety standards require greater supplier capability, lead-in times, and stronger contract oversight from Council.

Despite these challenges, several opportunities exist to improve procurement outcomes and strengthen delivery capability:

- optimised procurement models — packaging works (eg multi-year or multi-site contracts) can reduce procurement effort, attract stronger supplier commitment, and deliver better pricing
- innovative delivery approaches — Alliance delivery models have proven successful in Southland's environment and will continue to be used, alongside selective direct appointments where appropriate and permitted under the Procurement Policy
- regional collaboration — co-ordinating procurement with neighbouring councils (Invercargill City Council (ICC), Gore District Council (GDC), Clutha District Council (CDC)) offers opportunities to share specialist resources and strengthen the southern supplier market
- supplier market development — providing forward visibility of SDC's 10-year programme can give suppliers confidence to invest in local capability and capacity
- resilience-focused investment — national and regional priorities on climate adaptation create opportunities to leverage co-funding for resilience works
- technology and innovation — new materials, digital tools, and asset management practices can reduce costs, extend asset life, and improve safety outcomes
- community engagement — aligning procurement priorities with visible local outcomes (eg safety upgrades, footpath renewals) builds public support and trust.

NZTA procurement requirements

NZTA's procurement requirements include the following principles. We have described below what they mean to us at a local level and how we intend to deliver upon them:

- best value for money – means providing a well maintained, safe and efficient transport network at the lowest whole of life cost
- enabling competition that is fair – means conducting procurement activities consistent with the NZTA Procurement Manual and accepted good procurement practices including the use of standardised documentation, the use of the government electronic tender services (GETS) for open tenders and compliance to the Council's Procurement Policy. It also means packaging and bundling procurement opportunities to make them more attractive to suppliers and to give local and small to medium sized businesses an opportunity to compete
- encouraging competitive and efficient markets for supply – means that we will provide the supply market with forward visibility of upcoming procurement opportunities and ensure that we have developed clear specifications. We will structure our contracts with a long term view, to maintain healthy competitive markets. It also means that we will ensure that tender periods are appropriate

to allow for comprehensive responses and that there is sufficient time between contract award and commencement to allow contractors to mobilise.

Intervention hierarchy

Southland District Council applies the NZTA intervention hierarchy when planning all NLTF-funded transport activities. This hierarchy requires that investment decisions first consider:

1. Managing demand (reducing or shifting travel demand).
2. Making best use of the existing network (optimising current assets).
3. Improving existing assets (renewals and upgrades).
4. Providing new infrastructure (as a last resort when other options are insufficient).

Using this hierarchy ensures procurement decisions deliver the best whole-of-life outcomes, integrating considerations of environmental sustainability, resilience to climate change, and long-term value for money into our transport programme planning.

Environmental sustainability

Environmental outcomes will be embedded in procurement when appropriate based on contract scale and complexity by:

- including carbon footprint reduction and waste minimisation as non-price attributes in tenders
- prioritising reuse of existing pavement materials and low-carbon surfacing where practical.

Procurement Strategy outcomes

This Transport Procurement Strategy sets out how Southland District Council will plan, procure, and manage transport works and services to achieve the best outcomes for its communities and funding partners. Its objectives are to:

- deliver best value for money over the whole life of assets
- support Council's strategic priorities of safety, resilience, service quality, and affordability
- promote fair and effective competition within the local supplier market
- identify and manage procurement risk appropriately
- ensure Council has the capability and capacity to deliver the programme
- embed broader social, environmental, cultural, and economic outcomes
- ensure all procurement activities comply with NZTA requirements and Council policies.

Procurement policy

Council has a procurement policy, which sets out the strategic objectives for Council's procurement systems. In particular, there is an explicit emphasis on Public Value. Public Value includes trying to procure good quality and cost-effective goods/ service but also trying to procure in a way that achieves other broader outcomes such as economic, environmental, cultural and social outcomes.

Key tools for procurement included in this policy are:

- market assessment: to ensure that Council considers the nature of the market it purchases from and the impact its procurement decisions have on the long-term structure of the market
- guidance on supplier selection, including qualities of suppliers, competitive processes, and restricted processes
- levels of procurement controls and delegations
- guidance on dealing with risk in procurement, including conflicts of interest, real and perceived.
- executive management team review of procurement documentation, as a means of identifying areas for improvement for the organisation as well as high level internal audit.
- consistency, reliability and compliance with Acts of Parliament.

The procurement policy may be downloaded from our website at:

[Procurement-Policy-adopted-14-April-2021-comes-into-effect-1-Ju....pdf](#)

Health and safety

We consider health and safety at every stage of the procurement process. This includes:

- the contractor selection process includes rigorous scrutiny on their capability, capacity, processes, systems and practices to manage the safety and health of everyone on our/ their worksites. Including the requirement for suppliers to apply to become approved Contractors to SDC by submitting evidence of their health and safety systems to SDC for approval
- suitable lead-in and construction periods to minimise time pressures
- appropriate risk apportionment, communication, and management of risks
- right sized teams
- good communication throughout the supply chain. This ranges from correct materials selection, delivery and storage, traffic control, public interfaces and learning and improvement opportunities
- transfer of Safety Audit and Safety in Design information from the design to construction teams
- working with suppliers to move to New Zealand Guidelines for Temporary Traffic Management (NZGTTM)
- skills training and supervision
- ensuring health and safety is an agenda item at regular meetings with contractors
- contract exit evaluations to consider performance and learning opportunities for us and our suppliers.

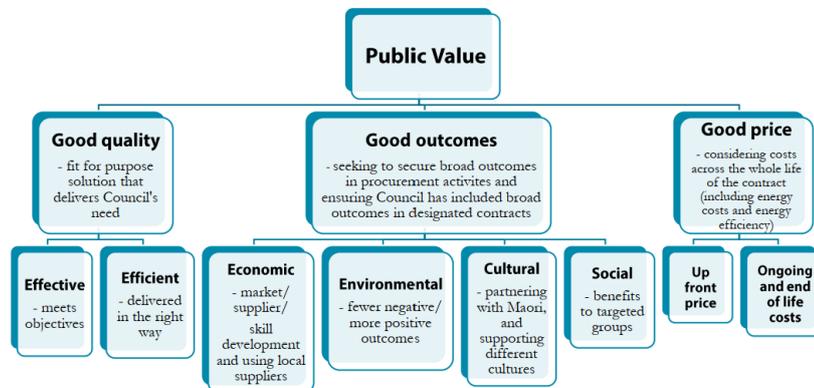
Broader outcomes

Public value to transport includes cost versus quality, environmental, social, economic and cultural outcomes. More specifically does the potential supplier

- connect meaningfully with communities

- treat their employees and contractors well
- upskill people in areas where they provide work/ services
- lift skills and provide opportunities to people who may not normally be able to access them
- reduce their carbon footprint, emissions, and waste
- have other policies and procedures that align to the four well beings, such as child protection policies.

Figure 1. Public value¹



¹ Amended from the New Zealand Government Procurement Rules, 4th Edition.

The Local Government Act 2002 prioritises achieving economic, social, cultural and environmental outcomes. Council, through its procurement processes, will leverage these outcomes where possible.

This will include:

- considering whether economic, environment, cultural and social outcomes can be achieved when identifying Council’s business need and setting evaluation criteria
- getting the best possible procurement result
- using resources effectively, economically and without waste
- considering whole-of-life costs
- making it as easy as possible for suppliers to do business with Council, and where possible
- ensuring opportunities are accessible for all
- making procurement decisions to consider a low emissions economy and to promote greater environmental responsibility.

3. Procurement environment and market analysis

The environment for roading works and services in Southland is unique. In terms of road use, agriculture has the most significant effect on the roading network. This includes the dairy industry, quarrying, mining and forestry industries. The district also has a relatively small and dispersed population of 31,833, the three largest towns having populations of between 1,680 and 2,910 residents (2023 Census data).

Council, therefore, faces ongoing challenges in balancing economic need for quality infrastructure, environmental protection, providing for connectivity to meet social needs, and ensuring the roading network is affordable for ratepayers.

Timing, and timeliness of service delivery is also important. Southland's climate has a strong influence on roading works, with a short construction season compared with other parts of New Zealand.

A further feature of the roading environment in Southland is that we are located at the far end of the country. This poses challenges in communicating effectively with centralised decision-makers, and shapes the nature of the market, both in terms of suppliers and purchasing. There are fewer opportunities to partner with other roading control authorities (though we do so where feasible). There is a limited number of suppliers for the above reasons and Southland District Council is one of the major purchasers in the region, so the way that we shape our contracts, and who wins them, has direct impact on the market. Geographic factors combine to limit the number of viable suppliers for services in the district, whereas more centrally located roading control authorities have a wider range of choices as the presence of neighbouring roading control authorities on all sides creates a larger, more stable market and greater choice.

Given these circumstances, some innovative approaches are useful.

- Council uses collaborative delivery models for its maintenance contracts. These are known as Alliance contracts in the local market (even though they are not true alliance contracts). This approach has had considerable success and will continue to be used
- maintaining a healthy market by limiting the number of maintenance contracts one contractor can hold and tendering out other capital works projects to the market
- Council also intends to use direct negotiation/appointment in some instances (as outlined in the Southland District Council Procurement Policy). While this is not Council's 'go to' option, direct negotiation/appointment is particularly relevant where highly specialised skills are required or where the value of the goods or services is very low.

Market analysis

Professional services

The Southland professional services market is small and concentrated. SDC currently engages a mix of local and national providers, primarily through its Roading Professional Services Panel.

There are two existing local service providers, Bonisch Consulting and WSP. Southland District Council currently procures professional services from a range of providers (WSP, Bonisch Consulting, Beca and GHD). WSP also provides professional services to Gore District Council. Invercargill City Council undertakes their professional services in-house at present. Stantec provide services to Waka Kotahi via the Southland Network Outcome Contract.

This market context supports the continued use of a professional services panel (with quality-based selection) to retain flexibility, encourage competition, and secure specialist input while maintaining local knowledge.

Road maintenance

There are three service providers currently in the local market. These are SouthRoads, Downer, and Fulton Hogan. Current suppliers are SouthRoads with two SDC maintenance contracts and Fulton Hogan

with one contract. Waka Kotahi has the local State Highway Network Outcomes Contract (NOC) with the Downer/SouthRoads consortium. SouthRoads is dominant in the local Southland market, holding an approximate 50% share. Downer holds 30%, and Fulton Hogan 20%. Because SDC is by far the biggest roading network in Southland, our procurement decisions have a significant impact on the shape of the market.

SDC delivers network maintenance through three long-term regional collaborative contracts (Waimea, Central, and Foveaux). These contracts have proven effective at managing cost risk, sharing resources across contractors, and providing flexibility to respond to emergencies and severe weather events. The delivery model is well-established in Southland and has contributed to stable pricing, collaborative problem-solving, and retention of local capability in a small, remote market.

Resurfacing

The local market for reseals in the wider southland region is approximately \$7-9 million per annum, with SDC accounting for greater than half of that expenditure. Downer and Fulton Hogan are the main suppliers to Council and also the wider southern region. Southroads has recently resourced up with the addition of a sealing crew and have signalled their intent to tender for SDC resurfacing contracts in the future.

Seasonal constraints, high mobilisation costs, and limited supplier numbers make early planning and packaging of resurfacing programmes essential to achieve competitive pricing and reliable delivery

Other physical works (rehabilitations, bridges, footpaths, minor improvements)

Market capacity for capital works is constrained. Larger contractors will often prioritise other regions if the Southland workload drops below sustainable levels, while smaller contractors have shown intermittent interest but struggle to retain staff and plant locally without a consistent pipeline.

Work packaging and longer-term visibility of SDC's forward programme are therefore critical to attracting and retaining market interest for these activities.

Supplier market risks and opportunities

The small size and limited depth of Southland's contractor market create several procurement risks:

Procurement risks

- competition risk: few suppliers reduce price tension, especially for large or complex projects
- capacity risk: limited local resourcing increases vulnerability to delivery delays, particularly when national contractors prioritise larger markets
- price risk: reduced competition and high mobilisation costs can inflate tender prices
- market sustainability risk: sudden drops in workload can lead to resource loss and long-term skill drain from the region.

Mitigation and opportunities

- maintain three geographic alliance maintenance contracts to distribute workload and reduce dependency on any single supplier

- use competitive procurement as the default, while allowing selective direct appointment or closed contests (in line with the Procurement Policy and NZTA rules) for low-value or highly specialised work.
- Provide early visibility of SDC’s 10-year programme to support supplier resource planning and investment.
- Explore collaborative procurement with neighbouring councils (ICC, GDC, CDC) to increase market attractiveness and build depth in the southern contractor market.

This understanding of Southland’s procurement environment and supplier market underpins the structure of SDC’s transport procurement programme. The programme has been designed to align procurement effort with market capacity, risk profile, and delivery model selection to ensure value for money and sustainable supplier participation.

5. Procurement programme and delivery

SDC’s transport procurement programme has been developed to align procurement activity with the district’s strategic objectives of safety, resilience, and value for money, while maintaining long-term affordability for ratepayers. The programme segments work by activity type, risk profile, and delivery model to match the capacity of the local market and ensure sustainable participation. It sets out how SDC will package, procure, and manage each major category of transport activity to achieve whole-of-life value and support the long-term sustainability of the Southland roading network.

The full 10-year programme is attached as Appendix 1.

Professional services

The Southland District Council uses professional service providers to complete its roading programme. Professional services include:

- design and project management for capital delivery through panel of suppliers
- core roading services including FWP / valuations / advisory services
- traffic counting
- structural services

Core services (asset management and programme development)

APPROXIMATE ANNUAL SPEND	\$500,000*
Proposed supplier selection methods	Price Quality or Quality Based (preferred option)
Original commencement date	1 January 2023
Current contract expiry	1 January 2026 +2yr + 2yr extensions available

Current estimate of expenditure. May be reduced with proposed scope reductions

Background

Following the section 17A review of professional services it has been identified that an enhanced status quo option was the preferred option to progress in regard to the Core Services Professional Services Contract. To achieve greater value for money SDC has identified that elements of the core services contract should be removed from the scope of the contract prior to any contract extension being agreed.

- GIS resource will be removed from the scope as in house capability now exists within SDC to deliver this service
- footpath condition surveys will be removed from the scope. There is minimal approved budget for this work, and it can be carried out by inhouse resources when required.
- alternative options for Modelling / Forward Works Programming are currently being investigated with a view to adopting an alternative methodology in the future utilising either external or inhouse resources.

Procurement strategy

SDC's procurement strategy for the core services is to negotiate a one year contract extension with the reduced scope as described above. Beyond 1 January 2027 SDC will explore the option to cease the core services contract and procure the services that are still required, such as asset valuations, through the Professional Services Panel.

Structural Inspections

APPROXIMATE ANNUAL SPEND	\$500,000
Proposed supplier selection methods	Quality Based
Original commencement date	1 October 2020
Current contract expiry	1 October 2026 with the option for a further 3yr extension endorsed by NZTA

Background

The current structural inspections contract is progressing well and with the current contract due for expiry on 1 October 2026. SDC has carried out market analysis to determine the appetite for other suppliers to tender for this work.

Procurement strategy

The analysis concluded that there is a limited supplier market for the structural inspection work in Southland and that best value to SDC could be achieved by offering the incumbent supplier a further three year extension to their contract. This strategy has been endorsed by NZTA. A three year contract extension will be offered to WSP prior to 1 October 2026.

Capital Works, Design and Procurement Panel

APPROXIMATE ANNUAL SPEND	\$250,000
Proposed supplier selection methods	Quality Based (preferred option)
Original commencement date	1 October 2021
Current contract expiry	1 October 2024 +3 yr extension currently issued to panel members for acceptance

Background

SDC's Roading Professional Services Panel currently consists of

- WSP (Southland office)
- Beca
- GHD
- Bonisch (Southland office)

Council currently contracts professional services predominantly from WSP and Bonisch through the panel for their pavement rehabilitation programme. They provide value for money through specialised skillsets and additional resourcing which Council does not possess. WSP and Bonisch have local offices, which assists in maintaining a close working relationship.

The section 17A review of roading activity has identified the opportunity to better utilise the current professional services panel to deliver more of SDC's professional services requirements including consenting and legal surveys as well as roading design.

When it was initially tendered in 2021 SDC's Roading Professional Services Panel's scope included a broad range of roading related services. All four of the respondents were accepted onto the panel.

Since its inception the panel has been used predominantly for pavement rehabilitation projects. Each project is issued to at least two panellists who compete on a lowest price conforming basis to be the preferred supplier to deliver the project.

Procurement strategy

SDC's procurement strategy for the professional services panel is to better utilise the panel to deliver services to Council that may exceed \$100,000 for direct appointments and \$200,000 for closed contests. These values may be exceeded by engaging panellists to provide services (such as asset valuations) over multiple years.

Professional Services Panel Procurement procedure

Stage 1 - A quality based procurement process was followed to select the four suppliers (WSP, GHD, Beca and Bonisch) on the professional services panel. This process will be repeated by 1 October 2027 to refresh the suppliers on the panel.

Stage 2 - Allocation of work through the panel will be based on the following framework.

Direct appointments

Direct appointments will be negotiated with panel members for professional services commissions

1. That have tight timeframes for delivery that only a certain supplier can meet.
2. Require specialist skills, knowledge or IP only offered by a certain supplier.

These commissions may exceed \$100,000 in value.

Closed contests

Closed contest procurements from the panel will be used for all other commissions where the direct appointment criteria does not apply.

1. Prices will be requested from a minimum of two suppliers on the panel.
2. These commissions may exceed \$200,000 in value.

Reseal contract administration and traffic counting

APPROXIMATE ANNUAL SPEND	\$400,000*
Proposed supplier selection methods	Price Quality (preferred option)
Original commencement date	1 January 2023
Current contract expiry	1 September 2027 with the option for a further 3yr extension

**Indicative value based on current spend but may reduce with proposed scope reduction*

Background

This contract for reseal contract administration and traffic counting was tendered at the same time as the core services in January 2023. This contract incorporated the delivery of professional services that required a presence in Southland. This requirement was differentiated from the core services contract which could be delivered remotely from anywhere in New Zealand.

Following the section 17A roading activity review it was identified that the majority of this contract scope could be more efficiently delivered through in house services.

Procurement strategy

The SDC project delivery team has sufficient capacity and in house expertise to deliver the reseal contract administration scope of work from 1 September 2026. The scope of this contract would be renegotiated with the current supplier to remove the Reseal Contract Administration component from 1 September 2026. Traffic Counting services will continue to be required under this contract.

Physical works

The Southland District Council uses Physical Works contractors to complete its roading programme. Contract Works include:

- general road maintenance: 3 x Alliance contracts - Foveaux / Central / Waimea
- pavement markings: 2 x 3+2+2 term contracts (awarded to a single contractor) – East and West
- Streetlight and public lighting

- resurfacing – Currently a three year term contract to deliver annual programme of works delivered under two contracts (awarded to a single contractor)
- capital works on an as-required basis including activities such as pavement rehabilitation, bridges and footpaths. Existing contract size and scope varies.

Maintenance contracts

APPROXIMATE ANNUAL SPEND	\$18 MILLION
Proposed supplier selection methods	Price Quality
Original commencement date	Waimea (North West): 1 July 2017 Central: 1 July 2017 Foveaux (South East): 1 July 2017 Foveaux (South East): July 2026
Current contract expiry	Waimea (North West): 30 June 2026 Central: 30 June 2026 Foveaux (South East): 30 June 2026

Background

Council currently lets its maintenance contracts as three geographic regions - Waimea and Central which is currently held by SouthRoads and Foveaux (including Stewart Island) held by Fulton Hogan.

Council has used a collaborative model for delivery of its maintenance contracts in all three regions. The experience has been valuable for both Council and suppliers and has provided the flexibility and transparency required in working within highly constrained budgets and a network subject to growing heavy transport.

Section 17A review

The section 17A review of the roading activity identified that the benefits of the collaborative model are:

- the cost-plus model allows Council and its contracting partners to focus on areas with most need
- flexibility in resourcing – good for routine works as well as reactive and emergency response
- works / scope can be changed to meet budgets.

Review recommendations

Council continues to outsource its O&M contracts under the current format:

- using collaborative partnering contracts for operations and maintenance delivered under the principles of an alliance and delivered under the same geographic split (three contracts)
- increase capacity in compliance and network management to allow the O&M contract managers to concentrate better on that work.
- review contracts prior to procuring, to better drive performance and support cost-effective outcomes.

Procurement strategy

SDC will procure three roading operation and maintenance contracts that ensure the delivery of safe, reliable, and cost-effective infrastructure, meeting the community's expectations and supporting regional economic activity. The three contract geographical areas will remain the same as previous contracts being Waimea, Central and Foveaux. These contracts will encompass a wide range of activities, including routine maintenance, asset management, urban services, and support for renewal programming. A two-stage price quality methodology will be used for this procurement.

The contracts will commence on 1 July 2026 with a term of 1 + 6 + 2 (9 years) and an estimated combined spend of \$17-20 million per year.

As part of the section 17A review and the staff's internal consideration, it was also considered to increase the number of contracts from three to four to encourage greater market competition. However, it was decided that the reduction of the contract size would reduce efficiency and add additional management costs. As these contracts include a majority portion of the roading O&M contracts within Southland for a significant duration (up to nine years), the condition that a contractor can't win all contracts will remain, similar to the last procurement. This is to ensure there is a healthy market that remains competitive in the future.

As this contract will use a cost-plus collaborative model, the true annual budgets will be determined by Council and will be based on funds procured through the LTP and NLTP.

Reseals (resurfacing)

APPROXIMATE ANNUAL SPEND	\$7.7 MILLION
Proposed supplier selection methods	Price Quality (Preferred method)
Original commencement date	18 December 2023
Contract expiry	18 December 2026 (total of 3 construction seasons)

Background

Downer is the current contract holder with Council. The 2025/2026 season (1 October 2025 – 31 March 2026) is the last reseal season of the contract. There is no extension beyond the 2026 term but, there is a 12 month defects period that includes surface testing requirements to ensure performance outcomes are achieved.

Section 17A review

The section 17A review considered the merits of combining the reseal contracts into the Roothing O&M contracts. Whilst there may be some perceived economies of scale and improved alignment between planning programming and delivery, there would be a negative effect on the supplier market with the long contract terms of up to nine years, and the potential that the work would likely be subcontracted out with associated mark ups.

Consideration was also given to the number and geographical areas of the resurfacing contracts. The status quo was recommended to be maintained as the current geographical split of the areas allows sealing contractors in both the eastern and western areas to move inland away from the coast and continue working when the weather is not favourable for sealing by the coast. Maintaining two resurfacing contracts helps to promote a healthy competitive market in Southland.

Procurement strategy

SDC will procure the resurfacing contracts for the eastern and western areas in February 2026 using a price quality methodology. The contract term will again be three years to achieve the optimum balance between procurement effort, cost efficiency and maintaining a healthy market.

Rehabilitations, bridges, minor improvements and other physical construction project work

APPROXIMATE ANNUAL SPEND	\$5 MILLION
Proposed supplier selection method	Price Quality or Lowest Price conforming depending on project scale and complexity
Contract expiry	n/a

Background

Pavement rehabilitations and bridge replacements are generally procured on annual basis with other physical works procured on an as required basis.

Pavement rehabilitation contracts are packaged together whenever possible and advantageous to do so when considering geographical location, gravel source and length. Last season the supplier market was dominated by SouthRoads, however tenders were received from Lintons Contracting, Wilsons Contractors and Wanaka Civil at the start of the season. Pavement Rehabs are generally procured using LPC procurement methodology due to the low complexity of the work.

Bridge replacement contracts are also packaged together whenever possible to generate market interest from suppliers outside of the region and to create cost efficiencies. These contracts are generally procured using price quality as the complexity of these works justifies the additional cost of using high quality suppliers.

Other physical works contracts are usually procured on an as required basis using the LPC procurement methodology.

Procurement strategy

SDC will continue with the status quo option of procuring

- road rehabilitation works using the LPC procurement methodology on an annual basis
- bridge replacement works using Price Quality procurement methodology on an annual basis
- other physical works using LPC procurement methodology on an as required basis
- continue to group construction projects into packages where it is advantageous to do so.

Pavement marking

APPROXIMATE ANNUAL SPEND	\$900,000
Proposed supplier selection methods	Price Quality (Preferred method)
Original commencement date	1 October 2022
Contract expiry	1 October 2025 (with the option of 2 x 2yr extensions)

Background

SDC has two pavement marking contracts (east and west) currently held by the same supplier. These contracts were procured using price quality in October 2022.

Procurement strategy

SDC intends to utilise the 2 x 2yr extensions with the current supplier, subject to ongoing delivery of the contract scope to an acceptable level of service.

Streetlight and Public Lighting

APPROXIMATE ANNUAL SPEND	\$150,000 (SDC transport component)
Proposed supplier selection methods	Price Quality (Preferred method)
Original commencement date	8 November 2023
Contract expiry	30 June 2025 (with the option of 2 x 2 yr extensions)

Background

SDC has one contract for the operation and maintenance of streetlighting and public lighting. This contract has been procured using Price Quality methodology jointly with Clutha District Council to generate market interest from suppliers outside of the region, and to create cost efficiencies.

Procurement strategy

SDC intends to utilise the 2 x 2 yr extensions with the current supplier, subject to ongoing delivery of the contract scope to an acceptable level of service.

Internally provided services

The following services are procured internally:

- Asset Management Policy and programmes
- contract management
- public relations and communications
- network controls
- Council helpdesk and enquiries
- special projects and emergency events
- NZTA administration
- financial assistance including monthly reporting, year-end reporting, and forecasting, long term budgets etc.

The figure below shows the current in house team with responsibility for delivery of the roading activity. The strategic transport team includes 10 FTE staff with commercial and financial support. The project delivery team provides the MSQA role for capital projects across all infrastructure.

Figure 2 - In house Transport Team



Review of inhouse delivery

The section 17A review identified that an enhanced status quo option in terms of in-house delivery of professional services would provide the best outcome to SDC. Through expanding in-house capability and capacity levels, Council can grow its institutional knowledge, increase control over outcomes, including at a strategic level, and provide for succession planning.

The areas identified to capitalise on existing and build in house capability are

- increasing utilisation of internal resources in GIS. SDC now has the expertise inhouse to perform this function and it makes good commercial sense to deliver these services using in house resources going forward
- additional resourcing in the RCA role such as compliance/ regulatory, corridor management and traffic management to address the separation of the RCA role (auditing/ compliance) and alliance contract management (delivery) roles. This will allow the O&M contract managers to have more time ‘on the ground’ managing the contracts and delivering responsive and effective input/ decision-making and to ensure that the contracts continue to deliver as intended
- resealing contract management, currently fully outsourced will be brought back in house and delivered by the SDC project delivery team who have experienced resources with the capacity to deliver these services.

Procurement strategy

It is envisaged that the majority of the enhanced status quo scope for inhouse professional services can be delivered by leveraging existing in-house resources, however additional resourcing for the RCA role will require the creation of a new FTE role in the strategic transport team.

Corporate ownership

This procurement strategy is owned by the strategic manager transport. Implementation of the procurement programme will be undertaken by the transport team with support from the commercial infrastructure manager (procurement lead) and project delivery team.

Internal endorsement of this procurement strategy is required from Council as with Council’s Procurement Policy.

Local works

Local community boards or committees can enter into contracts for services funded internally. These are not eligible for NZTA subsidy. Any locally funded works that attract NLTF funding are subject to the same criteria as any other roading activity that attracts roading subsidy.

6. Implementation

Capability and capacity

Southland District Council operates within the Southland Regional Land Transport Plan and is a member of the committee. The committee participates as part of the Otago/Southland Regional Transport Committee.

SDC’s roading activity is delivered by an integrated in-house project delivery team comprising asset managers, project managers, and contract managers. Procurement documentation is peer reviewed by senior staff and approved by the Group Manager Infrastructure and Capital Delivery.

Capability gaps currently identified are:

- limited internal resource for specialist advice on procurement strategy, probity, contract documentation, tender evaluation, and commercial risk management
- limited internal resource for compliance / regulatory, corridor management and traffic management.

SDC will address these gaps by:

- filling the vacant role of Commercial Infrastructure Manager by July 2026
- establishing a new RCA compliance role by 1 July 2026 to align with the commencement date of the road maintenance alliance contracts.

The following outlines Council’s key roles in the transport procurement function.

Group manager Infrastructure and Capital Development	Provides strategic oversight of SDC’s infrastructure portfolio and ensures transport procurement aligns with Council priorities and funding strategies. Holds overall accountability for delivery performance, risk management, and compliance with NZTA requirements.
Strategic transport / roading business manager	Leads the transport activity and is the asset custodian for the roading network. Responsible for programme planning, network performance, and ensuring procurement decisions deliver safety, resilience, and value for money outcomes

Roading asset manager	Oversees asset data, condition assessments, and forward works planning. Defines levels of service, and verifies that procurement supports long-term asset performance.
Senior management account – transport business partner	Manages budgeting, financial reporting, and NZTA funding claims for the transport activity. Ensures contract expenditure aligns with approved budgets and supports audit and reporting requirements.
Commercial infrastructure manager (to be appointed)	Leads commercial and procurement processes across the transport programme. Provides specialist advice on procurement strategy, probity, contract documentation, tender evaluation, and commercial risk management.
Roading engineers/analysts	Provide design, technical review, MSQA, and contract administration support. Manage specialist contracts such as lighting, traffic counting, and pavement marking, ensuring technical quality and value for money. Review resource consent applications and bylaws.
Customer services officer	Provides customer interface and administration support. Ensures public feedback is recorded and resolved and maintains accurate records for contract and compliance reporting.
Contract managers (x3)	Manage day-to-day delivery of alliance maintenance contracts and other physical works. Responsible for contract performance, supplier relationship management, compliance monitoring, and site-level health & safety oversight.

Internal procurement process

The procurement policy and financial delegation manual set out the processes and authorities for procurement. To avoid discrepancies, these are not duplicated in this strategy but should be read together with this strategy.

The Buyers Guide is SDC's procurement manual that has been developed to

- ensure procurement is managed in accordance with legal process/legislation
- ensure procurement is consistent across Council (which can help reduce administration and legal costs)
- help ensure people know their responsibilities
- identify the desired outcome of public value and to help achieve that outcome
- ensure there is a sound business approach to procurement
- appropriately manage risk
- facilitate compliance with the Manual of Delegations
- encourage good relationships with suppliers.

It contains procurement process guidance and templates to be used during the procurement process. Procurement elements that are requirements of, or specific to, NZTA are identified throughout the manual.

Performance monitoring and reporting

Southland District Council has a range of performance monitoring systems for internal performance and external reporting.

NZTA Audits - these include road infrastructure safety assessments, technical reviews, and financial audits.

Road safety action plans - these plans are actioned through Road Safety Southland, a shared service for local Councils. They aim to reduce road trauma through engineering, education and enforcement to help achieve Road to Zero vision.

LTP and Annual Report have the following information in regard to land transport:

- levels of service statement
- performance measurements
- targets
- key project and programmes.

A3 reporting (based on a system developed by Toyota) is used for regular monitoring of the maintenance alliances. All three alliances report on the same framework giving the ability to assess comparative performance across all three regions. The nature of these reports makes them also useful for reporting to the executive and Council.

These reports are typically reviewed annually to ensure appropriateness of content and KPI reporting such as risk reporting and carbon footprint reporting.

SDC will monitor procurement performance using:

- NZTA's standard procurement KPIs (cost accuracy, timeliness, safety incidents, post-contract evaluations)
- contract-specific KPIs (customer response times, quality audits, environmental incidents).

Results will be reported to SDC's executive leadership team. Lessons learned from contract close-outs will be incorporated into future procurement plans via an annual review process.

Communication

The procurement strategy (comprising this document, and the Procurement Policy) will be communicated through the following channels:

- within the transport team, the strategy will be circulated electronically and be available through the document management system
- supplier market will be able to access the document from our website and have been invited to comment on its future development
- elected members will approve the Procurement Policy, and Transport Procurement Strategy documents, they also approve the Roding Activity Plan and LTP. Council's Finance and

Assurance Committee will monitor its implementation through monthly financial reporting and approving contracts/projects over \$200,000.

SDC will also communicate this strategy and upcoming opportunities to our suppliers through:

- pre-tender supplier briefings held annually
- publication of forward works programmes on GETS and Council's website
- regular engagement with Civil Contractors NZ (Southland branch)
- internal briefings for elected members and staff.

This will build supplier confidence and encourage competition.

Implementation plan

The NZTA and Council endorsed Transport Procurement Strategy will be implemented in the first quarter of 2026.

The Procurement Strategy will be reviewed and updated at least every three years, or earlier if significant changes occur to SDC's transport programme, organisational structure, or NZTA procurement rules.

References and performance highlights:

- *LGA17a: Review of Roading Activity by external Audit Morrison Low – June 2025. Available on request.*

Appendix one – 10 year plan

Land transport programme -

The tables below summarise the Council’s land transport programme. This forms the Southland district’s contribution of the wider Southland Regional Land Transport Programme which is required to be prepared under the Land Transport Management Act. Details of the Southland Regional Land Transport Programme can be found on Environment Southland’s website.

Programme	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Bridge programme	\$ 5,500,000	\$ 5,610,000	\$ 5,739,030	\$ 5,871,028	\$ 6,000,190	\$ 6,126,194	\$ 6,248,718	\$ 6,373,693	\$ 6,501,166	\$ 6,624,689	\$ 60,594,708
Unsealed road renewal programme	\$ 2,816,315	\$ 2,872,672	\$ 2,938,743	\$ 3,006,334	\$ 3,072,474	\$ 3,136,996	\$ 3,199,736	\$ 3,263,730	\$ 3,329,055	\$ 3,392,256	\$ 31,028,291
Resurfacing programme	\$ 8,750,000	\$ 10,445,505	\$ 9,130,275	\$ 9,340,271	\$ 9,545,757	\$ 9,746,218	\$ 9,941,143	\$ 10,139,695	\$ 10,342,765	\$ 10,539,237	\$ 97,930,671
Drainage renewal programme	\$ 2,245,343	\$ 2,290,250	\$ 2,342,926	\$ 2,396,826	\$ 2,449,524	\$ 2,500,983	\$ 2,551,003	\$ 2,602,023	\$ 2,654,063	\$ 2,704,491	\$ 24,737,437
Pavement rehabilitation programme	\$ 6,800,000	\$ 6,936,000	\$ 7,095,528	\$ 7,258,725	\$ 7,418,417	\$ 7,574,204	\$ 7,725,688	\$ 7,880,202	\$ 8,037,806	\$ 8,190,524	\$ 74,917,094
Structure component renewal programme	\$ 1,880,000	\$ 571,200	\$ 584,338	\$ 597,777	\$ 610,928	\$ 623,758	\$ 636,233	\$ 648,958	\$ 661,937	\$ 674,514	\$ 7,489,643
Traffic services programme	\$ 1,344,672	\$ 1,442,965	\$ 1,403,112	\$ 1,435,833	\$ 1,466,962	\$ 1,497,768	\$ 1,527,273	\$ 1,558,277	\$ 1,689,915	\$ 1,619,642	\$ 14,986,149
Minor improvement programme		\$ 2,134,015	\$ 1,561,950	\$ 1,067,640	\$ 1,090,944	\$ 1,113,854	\$ 1,136,853	\$ 1,158,853	\$ 1,182,050	\$ 1,204,489	\$ 11,649,726
Roading Total	\$ 29,336,330	\$ 32,312,102	\$ 30,795,902	\$ 30,973,791	\$ 31,655,214	\$ 32,319,975	\$ 32,966,375	\$ 33,625,701	\$ 34,398,687	\$ 34,949,882	\$ 323,333,989

Appendix two – schedule of contracts

	PROFESSIONAL SERVICES							
ACTIVITIES	Delivery model	Competition process	Supplier selection	Start date	Contract term	Next renewal	Number of contracts	Delivery risk
Network support (core services)	Staged	Open	PQ/BL	01/01/23	3+2+2	01/01/26 (1 year term)	1	High
Resurfacing contract management	Staged	Open	PQ	1/1/2023	4 + 3	1/1/2027 (traffic counting only)	1	High
Structural services	Staged	Open	PQ/BL	1/10/2020	3+3	1/10/26	1	High
Capital works, design and procurement	Staged	Closed	PQ / LPC	1 October 2021	1+3+3	1/10/27	4	Medium
Minor safety	Inc	Closed	PQ / LPC		As required		per site	Low
RAMM Rating and roughness surveys	Inc	Closed	DA QP		As required		as required	Medium
Traffic studies	Inc	Closed	DA QP		As required		as required	Medium
Planning investigations and studies	Inc	Closed	DA, QP		As required		as required	Medium
Major or complex	Staged or Design build	Open or closed	PQ		As REQUIRED		as required	Determined by project

PHYSICAL WORKS								
ACTIVITIES	Delivery Model	Competition Process	Supplier Selection	Start Date	Contract Term	Next Renewal	Number of contracts	Delivery risk
Resurfacing	Staged	Open	LPC or PQ	18/12/23	3 years	February 2026	2	Low
Bridge structural replacement	Staged	Open	LPC/PQ	As required	Annual		As required	Medium
Bridge renewal	Staged	Open	PQ	As required	Annual		Per site	High
Drainage works	Inc	Open	LPC	As required	As required		As required	Low
Rehabs/ shape corrections	Staged	Open	LPC/PQ	As required	Annual		Multiple	Medium
Minorsafety	Inc	Open	LPC	As required	Annual		Multiple	Low
Street lighting	Staged	Open	PQ / DA	8/11/2023	3+2+2	1/7/2030	1	Medium
Network maintenance	Staged	Open	PQ	1/7/2017	7+2	1/7/2026	3	High
Pavement marking	Staged	Open	PQ	October 2022	3+2+2	October 2029	2	Low

Staged:	Purchased as and when required, generally regular timings	Direct Engagement:	No public tendering
Inc.:	Incorporated as part of/within lead contract	BL:	Brookes Law
Design Build:	Complete package is given to supplier	PQ:	Price Quality
Open:	Open Market tendering	DA:	Direct Appointment
Closed:	Nominated tenderers (specialist providers/limited interest/	LPC:	Lowest Price Conforming

Exclusion of the public: Local Government Official Information and Meetings Act 1987

Recommendation

That the public be excluded from the following part(s) of the proceedings of this meeting.

9.1 Solid waste services – procurement options

9.2 Approval to award Roothing Operations and Maintenance Alliance Contracts (26/01, 26/02, 26/03)

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Solid waste services – procurement options	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Approval to award Roothing Operations and Maintenance Alliance Contracts (26/01, 26/02, 26/03)	s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. s7(2)(i) - the withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.