



ICC Evidence Scan

Final

May 2026

Document Title:

ICC Evidence Scan

Prepared for:

Invercargill City Council

Quality Assurance Statement

Rationale Limited	Project Manager:	Jimmy Sygrove
5 Arrow Lane	Prepared by:	Ben Gonzalez, Jimmy Sygrove, Lisa Thorne
PO Box 226	Reviewed by:	Edward Guy
Arrowtown 9351	Approved for issue by:	Jimmy Sygrove
Phone: +64 3 442 1156	Job number:	J001827

Document Control History

Rev No.	Date	Revision Details	Prepared by	Reviewed by	Approved by
0.1	March 2026	First Draft	BG	JS	JS
1.0	April 2026	Client Draft	JS	LT	JS
2.0	May 2026	Final	JS, LT	LT, SB	JS

Current Version

Rev No.	Date	Revision Details	Prepared by	Reviewed by	Approved by
2.0	May 2026	Final	JS, LT	LT, SB	JS

Table of Contents

1	CONTEXT	5
1.1	Overview	5
1.2	Objectives	5
1.3	Scope and Limitations	5
2	SPATIAL PLANNING	5
2.1	The Role of Spatial Planning in RMA Reform	6
2.2	Why Undertake Spatial Planning Now?	7
3	INVESTMENT LOGIC MAP	8
	What is an investment Logic Map?	8
3.1	Problems	8
3.2	Benefits/Opportunities	8
4	CURRENT RESOURCE MANAGEMENT FRAMEWORK	10
4.1	Operative District Plan	10
4.2	Plan Change 2: Housing and Code of Practice	10
4.3	Relevant National Direction	10
4.4	Relevant Regional Direction	11
5	PROPOSED GEOGRAPHIC SCOPE FOR SPATIAL PLAN	12
5.1	Area of Focus	12
5.2	Area of Influence	12
5.3	Area of Interest	13
6	INVERCARGILL'S GROWTH, HOUSING AND FINANCIAL BENCHMARKING	14
6.1	Growth Context	14
6.2	Housing Context	17
6.3	Council's Financial Context	19
	Expenditure	19
	Funding	20
6.4	Growth	22
6.5	Housing and Business Capacity	23
	Housing Capacity Assessment	24
6.6	Existing Areas of interest	26
6.7	Potential/Signalled Projects	26
7	THE CURRENT KNOWLEDGE ECOSYSTEM	28
7.1	Overview of the Current Knowledge Ecosystem Map	28
8	PREVIOUS STRATEGIC PLANNING	29

8.1 Murihiku Southland Regional Spatial Strategy – Visions, Aspirations, and Gap Analysis 2024 29

8.2 Invercargill Spatial Plan 2011 30

8.3 Invercargill City Master Plan 2021 30

8.4 Beyond 2025 Southland Regional Long Term Plan..... 30

9 OVERVIEW OF GAPS 30

APPENDIX 1 - DOCUMENT AND DATA LIST..... 31

Economics..... 31

Housing and Business 31

Infrastructure 31

Environment and Climate..... 31

Funding and Finance 32

Environmental and Land use Strategy and Planning 32

1 Context

1.1 Overview

Invercargill City Council (ICC) intends to develop a Spatial Plan, to feed into the wider process to develop the Southland Regional Spatial Plan under the proposed resource management system.

The below Evidence Scan seeks to understand the current evidence base held at ICC and outline any gaps and areas where further work may be required.

Essentially the aim is to bring together a considerable amount of previous investigation and analysis, so it can be used to inform the next steps towards the future Spatial Planning exercise.

The next step following the Evidence Scan will be the preparation of a Project Establishment Report – setting out ICC's approach to developing the Spatial Plan. This will outline how governance and decision making will work, the key steps, inputs, and timeframes, and how engagement will be undertaken to inform Spatial Plan development.

1.2 Objectives

The primary purpose of this Evidence Scan is to strengthen the foundations for informed and evidence-based long-term decision-making at Invercargill City Council. In particular, the Evidence Scan seeks to:

- **Establish a clear and shared understanding of Council's evidence environment** - including how data, analysis, strategies, and plans are generated, connected, and relied upon to inform growth planning, infrastructure investment, regulatory settings, and decision making.
- **Identify gaps, misalignments, and structural weaknesses in the current ecosystem** - moving beyond simple data availability to examine underlying assumptions, linkages between evidence streams, and points where inconsistencies materially affect decision-making and outcomes.
- **Improve transparency and shared understanding across Council** - by mapping dependencies within the information ecosystem and supporting more informed dialogue between officers, elected members, and stakeholders.

Collectively, these objectives are intended to build confidence in ICC's evidence base and ensure that discussions are grounded in a consistent understanding of data held by Council, to provide a strong foundation to develop the Spatial Plan.

1.3 Scope and Limitations

This Evidence Scan provides a high-level, evidence-focused review of Invercargill City Council's information environment. It examines how data, analysis, strategies, and plans interact to inform growth, infrastructure, and regulatory decision-making.

The project does not involve a technical audit of individual datasets or models, nor does it recommend specific growth or spatial outcomes, or infrastructure projects. Instead, it clarifies the current evidence base. The findings reflect information available at the time of review and are intended as a foundation for a future Spatial Planning exercise.

2 Spatial Planning

Spatial Plans are 30–50-year future-focused strategies guiding how and where development will occur.

Spatial Plans:

- Are developed by Councils in collaboration with their partners and communities to address existing issues and map a vision for the future, outlining key spatial moves and placemaking within a spatial context.
- Apply a robust evidence base to map out future options based on constraints, needs, and aspirations.
- The Spatial Plan can then be actioned by a Council and its community to realise the chosen future – informing capital projects, infrastructure prioritization, improving resilience, and informing statutory plans, strategies, and LTPs/funding.

The benefit of preparing a Spatial Plan for Invercargill City now is to map out and plan a 30-year vision for Invercargill as a city of heart - for growth, development and community resilience. It will ready Council to respond to current environmental reform, national policy direction, and community needs and aspirations.

2.1 The Role of Spatial Planning in RMA Reform

The reforms currently before Select Committee and those proposed by the previous Government position spatial plans as a fundamental part an integrated and nationally consistent planning system.

The Resource Management Act 1991 (RMA) is being replaced by two new pieces of legislation: the Planning Act (PA) and the Natural Environment Act (NEA). These reforms represent a fundamental shift in how land use is regulated and natural resources managed.

A key feature of the proposed Planning Act is the introduction of regional spatial planning. Spatial plans will provide long-term strategic direction, typically over 30 years, identifying where growth should occur, where development should be limited, and how infrastructure and public services can support future communities. The reforms also propose that each region will ultimately have a single regional combined plan, bringing together spatial planning, land-use planning and environmental regulation into one online document.

The Bills were introduced to Parliament on 9 December 2025 and have progressed progress through select committee in early 2026, with the Government signalling that the new system is intended to be in place by mid-2026. Under the Bill drafting, implementation of the regional spatial plans is required within 24 months – by mid-2028. This is an ambitious timeline and means preliminary work is commencing between the district and regional authorities now.

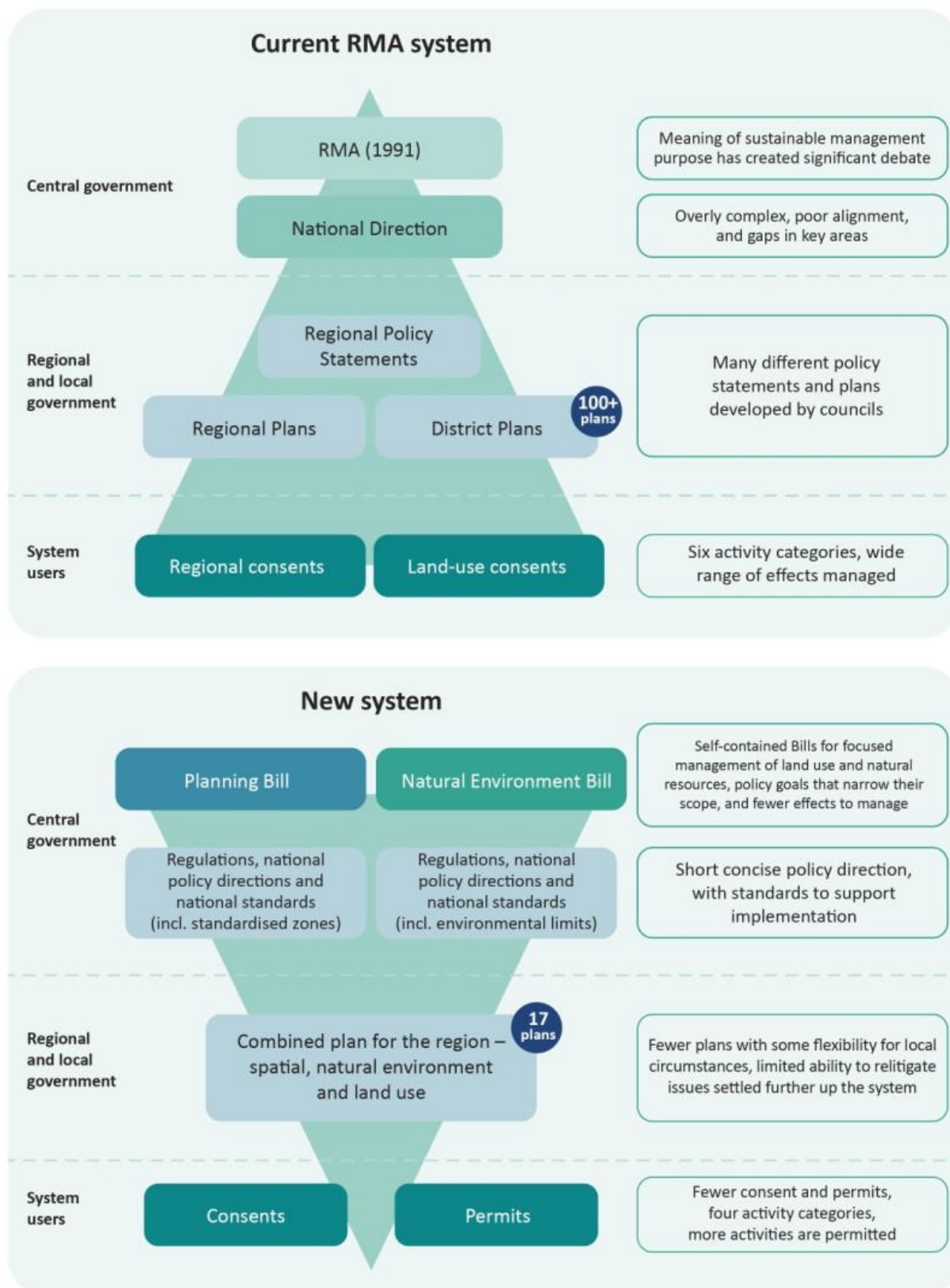


Figure 1: <https://environment.govt.nz/publications/better-planning-for-a-better-new-zealand/>

2.2 Why Undertake Spatial Planning Now?

Spatial Plans are a common tool to plan for the growth and development of New Zealand towns and cities. Spatial planning was a priority of the previous Government (through the withdrawn Spatial Planning Act 2023) and is a priority of the current Government through the proposed new Acts and Going for Housing Growth program.

Under the current resource management system, the District Plan is due to be reviewed. ICC's last spatial planning exercise was completed in 2011 and does not reflect the City's current issues, risks and opportunities. A new Spatial Plan is therefore needed.

The proposed reforms represent a fundamental shift in how land use is regulated and natural resources are managed in the future. The transition will take several years and will necessitate close working relationships and agile decision making by local authorities. and preliminary work is already underway at a regional level to develop a regional spatial plan for Southland – with the Districts - Gore, ICC and Southland, working closely with Environment Southland on the preliminary structures, governance, and decision-making frameworks that will be needed.

To ensure it is agile to the reform environment, ICC's spatial planning process seeks to align/integrate with the Regional Spatial Planning process for delivery in mid-2028. Data gaps and associated risks can impact timelines. Understanding and planning for these early are essential to ensure the Spatial Plan is robust in responding to community needs, building resilience, and is set up to succeed.

A close working relationship with the other Councils, and partnership with rūnanga via Te Ao Mārama will help ensure that the development of the Spatial Plan is integrated with the regional program, across local authority boundaries, and responds to mana whenua issues and aspirations.

If in the unlikely event the reform program changes or is significantly delayed, it can be used to inform the Plan Review under the current system.

3 Investment Logic Map

On the 11th of May, 2026 an Investment Logic Mapping workshop was undertaken that brought together ICC elected members, staff and key stakeholders to clearly identify the issues / challenges that would need to be addressed regarding the development of a Spatial Plan for Invercargill.

It also defined the benefits/objectives of the Spatial Plan, which will help guide the process. This will ensure ICC takes an approach that is achievable, affordable and delivers the best value for the council and community.

WHAT IS AN INVESTMENT LOGIC MAP?

An Investment Logic Map (ILM) aims to communicate an investment story on a single page using language and concepts that are understandable to everyone.

It produces the equivalent of a thirty second 'elevator pitch' that explains the purpose of the proposed investment. The ILM Workshop has set the foundation for the Invercargill Spatial Plan by clearly outlining the problems currently experienced and the benefits expected from investment.

3.1 Problems

1. A lack of infrastructure capacity, resilience & service levels, constrain the city's ability to support and respond to emerging growth. (40%)
2. Housing quality and choices are not meeting current and future community needs, limiting the ability to attract and retain residents and workers. (30%)
3. Poor urban amenity and vibrancy, limited community and cultural connection, reduce liveability, visitation and the ability to attract investment. (20%)
4. Inability to respond to emerging economic growth, will lead to missed opportunities for employment, productivity and long-term prosperity (10%)

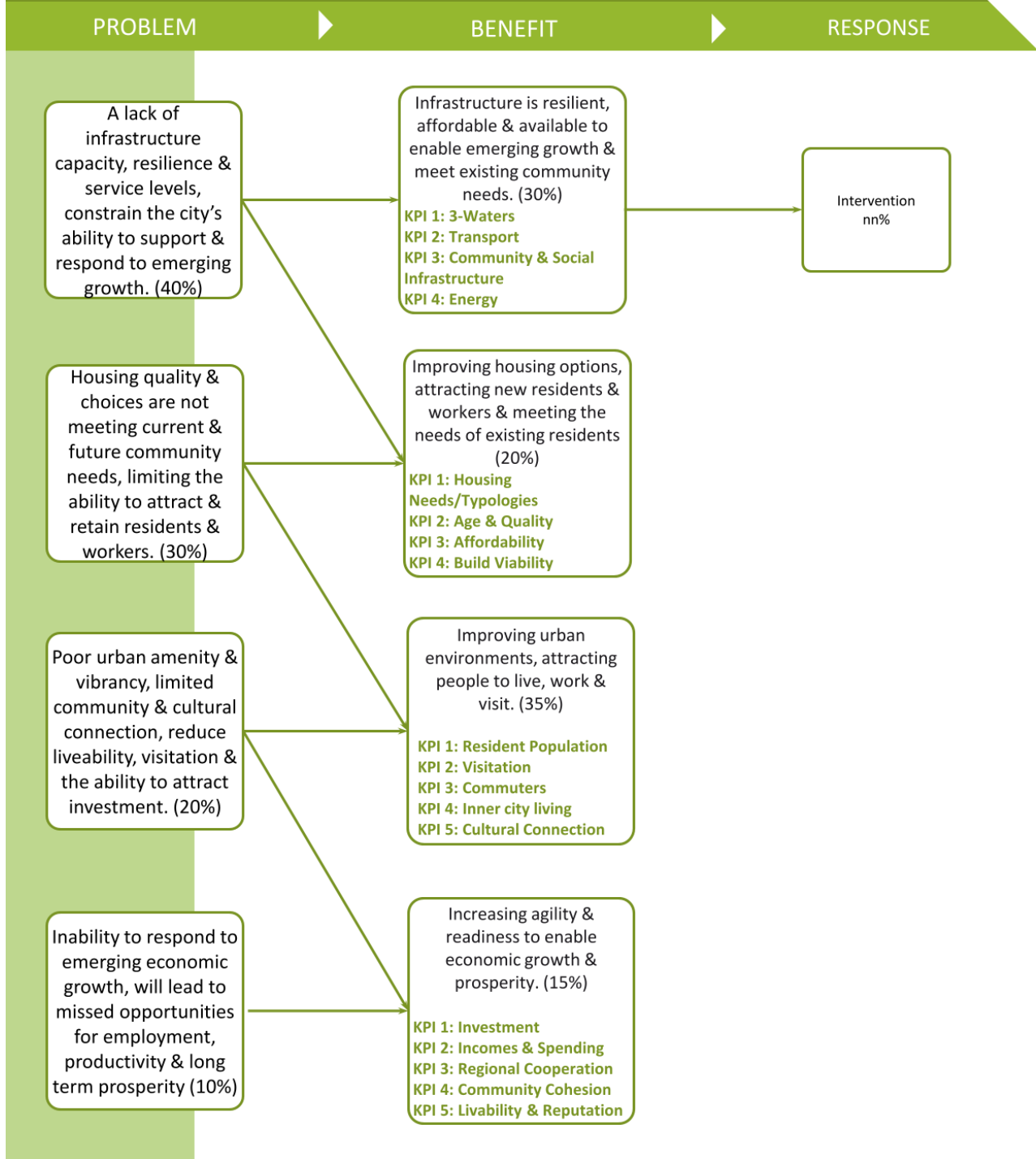
3.2 Benefits/Opportunities

1. Infrastructure is resilient, affordable and available to enable emerging growth and meet existing community needs. (30%)
2. Improving housing options, attracting new residents and workers and meeting the needs of existing residents (20%)
3. Improving urban environments, attracting people to live, work and visit. (35%)
4. Increasing agility and readiness to enable economic growth and prosperity. (15%)

Improving prosperity and resilience

Invercargill Spatial Plan

INVESTMENT LOGIC MAP Program



Investor: Invercargill City Council
Facilitator: Edward Guy
Accredited Facilitator: Commenced

Version no: 0.2
Initial Workshop: 11/05/2026
Last modified by: Edward Guy 15/05/2026
Template version: 6.0

4 Current Resource Management Framework

While reforms to the current resource management system are underway, the Resource Management Act 1991 and the national, regional and district regulatory plans that implement it remain as the regulatory framework under which land use and development decisions are made.

4.1 Operative District Plan

A review of the District Plan is overdue under the current planning framework, and changes to make medium density housing more enabling as a short-term measure are underway by ICC.

The Invercargill City District Plan 2019 (District Plan) manages land use, subdivision and development within the District. It identifies where activities can take place, what land can be developed and what natural and cultural features should be protected. The District Plan was publicly notified in 2016, and made operative in 2019.

It is an early second-generation district plan, prepared before the 2019 National Planning Standards came into effect, although it shares some similarities in terms of plan architecture. Prior to the current reforms, it was scheduled for a full plan review in 2026 under the National Planning Standards. This is no longer mandated under The Resource Management (Consenting and Other System Changes) Amendment Act 2025.

4.2 Plan Change 2: Housing and Code of Practice

Despite its proximity to the CBD, the Residential 1A Zone is underutilized due to restrictive consenting pathways. The purpose of Plan Change 2 (PC2) is to enable greater density and diversity of housing choice in Invercargill, and to update the District Plan to delete references to the expired Code of Practice (COP).

The Plan Change proposes to make changes to the District Plan to:

- Enable greater density and diversity of housing choice in the Residential 1 and 1A Zones;
- Promote good quality urban design and housing outcomes through changes to objectives, policies and rules; and
- Delete references to the expired COP Bylaw and update to include general references to the new COP (which sits outside the District Plan).

PC2 does not include new greenfield urban zones, extensions to existing zones, or changes to other residential zones.

Alongside the Plan Change, an Urban Design Guide will assist applicants to design proposals that achieve good urban design outcomes. The UDG and PC2 provisions are intended to work together to enable an increase in high quality medium density housing to address the existing shortfall of small, attached dwellings close to the CBD.

The plan change has been notified, submissions have recently closed, a hearing scheduled for Mid-May, and decisions are anticipated mid-year.

4.3 Relevant National Direction

NATIONAL POLICY STATEMENT FOR URBAN DEVELOPMENT

As a Tier 3 Authority under the National Policy Statement for Urban Development (NPSUD), ICC must provide at least sufficient development capacity to meet expected demand for both housing and business over the short-long term.

In terms of housing, the District Plan does not currently meet the requirements of a high-growth future and fails to provide adequate capacity in central areas under a medium-growth scenario, resulting in a disconnect between areas where housing is needed and where it is enabled, particularly the provisions governing the Residential 1A Zone for medium density. Despite its proximity to the CBD and alignment with strategic intensification goals, the Residential 1A Zone is underutilized due to restrictive consenting pathways, and this is what PC2 above seeks to address.

NATIONAL ENVIRONMENTAL STANDARDS FOR DETACHED MINOR RESIDENTIAL UNITS

The National Environmental Standards for Detached Minor Residential Units (NESDMRU) sets out permitted activity rules that allow for detached minor residential units of up to 70 square metres without needing to apply for resource consent if certain requirements are met. Its purpose is to remove the complexity and cost involved in building a small home for family, whānau, or other uses, enable more affordable housing options, and to support diverse living arrangements.

The NESDMRU applies in residential, rural, and mixed-use zones, and was gazetted in early 2026, after the notification of PC2. It is noted that the housing sufficiency assessments underpinning PC2 has taken into account the NESMRU, which at that stage was proposed only. As the now gazetted NESDMRU content has largely remained unchanged from that proposed, the PC2 sufficiency modelling remains applicable.

PROPOSED NATIONAL ENVIRONMENTAL STANDARDS FOR PAKAIA HOUSING

Whilst the proposed National Environmental Standards for Pakakainga Housing has not been released, ICC in partnership with Te Ao Mārama provided feedback to the draft and it is understood that this national direction may soon be gazetted.

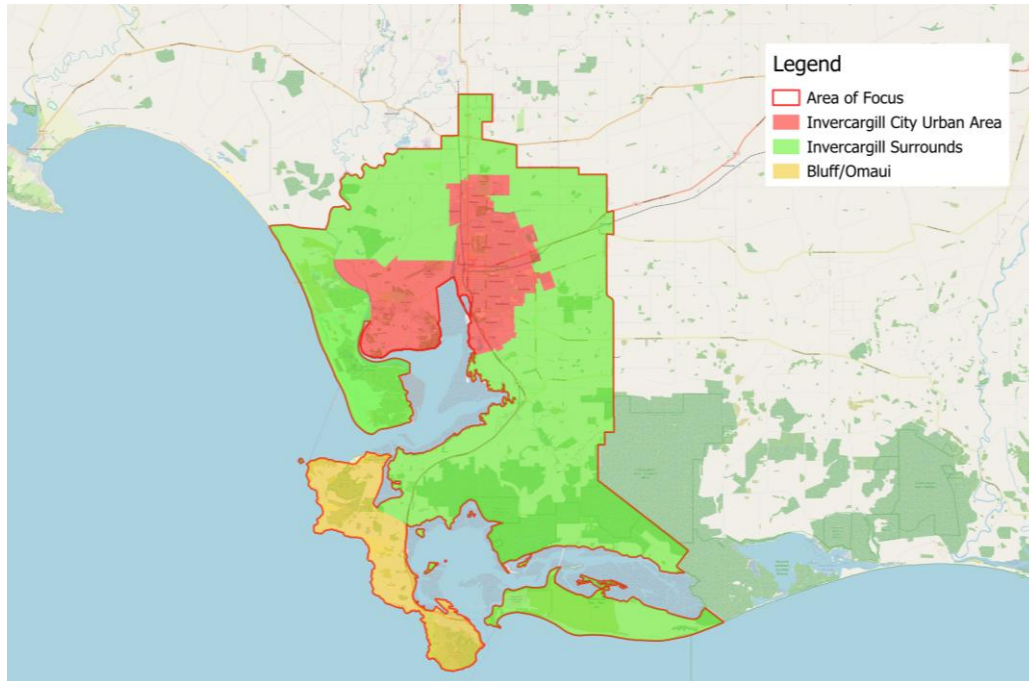
4.4 Relevant Regional Direction

The Southland Regional Policy Statement urban objectives seek to ensure that urban development occurs in an integrated, sustainable and well-planned manner which provides for positive environmental, social, economic and cultural outcomes. Intensification within existing urban areas ahead of greenfield development is encouraged and compact urban form is promoted while managing adverse effects and infrastructure capacity.

5 Proposed Geographic Scope for Spatial Plan

5.1 Area of Focus

The draft area of focus comprises the existing territorial authority boundaries of Invercargill City. Invercargill's Urban area, Invercargill Surrounds and Bluff/Omaui have been identified as specific areas for investigation.



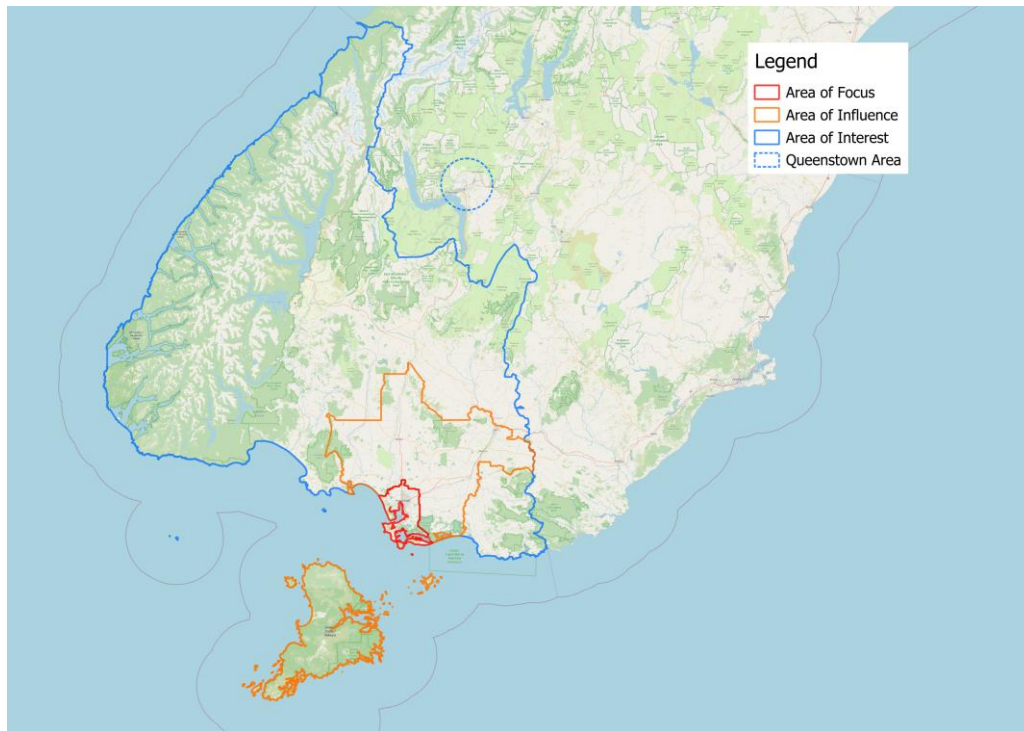
5.2 Area of Influence

The draft area of influence comprises a broader extent of Murihiku, extending into the Southland District to include Awarua Bay, Riverton/Aparima, Rakiura/Stewart Island, Winton and Gore.



5.3 Area of Interest

The broader draft area of interest includes a wider extent of Murihiku, Fiordland and Queenstown-Lakes.



6 Invercargill's Growth, Housing and Financial Benchmarking

This section situates Invercargill City Council within its peer group using a small set of structural indicators. The intention is not to rank performance, but to gauge the growth context, housing dynamics, and fiscal capacity.

6.1 Growth Context

Figure 22 shows that ICC is the slowest growing territorial authority of its peer group but is not far off a few others. At approximately 0.7% pa. average growth over the past 15 years, it sits just behind Timaru, Whanganui, and Whakatane districts. Meanwhile, Figure 3 shows a consistent underperformance in growth compared to its peer group, but a couple of strong years of growth post-pandemic since 2023.

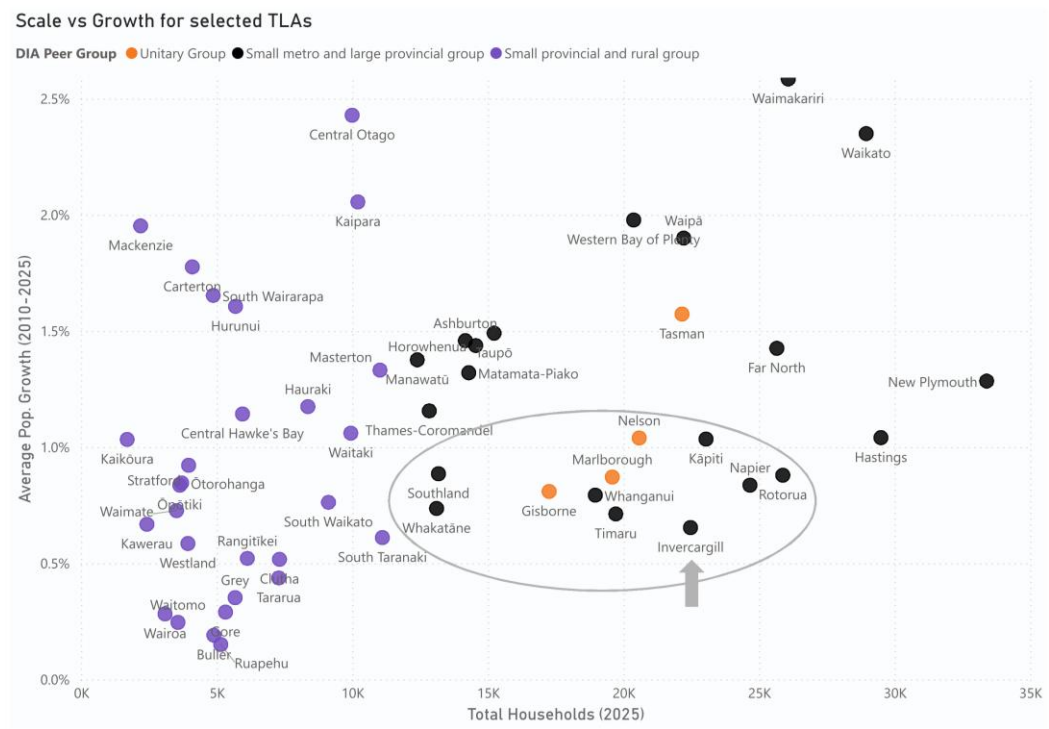


Figure 2: growth rate across selected TLAs. Population growth based on Stats NZ subnational population estimates. Households based on Stats NZ Census 2023, adjusted to 2025 based on population growth rates.

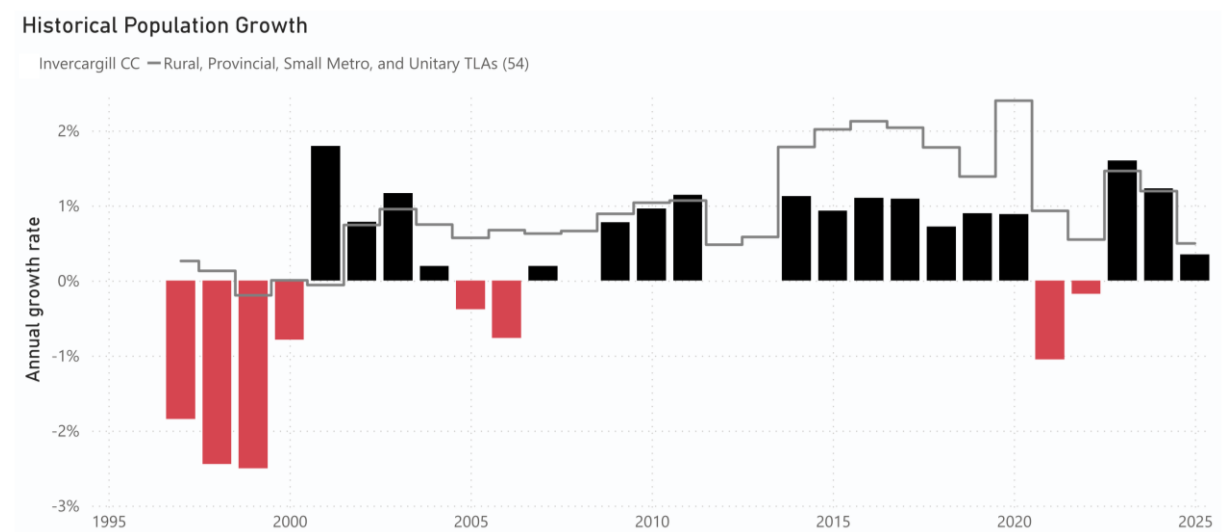


Figure 3: population growth of Invercargill CC versus selected TLAs. Source: Stats NZ pop. estimates. Red bars indicate negative growth, black bars positive growth and the grey line is the average of the ICC's peer group (Rural, Provincial, Small Metro and Unitary TLA)

Figure 4 shows that this growth rate is structurally constrained. Natural increase (births less deaths) is almost nil, reflecting an aging population and relatively low birth rates. Of notable significance is weak net internal migration, indicating limited success in attracting residents from elsewhere in New Zealand. International migration has been a stronger driver for growth, but not at a scale sufficient to materially shift overall growth.

Councils achieving stronger growth tend to benefit from sustained internal migration as well as a healthy level of natural increase, whereas Invercargill does not have either of these.

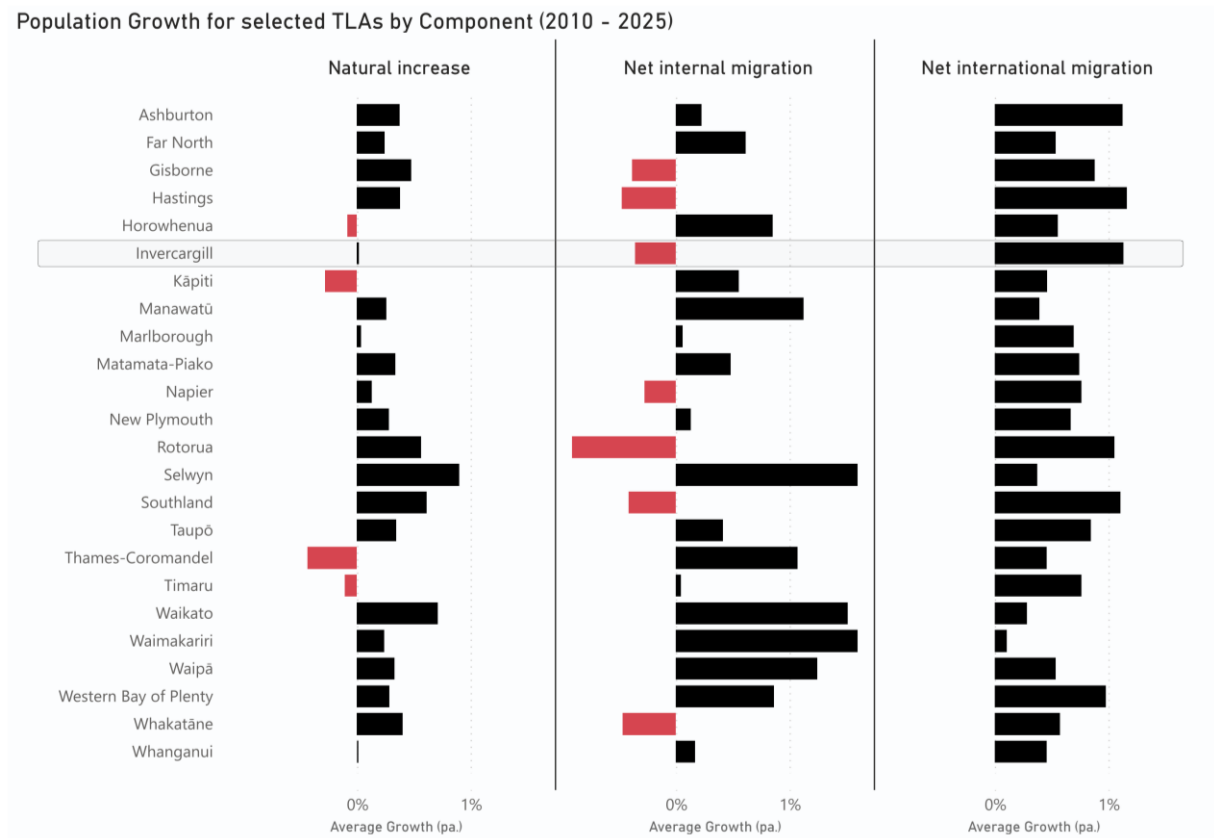


Figure 4: Growth components for selected Territorial Local Authorities. Source: Stats NZ subnational population estimates

Population demographics indicate a changing population over the past decade, with significant increases in Māori, Pacific, and Asian peoples offsetting a relative decrease in the European population (see Figure 55). The median age has also risen slightly over this period and is now 40 years, compared with the national median of 38 years.

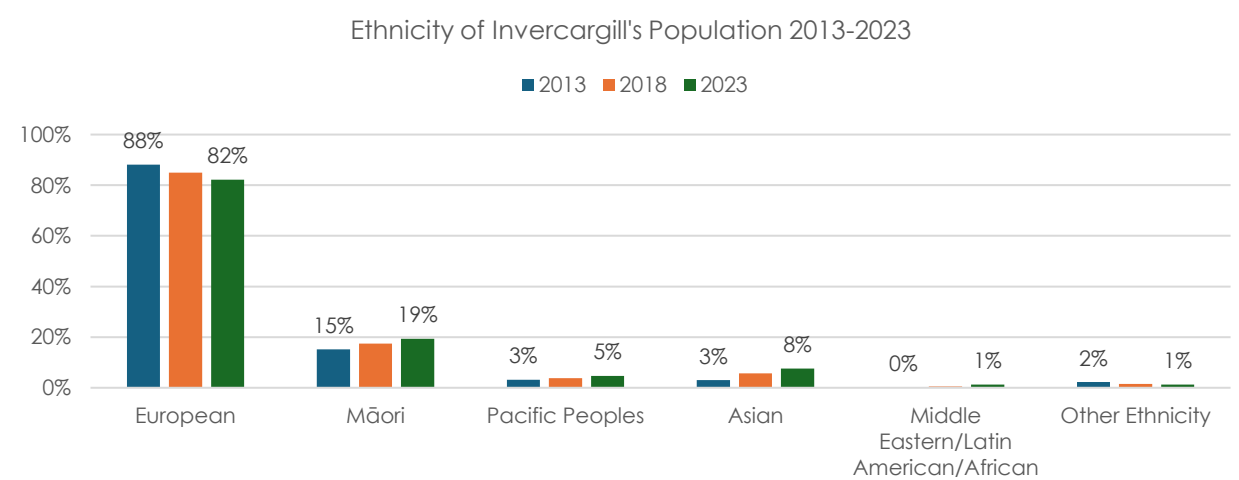


Figure 5: Ethnicity of Invercargill's population from 2013 to 2023

Census data also provide insight into income levels. Over the last decade, income levels have shifted in line with national trends; however, those aged 30 to 64 continue to earn significantly below the national average, as shown in Figure 66.

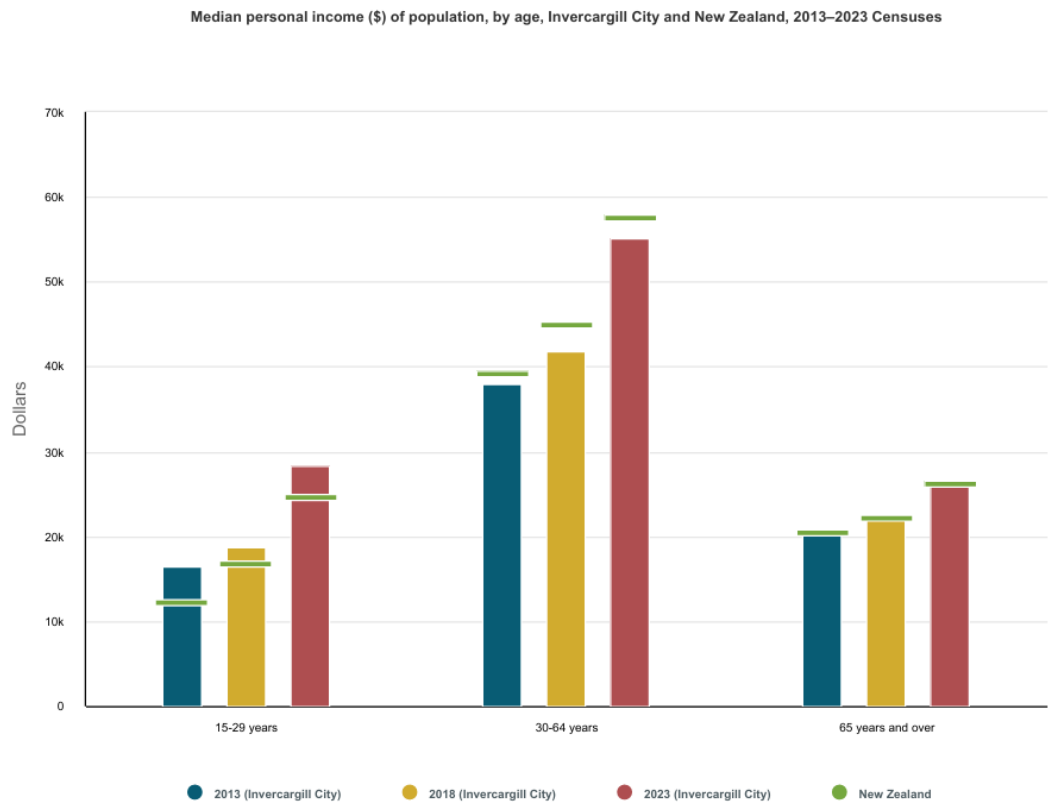


Figure 6: Median personal income of population by age, Invercargill City and New Zealand, 2013-2023 Censuses

6.2 Housing Context

Affordable housing, but not necessarily attractive. A sustained low level of building activity over the last 25 years is reflected in an older housing stock.

On the surface, Invercargill performs well on housing affordability metrics, as shown in Figure 77. It ranks as one of the most affordable districts in the Small Metro & Large Provincial peer group. However, affordability in this context is merely a reflection of low property values aligned to low incomes and fails to capture housing quality and suitability to community needs.

Median household incomes in Invercargill remain comparatively modest, only ahead of Horowhenua, Thames-Coromandel, and Whanganui, and in line with Timaru and Far North.

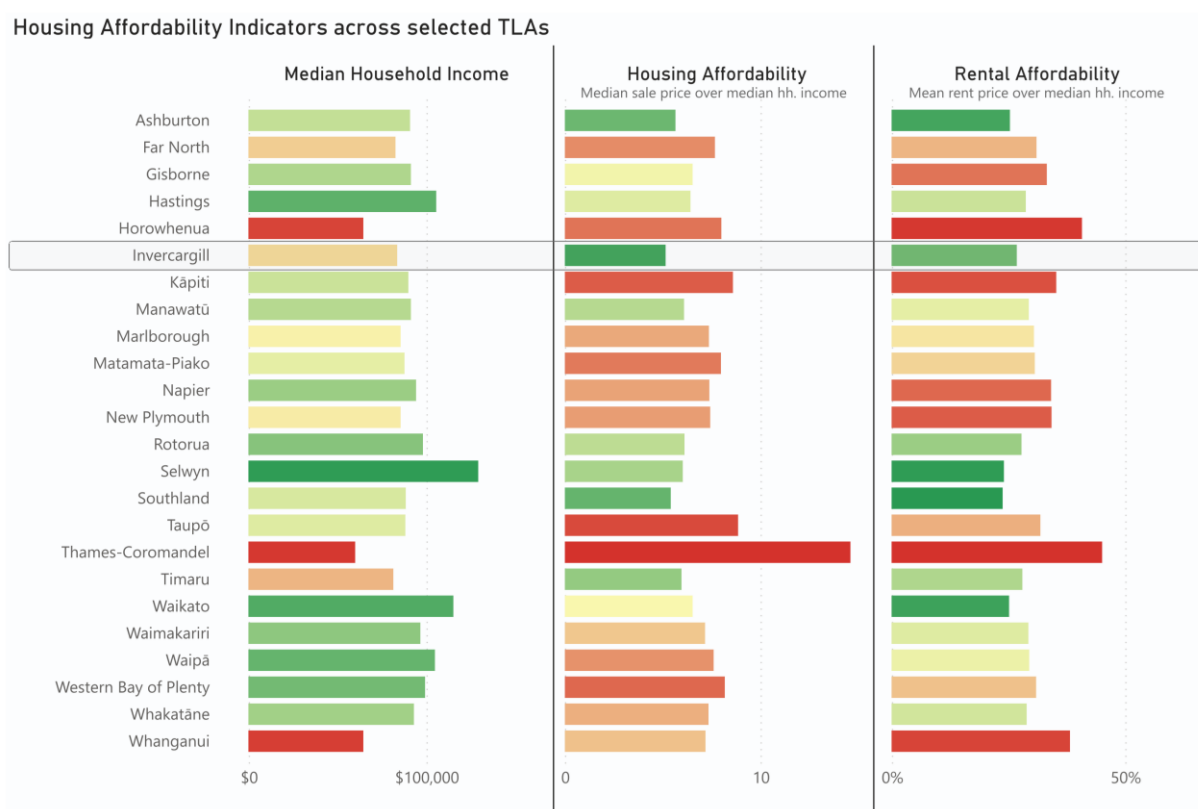


Figure 7: Housing affordability metrics (2024) across selected TLAs. Colour coding represents ranking amongst all 66 TLAs nation-wide. Household income based on Stats NZ Census 2023 adjusted to 2024 using Stats NZ household income by region. Housing median sale prices and mean rent prices based on HUD Housing Dashboard dataset.

A review of dwelling age points to an ageing housing stock, as shown in 8. While age is only one measure of housing quality, it is the best indicator currently available. On that measure, the existing stock is relatively old: the average dwelling is 59 years old, nearly one in four dwellings is more than 75 years old, and almost one in ten is over 100 years old.

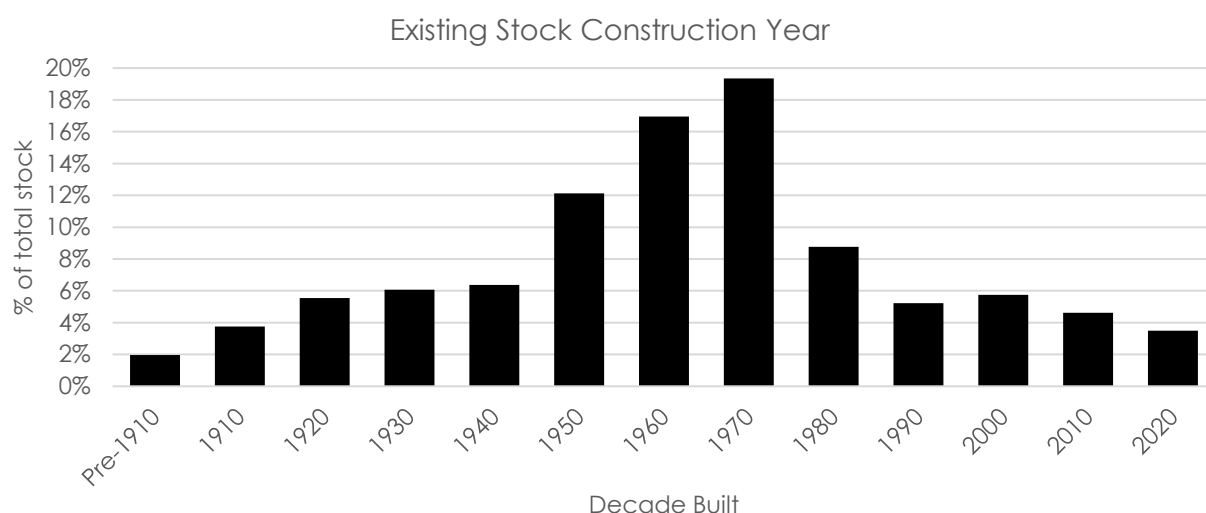


Figure 8: Construction year for existing housing stock in Invercargill CC. Source: ICC Property valuation dataset.

Residential building consent activity presented in 9 suggests sustained low levels of development over the past 25 years. This table looks at the amount of new consented residential units as a proportion of the existing stock and provides a ranking of this metric across all local authorities, with a better ranking representing higher building activity. Invercargill has consistently ranked in the lower third of local authorities.

Since 2000, residential consents have averaged around 0.7% of existing stock per annum. In terms of current stock, this is equivalent to approximately 150 dwellings per annum - only sufficient to match the district's population growth rate. This leaves little headroom for renewal or qualitative uplift of the housing stock. Low development implies limited private sector confidence and contributes to an ageing housing base.

Residential building consent activity in selected TLAs

Shown as ranking amongst all 66 TLAs nationwide

TLA	00'	01'	02'	03'	04'	05'	06'	07'	08'	09'	10'	11'	12'	13'	14'	15'	16'	17'	18'	19'	20'	21'	22'	23'	24'	25'
Ashburton	29	25	23	20	30	25	22	10	9	11	16	17	6	6	14	13	16	26	34	36	39	37	22	15	16	12
Far North	21	20	22	24	23	20	27	33	39	41	37	54	48	52	43	37	33	29	36	31	40	39	38	36	31	46
Gisborne	46	49	48	55	56	53	52	50	52	48	52	32	18	50	51	58	54	62	58	61	61	61	57	48	35	45
Hastings	31	32	27	23	27	37	30	38	35	33	18	30	34	35	37	40	41	39	41	32	24	23	34	35	38	39
Horowhenua	22	34	26	37	37	43	47	35	22	57	51	55	55	46	47	47	24	22	22	12	17	21	15	19	6	13
Invercargill	65	64	59	48	52	46	56	53	41	38	35	36	49	31	55	52	46	55	54	59	47	48	49	55	52	48
Kāpiti	4	3	6	14	17	15	23	37	47	52	45	43	44	20	21	23	34	31	39	42	42	49	42	33	13	41
Manawatū	40	38	40	54	51	35	32	27	43	40	36	37	26	15	27	35	25	24	29	18	23	26	28	22	24	33
Marlborough	17	14	13	12	12	8	14	12	6	9	15	25	20	28	32	27	31	30	24	38	37	44	50	38	29	43
Matamata-Pi...	30	33	37	36	38	39	8	16	8	20	28	48	24	32	30	41	18	20	33	17	15	8	10	24	19	15
Napier	41	43	38	34	36	27	12	28	42	43	26	28	33	43	45	49	42	41	35	50	32	34	35	31	21	32
New Plymouth	49	53	44	38	33	36	19	32	26	34	7	16	22	23	18	16	20	18	30	33	21	19	32	37	44	29
Rotorua	33	26	35	40	46	44	31	54	59	60	58	26	61	59	62	63	56	61	55	55	56	47	39	30	10	14
Selwyn	5	2	2	2	2	3	1	1	1	3	1	2	2	2	1	1	1	1	2	2	1	1	1	1	1	2
Southland	55	46	42	33	41	47	49	46	56	35	50	42	42	55	50	44	51	51	49	48	38	52	55	50	34	42
Taupō	13	12	11	10	10	22	29	19	29	28	33	33	38	42	33	30	21	25	26	26	29	29	33	21	14	16
Thames-Cor...	11	9	8	13	9	6	16	23	25	27	30	24	29	34	31	26	27	27	28	35	36	41	36	45	48	51
Timaru	37	39	49	47	39	45	45	56	50	39	48	40	28	24	20	21	19	37	38	44	46	43	46	46	45	49
Waikato	15	19	14	21	20	11	9	7	11	15	8	10	16	10	6	7	4	6	11	9	4	3	3	5	7	8
Waimakariri	2	5	7	6	4	4	3	5	3	4	3	1	1	1	2	3	5	5	7	5	8	5	6	8	3	3
Waipā	8	15	17	17	16	12	4	8	10	6	4	5	14	9	5	6	6	8	3	6	5	6	4	4	11	9
Western Bay ...	16	16	16	19	15	10	18	17	23	16	22	22	32	18	22	18	8	9	9	14	20	12	19	29	25	18
Whakatāne	32	37	46	46	35	32	40	48	53	56	54	58	57	54	56	51	48	44	50	43	50	64	61	59	40	37
Whanganui	45	57	61	64	61	59	44	55	57	61	55	56	56	49	57	55	58	48	48	54	51	50	51	56	56	53

Figure 9: Relative residential building activity for ICC compared to other selected TLAs. Residential building activity has been normalised as total new units consented over the existing housing stock. Source: Stats NZ building consents.

The price-cost ratio presented in Figure 1010 provides additional insight. This ratio compares the sale price of a new dwelling to the cost of delivering it. A ratio above 1.0 indicates development is generally feasible (prices exceed costs), while a ratio below 1.0 suggests limited financial incentive for new supply.

While historically below feasibility thresholds, it showed improvement between 2019 and 2022 but has declined since then. This suggests fluctuating commercial viability of development.

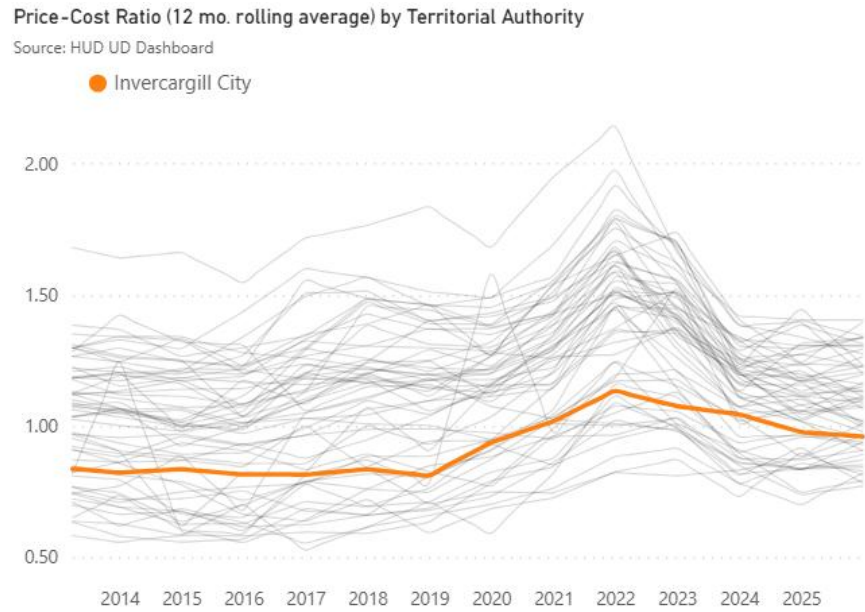


Figure 10: Price-Cost Ratio for Invercargill (grey lines show ratios for all other TLAs). Source: HUD Housing Dashboard.

6.3 Council's Financial Context

Rising spending on level-of-service projects over the past four years, while overall investment and debt remain well below peer levels, points to clear capacity and potential for growth.

EXPENDITURE

ICC's financial profile has shifted materially over the past five years. **Error! Reference source not found.** shows that capital expenditure on Level of Service (LOS) projects has increased significantly over the past four years, while **Error! Reference source not found.** shows how ICC's overall capital investment still sits well below other TLAs in its peer group.

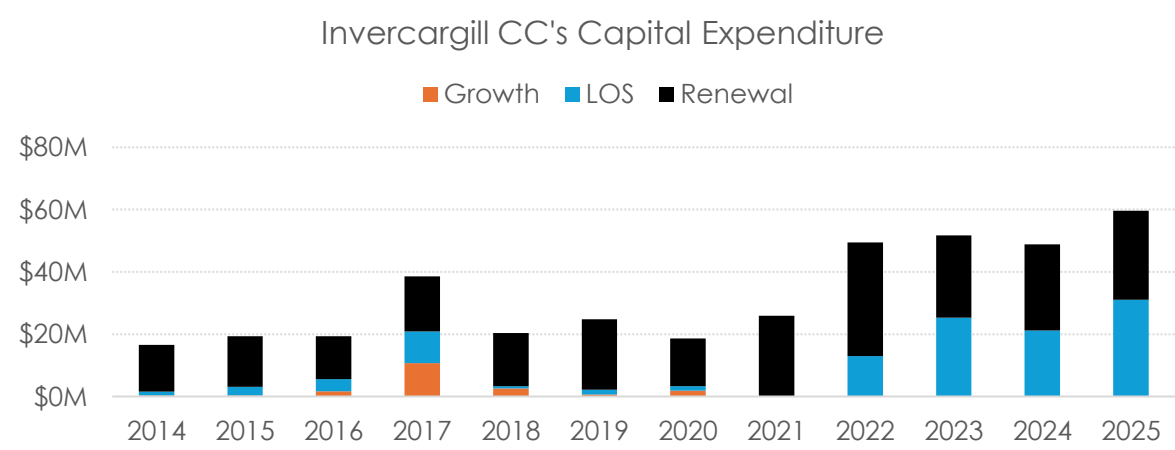


Figure 11: Invercargill CC's capital expenditure since 2014

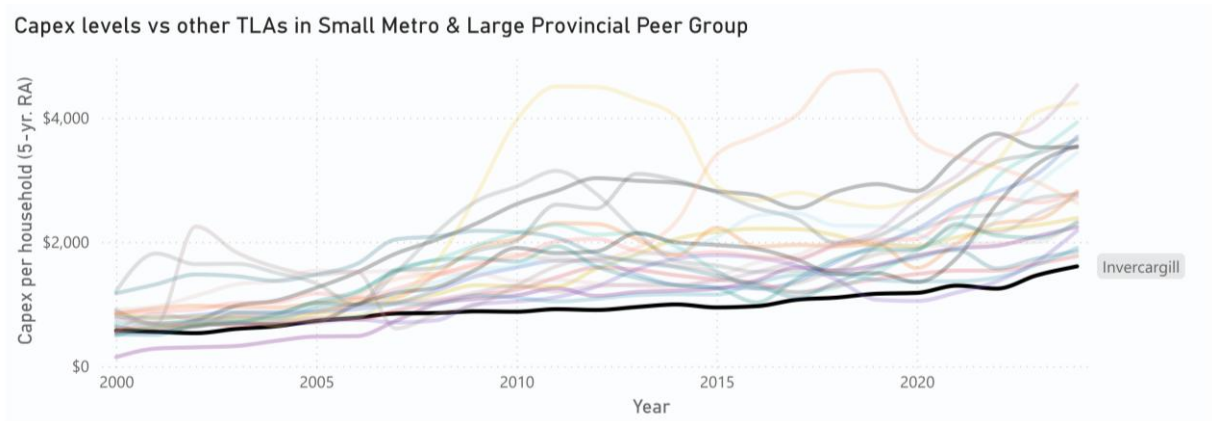


Figure 12: Capital expenditure levels for ICC compared to other Territorial Local Authorities in DIA's Small Metro & Large Provincial peer group. Expenditure is sourced from Stats NZ Local Authority Financial Statistics. Household counts are based on Stats NZ Census figures, adjusted in between Census years using population growth estimates.

Operating expenditure has been steadily increasing as shown in Figure 133, placing Invercargill broadly in the mid-range of its peer group.

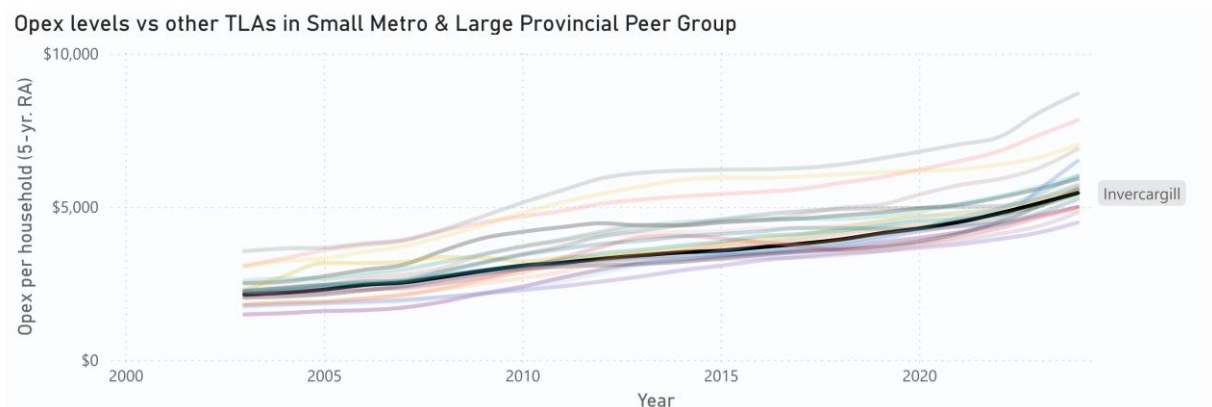
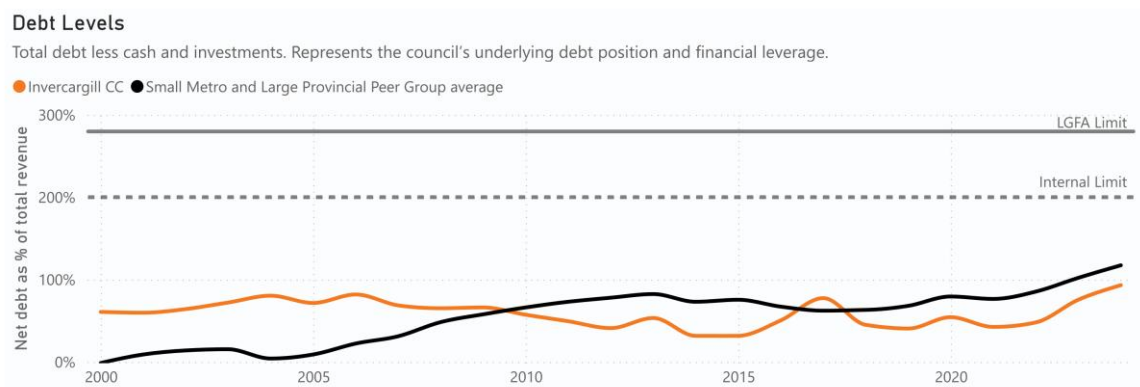


Figure 13: Operating expenditure levels for ICC compared to other Territorial Local Authorities in DIA's Small Metro & Large Provincial peer group. Expenditure is sourced from Stats NZ Local Authority

FUNDING

ICC's low level of investment is reflected in its generally modest debt levels, as shown in **Error! Reference source not found.**4. Debt has increased notably over the past four years, in line with rising capital expenditure, but the overall picture remains one of financial capacity. With healthy debt headroom and a relatively low level of existing net fixed assets compared with its peer group, Invercargill appears to be an asset-poor district with considerable room for growth.



Net fixed assets

Total value of council long-term assets (e.g. property, infrastructure) minus related liabilities. Indicates asset strength.

● Invercargill CC ● Small Metro and Large Provincial Peer Group average

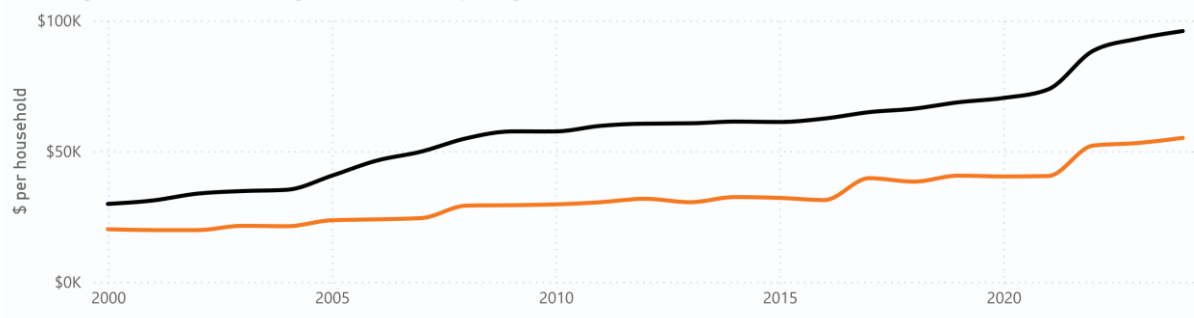


Figure 14: Net debt levels and net fixed assets for ICC versus selected TLAs. Source: Stats NZ local government financial statistics.

ICC's revenue streams are characterised by a low rates intake (lowest on a per household basis amongst its peer group), and no development or financial contributions, as shown in Figure 15 below.

Sources of funding across selected TLAs (FY24)

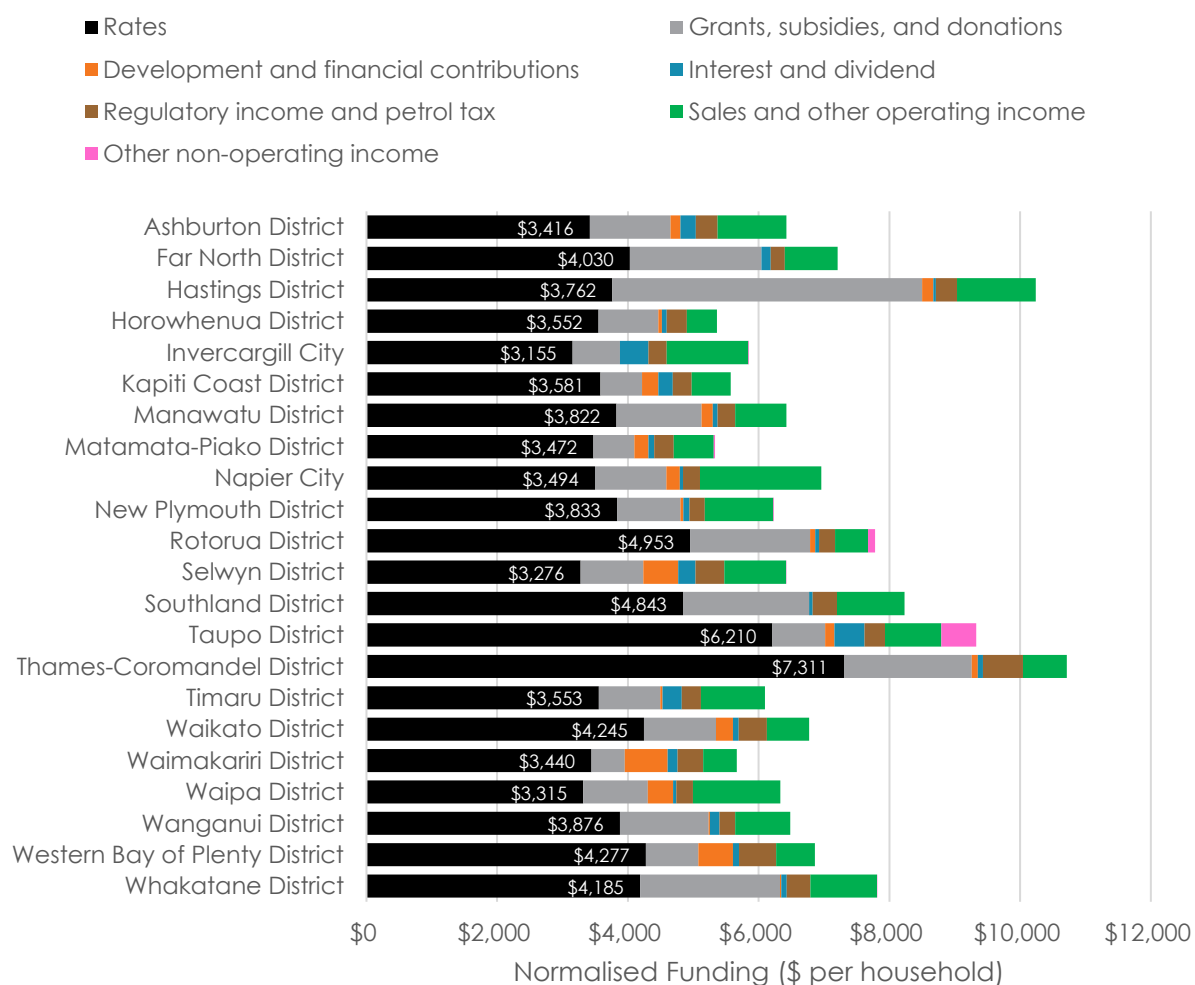


Figure 15: FY23/24 normalised funding for Territorial Local Authorities in DIA's Small Metro & Large Provincial peer group. Revenue figures based on Stats NZ Local Authority Financial Statistics. Household counts are based on Stats NZ Census figures, adjusted in between Census years using population growth estimates.

In terms of rates affordability, Invercargill remains amongst the most affordable within its peer group, as shown in Figure 166 below, again highlighting potential for further funding should growth require it.

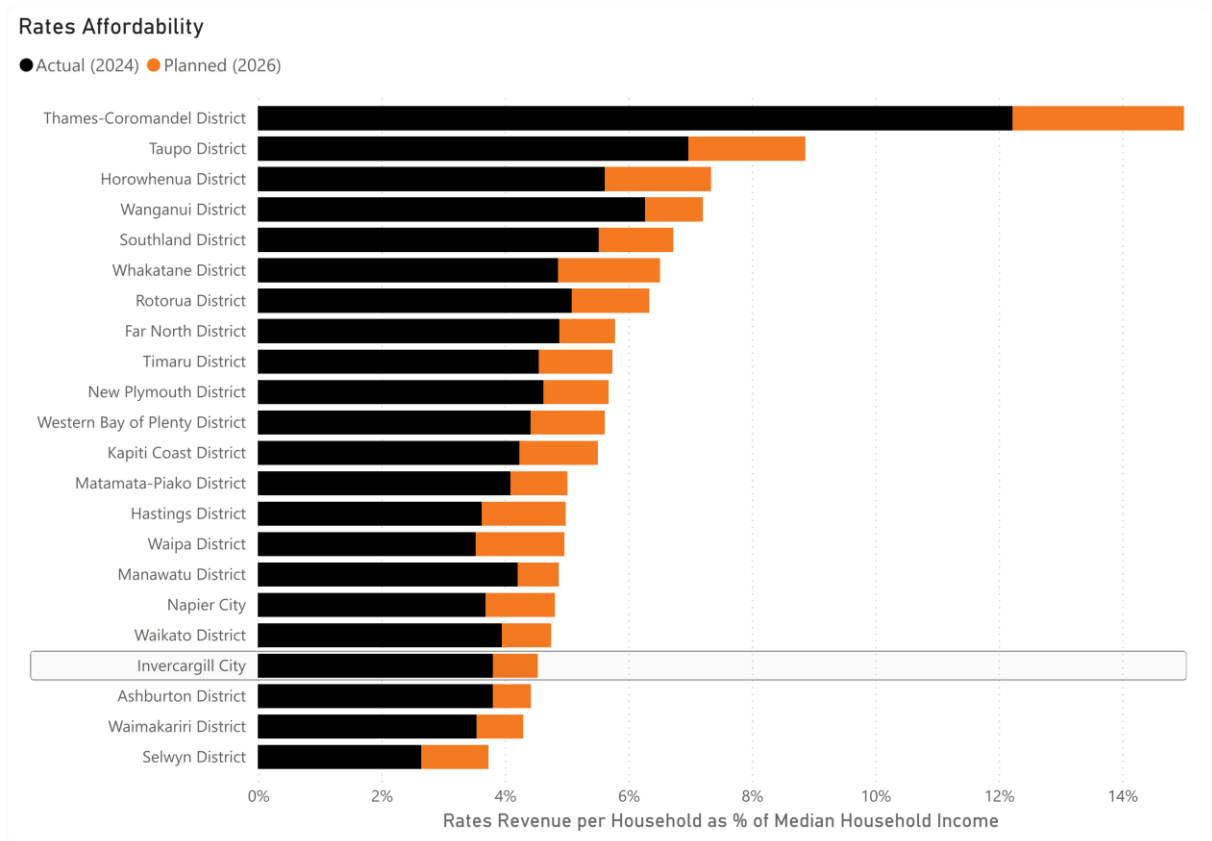


Figure 16: Rates affordability (average rates revenue per household over median household income) across selected TLAs. Rates revenue taken from DIA's local gov. performance metrics. Household counts taken from Census 2023 and adjusted based on population growth. Median household income taken from Census 2023 and adjusted using regional indicators.

6.4 Growth

Invercargill has grown at 0.7% per annum over the past 15 years. This matches up with the growth proposed in the LTP, and is ahead of the StatsNZ projections of 0.5%.

Historical & Projected growth rates across selected TLAs

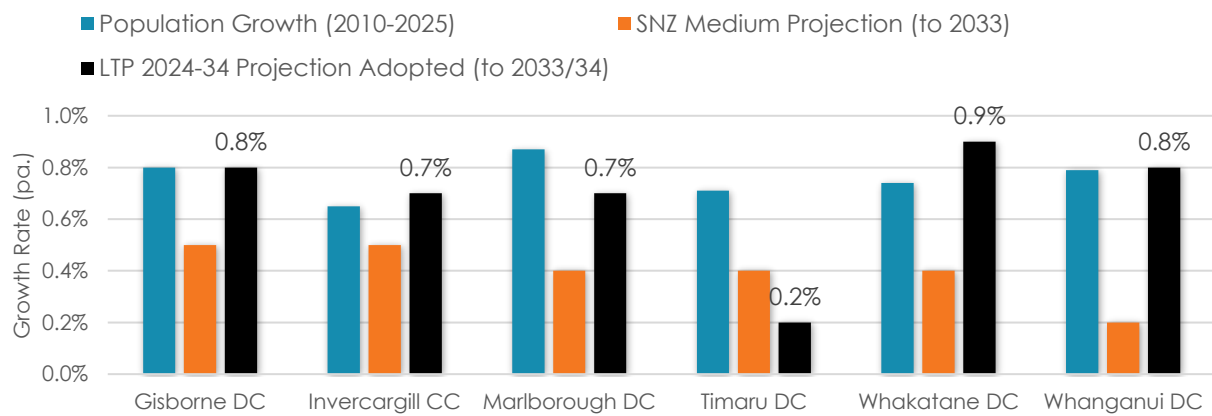


Figure 17: growth rate comparison across selected TLAs. Sourced from published LTP reports.

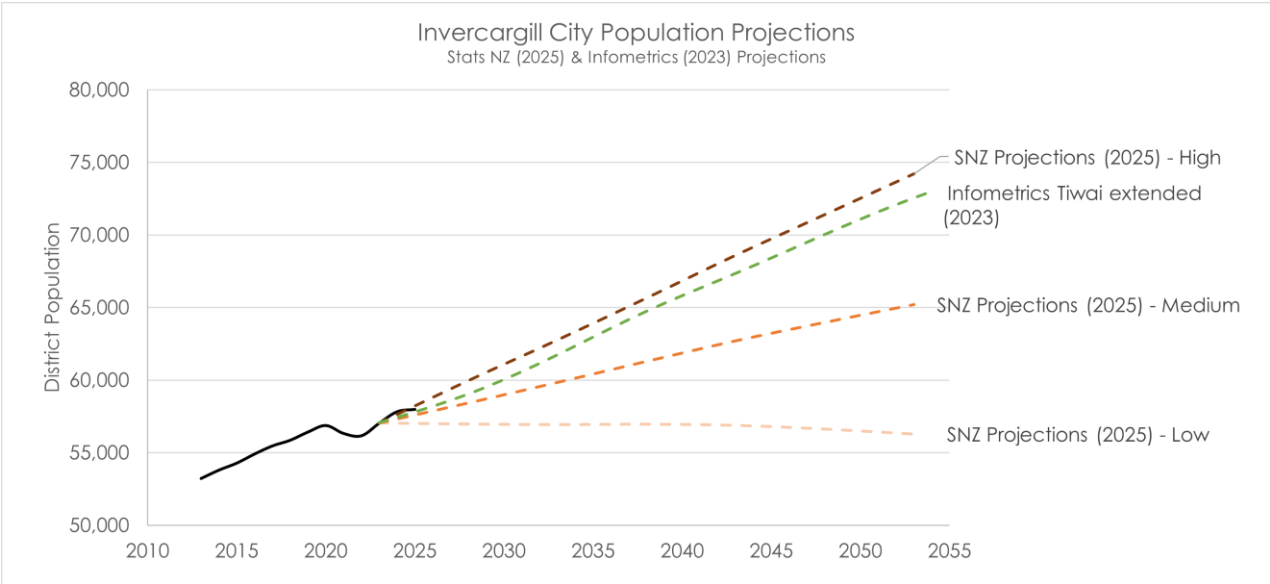


Figure 18: population projections for Invercargill City

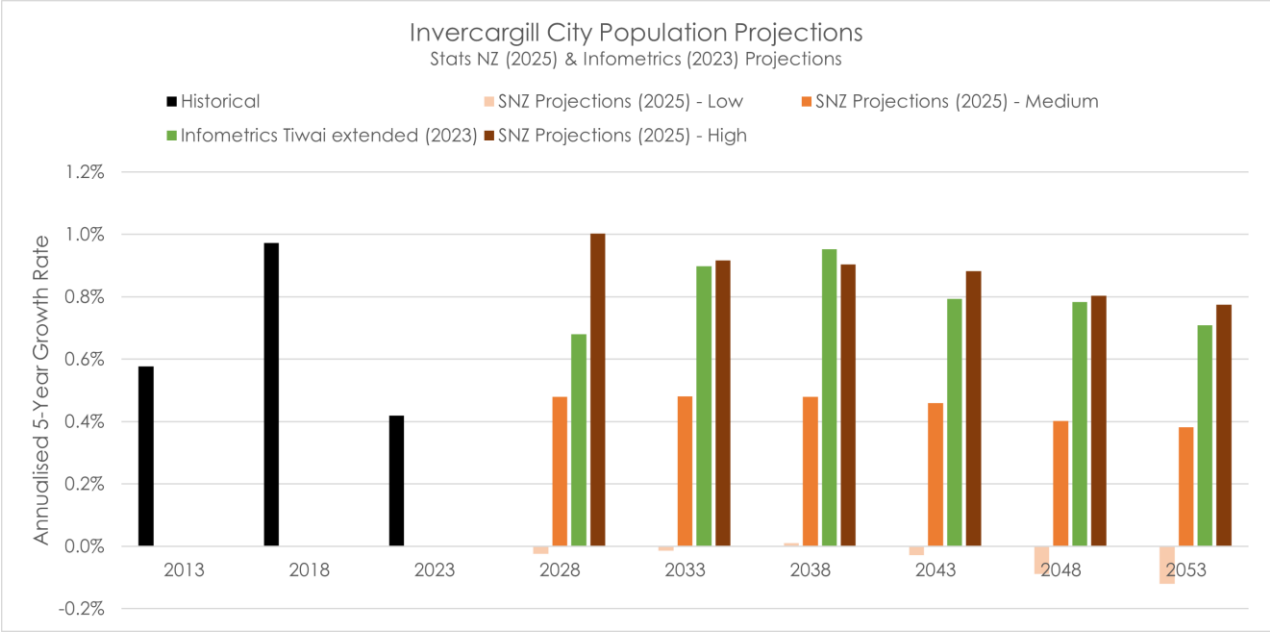


Figure 19: population projections for Invercargill City

6.5 Housing and Business Capacity

A comparative review of housing and business capacity assessments across peer councils highlights meaningful differences in maturity, scope, and alignment with the National Policy Statement on Urban Development (NPS-UD).

Under the NPS-UD, councils are required to provide sufficient development capacity for housing and business land over the short, medium, and long term, and to monitor indicators that signal emerging capacity constraints. As a Tier 3 council, formal Housing and Business Capacity assessments (HBAs) are not an obligation but are highly encouraged to understand land sufficiency. Meanwhile, monitoring is required for all councils, with results published at least annually.

Table 1: Comparison of Housing & Business Capacity Assessment across selected TLAs

Assessment item	Gisborne DC	Invercargill CC	Marlborough DC	Timaru DC	Whakatane DC	Whanganui DC
Housing Assessment (Not a requirement)	Yes	Yes	Yes	Yes	Yes	No
Considers high growth scenario	Yes	Yes – Infometrics Aspirational	Yes - SNZ High	Yes - SNZ High	Yes	No
Community preferences surveyed	No	Yes	Only for business land needs	No	No	Only for business land needs
Considers typology	Yes	Yes	No	No	Yes	No
Business Assessment (Not a requirement)	Yes	No	Yes	Light-touch assessment	Yes	Yes
NPS UD Monitoring Report (Requirement)	No	Yes - Power BI dashboard	Yes - Power BI dashboard	No	Yes	Yes

HOUSING CAPACITY ASSESSMENT

Over the last few years, housing analysis work for Invercargill has moved from identifying the problem, to testing responses and building an updated evidence base for plan change. The story is consistent across the board: Invercargill does not have a simple “not enough land” problem. At a city-wide level, there is ample theoretical and feasible housing capacity. The real issue is that the housing stock is not well matched to what people need, where they want to live, or the kinds of homes likely to be needed as the population ages.

The first phase of work, through the Murihiku Southland Housing Needs Assessment (2023) and the ICC Housing Needs Assessment add-on (2023), established the regional and local context, captured community views on housing preferences, and assessed the extent to which existing housing stock matched perceived demand. It found a significant mismatch between the homes that exist and the homes people want. Across the region, older residents increasingly prefer smaller, lower-maintenance homes closer to town, while younger households tend to value larger sections and more family-sized homes. The reports highlighted that Invercargill’s stock is dominated by medium-sized three-bedroom detached houses, with too few smaller homes, larger homes, and attached options.

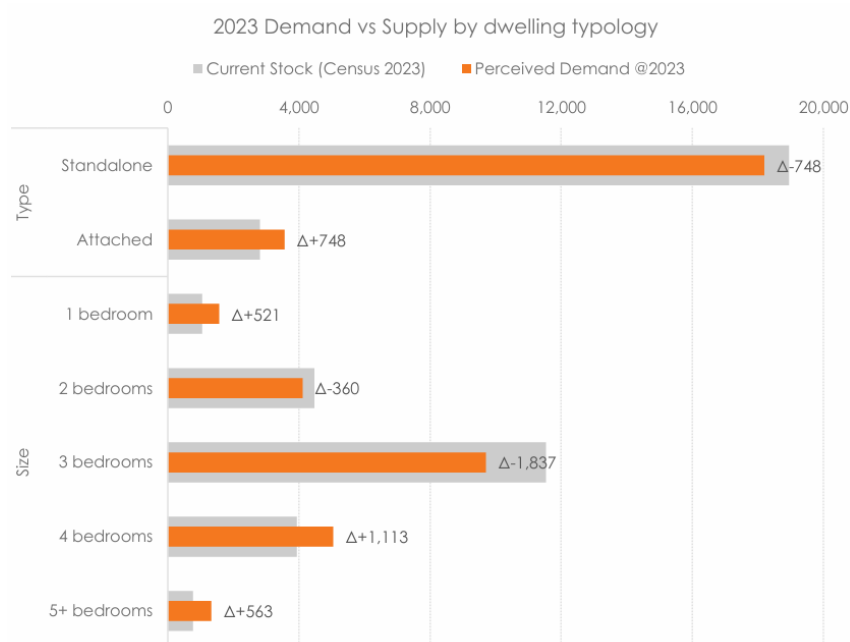


Figure 20: Perceived demand against existing housing stock (ICC Housing Needs Assessment Add-on - 2023)

The capacity assessment showed that under the current District Plan, Invercargill had feasible capacity for around 27,500 dwellings in total, or about 6,700 additional dwellings beyond the 2022 baseline. On paper, that was enough to accommodate projected demand, even under a high-growth scenario. But the same work found that this overall sufficiency masked two important pressure points: attached housing and central living. Community engagement indicated demand for around 800 more homes in central areas, growing to about 1,000 by 2052. In other words, Invercargill had enough capacity overall, but not enough in the right places and not enough of the right type.

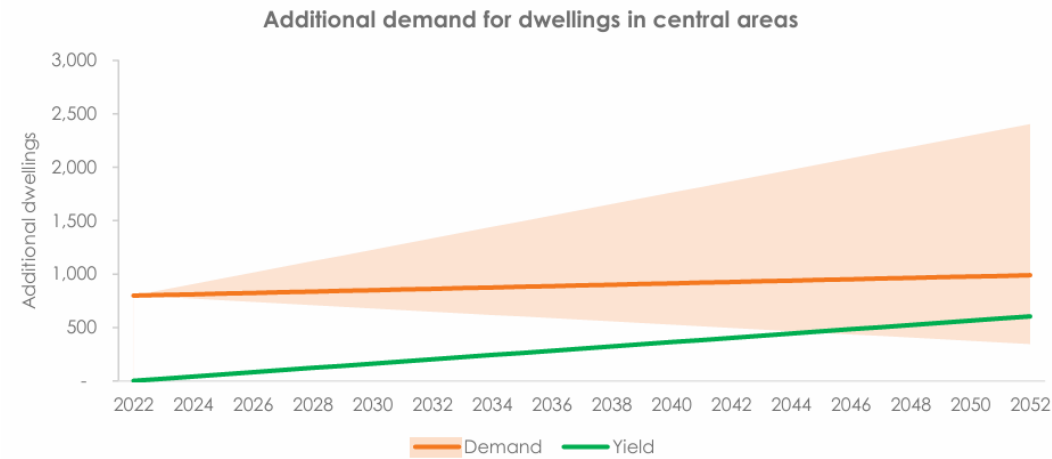


Figure 21: Latent perceived demand against feasible capacity (yield) in central areas of Invercargill (ICC Housing Needs Assessment Add-on - 2023)

The recent stages of work shifted into scenario testing of planning changes that would address the identified issues. The preliminary capacity evaluation (2025) tested a range of targeted rule changes including lowering of minimum site size requirements in Residential 1 and Residential 1A that limit medium-density and attached housing. Building on this, the Housing Sufficiency and Monitoring Report (2025) provided a more robust capacity assessment on the current district plan (Scenario 1), against the preferred plan change approach (Scenario 2) as well as incorporating the impact of the government’s proposed National Environmental Standards (NES) rules for Minor Residential Units (Scenario 3). The results gave confidence that the proposed plan change would provide sufficient feasible capacity to accommodate high growth, while also unlocking additional capacity to meet latent demand in central areas.

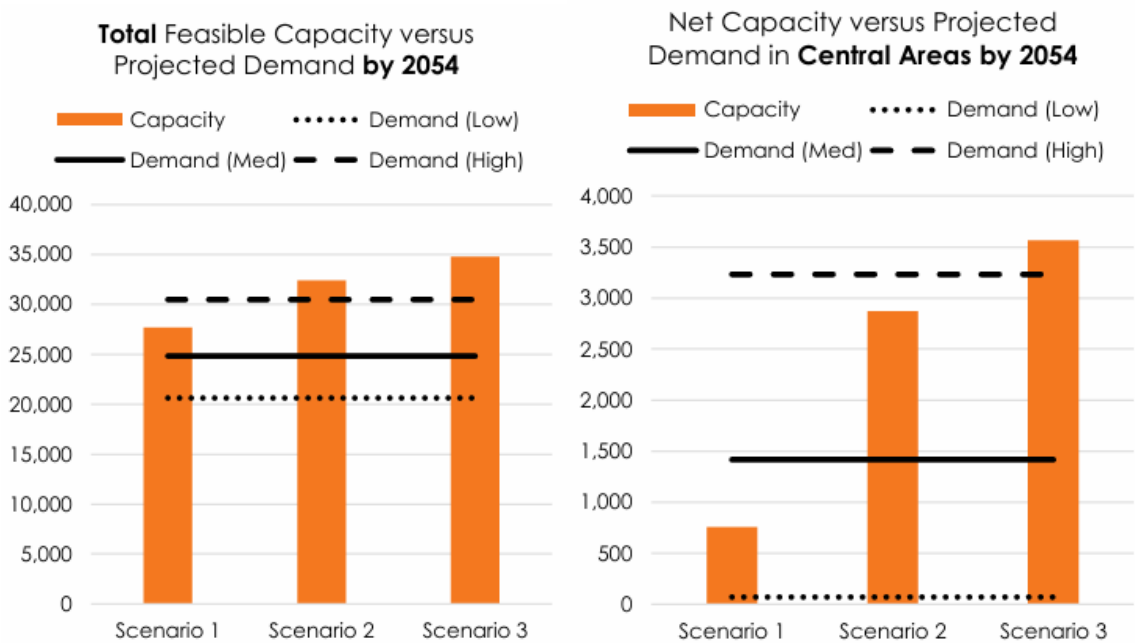


Figure 22: feasible capacity for dwellings against project demand. Scenario 1 shows existing district plan, scenario 2 shows proposed plan change, and scenario 3 shows proposed plan change plus inclusion of new ‘granny flats’ rules (Housing Development Capacity and Monitoring Report – 2025)

6.6 Existing Areas of interest

A summary of existing focal points in the District, and areas of interest or where major infrastructure is located are as follows:

- Centres and places - Invercargill CBD, South City, Windsor town centre, Bluff, Omaui, Awarua, and smaller (but no less important) areas;
- Zones – Hospital Zone (Southland Hospital), Airport Operations (Invercargill Airport), Smelter Zone (Tiwai), Seaport Zones (Southport);
- Other important places - Murihiku Marae, Te Rau Aroha Marae, Sandy Point, the town belt and Queens park, and more.

6.7 Potential/Signalled Projects

An overview of known major projects and infrastructure proposals is provided in this section of the report. While each is at a different stage, and it is unknown which may or may not progress to construction, it provides a good general overview of what the possible futures could look like.

Several Southland projects are listed or have been accepted to the Fast Track Approvals Act 2024 process:

Type	Project	Status
listed	The listed Invercargill City Council Alternate Water Supply Project proposes to provide a secondary water source for Invercargill from groundwater bores, capable of providing approximately 20 million litres of additional treated water per day.	Not yet lodged.
listed	The Sanford Limited Makarewa Hatchery is a proposal for a land-based recirculating water salmon hatchery on a 24-hectare former abattoir site.	Not yet lodged.
listed	The listed Ngāi Tahu Seafood Resources Limited Hananui Aquaculture Project is to develop an approximately 2,500 hectares site of marine space for finfish farming.	Lodged, decision due by 10 August 2026. Estimated lead in time of 5 years until commencement.
listed	The listed Fjordland Group (previously ImpactMarine) Aquaculture Project is to develop a land-based closed system salmon farm at ocean beach for up to 30,000 tonnes, and an associated processing facility.	Not yet lodged. Awaiting MPI approval.
Accepted Fast Track	The Contact Energy Southland Windfarm proposed wind farm is located about 30km southeast of Gore, and will generate up to 380 megawatts (MW) and provide power for up to 150,000 households. Will connect to a 220kV transmission line linking Invercargill and Dunedin, to supply renewable electricity to the local Southland grid and support regional industrial power needs.	Approved in early April 2026.

An overview of private plan changes and designations in progress is provided below:

Type	Project	Status
Operative Private Plan Change	Te Puawai - Private Plan Change was approved for residential rezoning in 2022, which would provide for 600 residential sections across a 70ha site. An application for an initial 35-lot subdivision consent was lodged in 2024, prior to approval of a masterplan for the site.	The 35 lot subdivision is on hold for further information.

Private Plan Change	The Tulloch Limited Private Plan Change Request seeks to rezone 9.7ha at 805, 815 & 819 North Road, immediately south of Lorneville from Rural to Industrial 1 (Light) Zone), with amendments to the plan provisions to develop in accordance with a Concept Plan for the site. The Plan Change was lodged in November 2025, and is still undergoing completeness vetting before it is taken to Council for a decision to either accept or reject it for processing.	No decision made to accept or reject Private Plan Change request. If accepted, it will take some months to move through the Council notification, hearing and decision-making process. If this happens quickly, zoning could possibly be in place by the end of this year.
SpaceOps Designations	Two Notice of Requirements have been lodged by Space Ops relating to their existing satellite ground station on Colyer Road. A designation for the existing ground station site is progressing non-notified, while a second designation restricting building height and electromagnetic interference within a 2km and 3km radius of the ground station site has been publicly notified.	One designation has been notified, and submissions close on 18 May 2026.

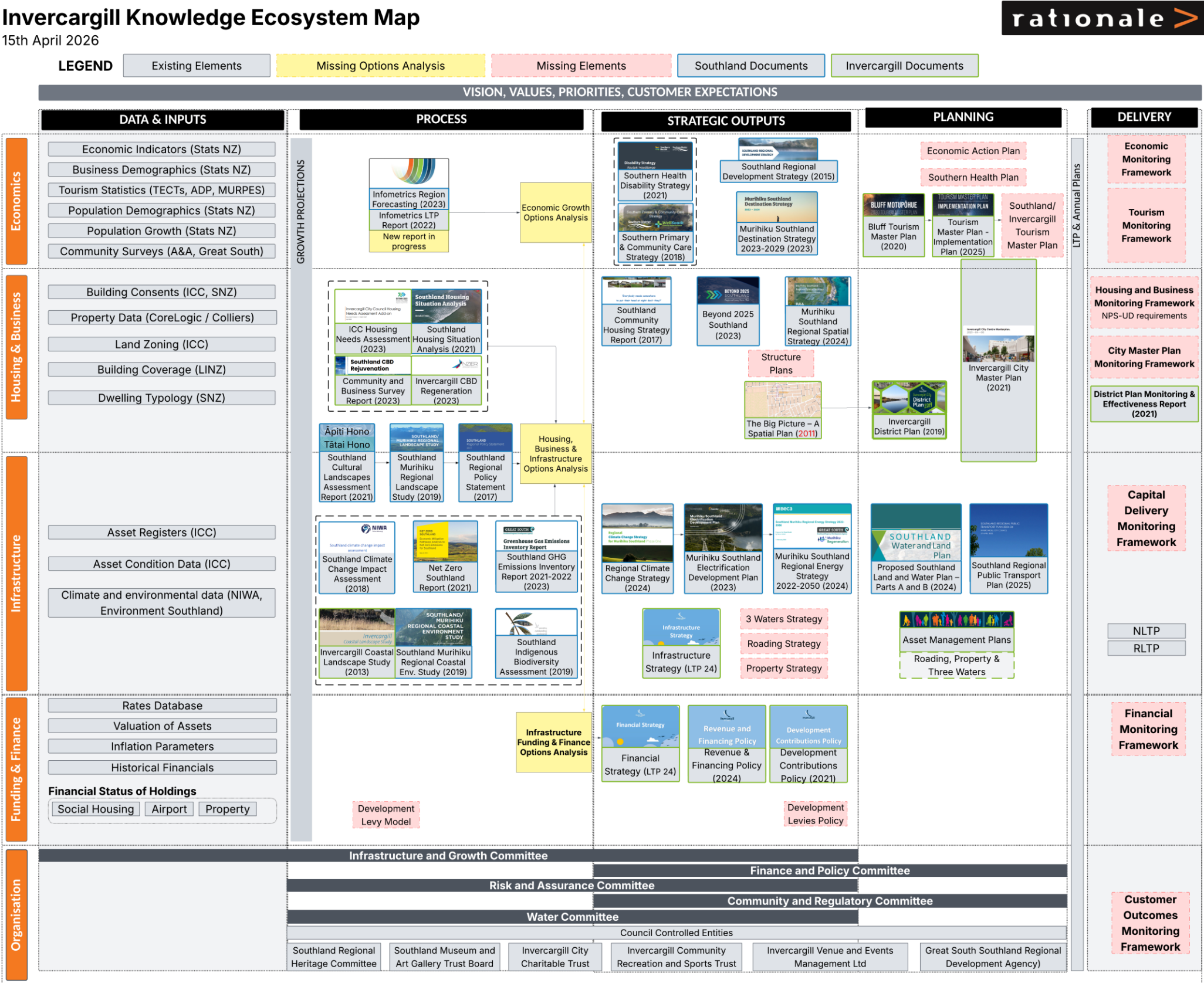
Other potential/signalled projects of relevance in Invercargill or wider Murihiku include:

Type	Project	Status
Resource consent	Datagrid Data Centre in Makarewa (Southland District) will be 280MW "AI factory" data centre, powered by renewable energy, and slated for completion around 2028.	Approved
Zoned	Calder Stewart Awarua Quadrant – not yet developed, but zone enabled for light industry.	Zone Enabled
TBA – not lodged	Kelp Blue and Awarua Rūnaka, supported by Te Puni Kokiri , are preparing to lodge resource consent for 2,800ha space between Bluff and Rakiura for seaweed farming .	Not lodged
TBA – not lodged	Sanford Limited are still considering their Project South project to establish and operate open ocean marine farming, approximately 10km south-east of Ruapuke Island, in Foveaux Strait.	Not lodged
TBA - not lodged	Victorian Hydrogen is proposing a \$3 billion plant that can turn Southland lignite (brown coal) into gas that can be transformed into urea for fertiliser, to be located 30km northeast of Invercargill.	Not lodged
	The Te Taurapa o Te Waka – Motupōhue Visitor Experience proposed in Bluff will include sculptural Taurapa (canoe sternpost), interpretation centre, sculpture trail, walking track, digital storytelling, car park, and two pou representing tūpuna (ancestors) flanking the road to the summit to convey the significance of the site.	
	Niagara Sawmilling Company is progressing a \$115 million expansion of its timber processing operations at their Kennington site just outside Invercargill, which is anticipated to be operation in later 2027.	

7 The Current Knowledge Ecosystem

7.1 Overview of the Current Knowledge Ecosystem Map

The knowledge ecosystem diagram presented below brings together Invercargill City Council's key data inputs, analytical processes, strategies, plans, and monitoring frameworks into a single view.



8 Previous Strategic Planning

Several of the existing strategic plans are summarised in this section, which is not exhaustive, but captures those that are more relevant to this spatial planning process. A more comprehensive list of information and reporting to inform the Spatial Plan is illustrated in the knowledge ecosystem map above and is listed in Section 8. Additionally, a spatial data list compiled in 2024 is provided in Appendix 2 of the Murihiku Southland Regional Spatial Strategy – Visions, Aspirations, and Gap Analysis Report, providing a good starting point of baseline data.

8.1 Murihiku Southland Regional Spatial Strategy – Visions, Aspirations, and Gap Analysis 2024

The Visions, Aspirations, and Gap Analysis report was prepared in 2024 in preparation for the development of a Murihiku Southland Regional Spatial Strategy under the now repealed Spatial Planning Act 2023. The report was guided by the legislative requirements of that act for preparing a Regional Spatial Strategy. It provided an outline of the visions and aspirations developed between the southland councils at the time, as illustrated in Figure 21 below.

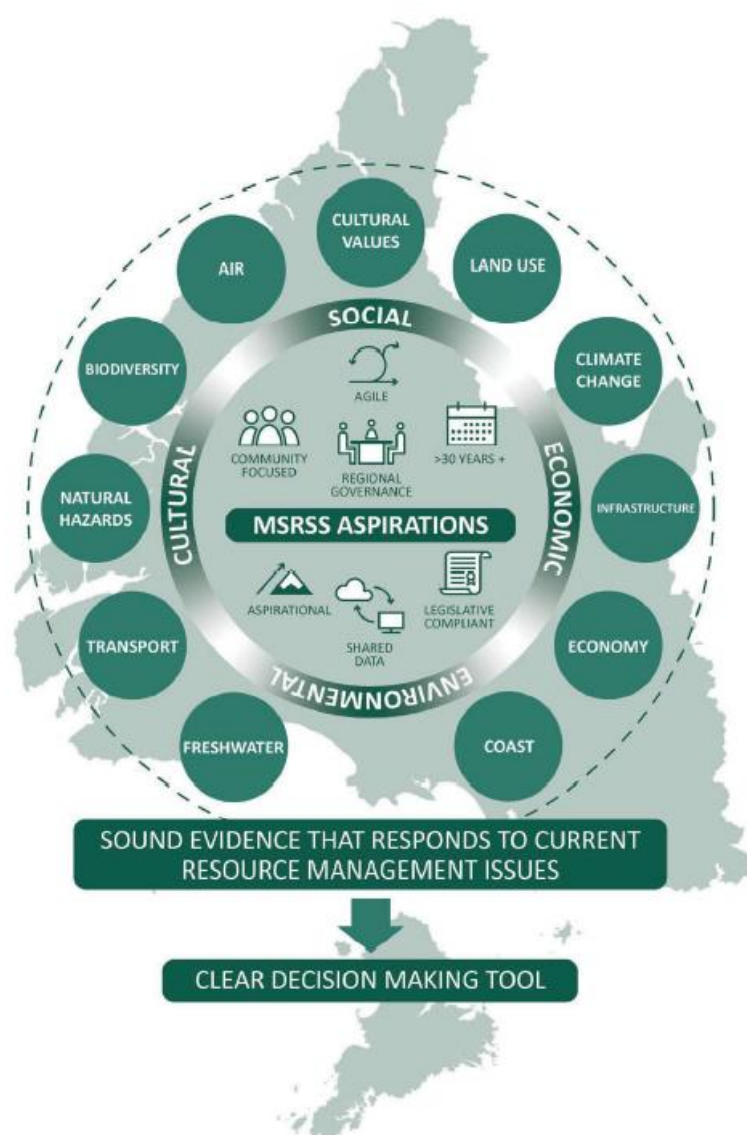


Figure 23: Murihiku Southland Regional Spatial Strategy Visions and Aspirations

A topic by topic gap analysis of existing data was also undertaken, providing a good level of understanding at a regional level of where the data gaps are, and their level of priority (on a scale of A-C, with A the highest priority). A summary of these gaps is provided below:

- High-level identification of potential urban growth areas (to help inform the scope of and/or prioritise technical reporting) (A)
- Natural hazards assessments: Coastal Hazards Assessment (A), Flood Hazards Assessment (A), Geohazards Assessment (B), Natural Hazards Resilience & Risk tolerance (B)
- SNA Mapping across Southland Region (A) and Regional Biodiversity Strategy (B)
- Housing & Business Capacity Assessment (B) – housing assessments have since been undertaken
- Targeted Soil / highly productive land (HPL) mapping (C)
- Spatial identification of Council infrastructure capacities and / or resilience issues (including potential digitisation of infrastructure masterplan / LTP projects (C)
- Spatial digitalisation of the Statutory Acknowledgements under Ngai Tahu Claims Settlement Act 1998 and advance Stage 2 of the Southland Cultural Landscapes Study (C)

8.2 Invercargill Spatial Plan 2011

ICC prepared a non-statutory Spatial Plan for Invercargill in 2010/11. It was based on spatial planning exercises carried out at a Councillor workshop session, as well as a senior staff workshop session. 16 submissions were received during public consultation. Mapping used existing Council GIS data and the District Plan maps as a base – with natural hazard information recorded separately. The city was broken down into different mapped areas, with spatial values and issues recorded for each area.

8.3 Invercargill City Master Plan 2021

ICC prepared a city centre master plan which will guide how it invests in improvements to the street design, furniture and facilities in the blocks between Don St, Deveron St, Esk St and Tay St.

8.4 Beyond 2025 Southland Regional Long Term Plan

The Beyond 2025 plan reflects Murihiku's desire to align regional development aspirations with the rules which will enable them to happen, and the wider context and setting within which everything sits to achieve the aspirations identified for Murihiku's people, environment and economy. The plan is divided into four key sections. The key enablers section speaks to how these areas underpin many parts of the Plan and should be a priority. The People, Economy and Environment sections also set out enablers and recommendations to achieve the aspirations. There is also an overall summary of key recommendations at the end of the Plan.

9 Overview of Gaps

An overview of the gaps identified during the evidence scan for the development of the Spatial Plan are as follows:

- Natural hazards and climate change impacts - coastal, flooding, geohazards;
- HPL mapping and/or identification;
- Mapping and/or identification of Statutory Acknowledgements, cultural landscapes, and significant cultural sites/areas;
- Business land assessment;
- SNA mapping and/or identification; and
- Infrastructure capacity and resilience.

The extent to which these information gaps require addressing to facilitate the preparation of the Spatial Plan will be considered through the establishment report during the next stage of the process.

Of specific importance to ICC's Spatial Planning process will be an understanding of natural hazard constraints, particularly flooding and coastal hazards. The District Plan maps flood and coastal hazards, but this information is largely based on hazard mitigation and modelling following the 1986 flood event and has not been reviewed and updated for planning purposes for some time. A good level of information and understanding of these constraints will be important for spatial plan development.

Appendix 1 - Document and Data List

The documents listed below are those compiled by ICC which are relevant to the development of the Spatial Plan. A regional spatial data list compiled in 2024 is also provided in Appendix 2 of the Murihiku Southland Regional Spatial Strategy – Visions, Aspirations, and Gap Analysis Report.

Economics

Beyond 2025 Southland: A Year in Review 2023-2024 (2024)
Infometrics Southland Region Forecasting Scenarios (2023)
CBD Rejuvenation – Community and Business Survey Report (2023)
Beyond 2025 Southland (2023)
Beyond 2025 Southland Forecasts (2023)
Infometrics LTP Report (2022)
Southland Regional Development Strategy (2015)

Housing and Business

Motupohue Bluff Tourism Master Plan - Implementation Plan (2025)
Bluff Motupohue Tourism Master Plan (2020)
NZIER Invercargill CBD Regeneration (2023)
Murihiku Southland Electrification Development Plan (2023)
Murihiku Southland Housing Needs Assessment (2023)
Invercargill City Council Housing Needs Assessment Add-on (2023)
Murihiku Southland Destination Strategy 2023-2029 (2023)
Southland Housing Situation Analysis (2021)
Southland Community Housing Strategy Report (2017)

Infrastructure

Murihiku Southland Aquaculture Pathway (2025)
Southland Regional Public Transport Plan (2025)
Murihiku Southland Regional Energy Strategy 2022-2050 (2024)
Invercargill City District Plan Designations (2018)
Southland-Spaces-and-Places-Strategy (2023)

Environment and Climate

Earth Sciences New Zealand Climate Change Impacts Across the Southland Region (2026)
Regional Climate Change Strategy (2024)
Proposed Southland Land and Water Plan – Parts A and B (2024)
Southland Greenhouse Gas Emissions Inventory Report 2021-2022 (2023)
Net Zero Southland Report (2021)
Apiti Hono Tatai Hono – Southland Cultural Landscapes Assessment Report (2021)
Southland Murihiku Regional Landscape Study (2019)
Southland Murihiku Regional Coastal Environment Study (2019)

Potential Natural Ecosystems and Significant Natural Areas for Indigenous Biodiversity in Southland Region (2019)

Invercargill Coastal Landscape Study (2013)

Letter from ES re: tsunami effect on New River Estuary (2012)

GNS Liquifaction Report for ICC (2012)

GNS Tsunami Inundation Report for Riverton and New River Estuary

Otatara Significant Vegetation (2008)

Southland Climate Change Impact Assessment (2018)

Funding and Finance

ICC Long Term Plan 2024 – 2034 (2024) and associated reports to committee

ICC Long Term Plan 2021-2031 (2021) and associated reports to committee

Environmental and Land use Strategy and Planning

Murihiku Southland Regional Spatial Strategy – Visions, Aspirations, and Gap Analysis Report (2024)

District Plan Monitoring and Effectiveness Report 2019-2021 (2021)

Invercargill City District Plan (2018)

Regional Air Plan (2016)

Coastal Plan (2013 with PC5 Amendments)

The Big Picture – A Spatial Plan (2011)

Ngāi Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan (2008)