

Property Council New Zealand

Submission on

Selwyn District Council's Draft Annual Plan 2026-27

24 April 2026

For more information and further queries, please contact

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Selwyn District Council
Via online

Submission on Selwyn District Council's Draft Annual Plan 2026-27

1. Summary

- 1.1 Property Council New Zealand's South Island Regional Committee ("Property Council") welcomes the opportunity to provide feedback on Selwyn District Council's Draft Annual Plan 2026-27 ("draft Annual Plan").
- 1.2 Property Council is concerned that the draft Annual Plan proposes significant rates and fee increases, alongside continued business and vacant site differentials, placing pressure on ratepayers and investment. A stronger focus is needed on reducing expenditure, improving transparency and forecasting, and adopting alternative funding approaches.

2. Recommendations

- 2.1 At a high level, we recommend that Selwyn District Council:
 - Proceed with a 5.4% rates increase for 2026-27;
 - Continue to reduce the scale of future rates increases through careful management of operational and capital expenditure, and investigating alternative funding mechanisms;
 - Consider options to minimise disruption to business when rephasing capital expenditure projects; and
 - Provide more transparency around setting new fees and consider the fairness of fee increases that disproportionately impact the property sector in Selwyn. Specify when proposed fees would take effect.

3. Introduction to Property Council New Zealand

- 3.1. Property Council is the leading not-for-profit advocate for New Zealand's most significant industry, property. Our organisational purpose is, "Together, shaping cities where communities thrive".
- 3.2. The property sector shapes New Zealand's social, economic and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional and sustainable built environment, in order to contribute to the overall prosperity and well-being of New Zealand.

- 3.3. Property is the largest industry in Canterbury. There are around \$245.5 billion in property assets across Canterbury, with property providing a direct contribution to GDP of \$4.5 billion and employment for 34,860 Canterbury residents.
- 3.4. We connect property professionals and represent the interests of 172 Canterbury based member companies across the private, public and charitable sectors.
- 3.5. This document provides Property Council's feedback on [Selwyn District Council's Draft Annual Plan 2026-27](#) and related consultation material. Reflecting the diversity of our membership, Property Council members may wish to comment in greater detail on issues specific to their business. Accordingly, we support individual members providing separate submissions addressing those matters.

4. Rates

- 4.1. Rates are the primary source of funding for Selwyn District Council's activities. For the 2026-27 financial year, Selwyn District Council proposes to collect \$112.1 million in revenue, representing a proposed increase of 5.4% on non-water rates, with options for a larger (6.5%) or smaller (4.9%) increase.
- 4.2. Of the available options, we support a proposed increase of 5.4%, noting that levels of service for regulatory functions would reduce if the rates increase was 4.9%.
- 4.3. The options for the proposed rates increase are significantly lower than the 13.3% forecast increase in the Long-Term Plan for 2026-27 ("LTP"). We note the LTP forecast increase is comprised of non-water rates and rates for water services. Water services have since transferred to Selwyn Water and we understand the new entity is considering increases of 18% for water rates.
- 4.4. For the property sector, it is important to be able to rely on forecasts and to have early information. When there is ambiguity about upcoming charges it affects business' ability to plan with certainty. Rates form a significant component of property operating expenses, and over time, have increased faster than inflation. While occasional increases above inflation may be manageable, cumulative year-on-year increases place growing pressure on property owners and tenant businesses.
- 4.5. Businesses are feeling the pinch with the cost-of-living crisis and global economic conditions. Although a significant portion of Selwyn District Council's costs have transferred to Selwyn Water, we are glad Selwyn District Council is seeking to carefully manage its remaining operating expenditure in practical ways, and to manage capital expenditure by rephasing projects. We expect to see ongoing strong and prudent financial management.

Cost-saving measures

- 4.6. When rephasing capital expenditure, it is crucial for Selwyn District Council to consider disruption to businesses. This includes taking the opportunity to plan and co-ordinate infrastructure delivery in any reprogramming of capital works (including water, transport, utilities and community infrastructure). Prolonged disruption from ongoing roadworks and closures has detrimental effects on local businesses. An aligned, 'dig-once' approach can enable communities to return to business-as-usual faster.

5. Fees and charges

- 5.1. In principle, we support Selwyn District Council's consideration of user-pays charges as an alternative to rates to fund its services. Property Council advocates for all local authorities throughout New Zealand to investigate alternative funding methods and models that allocate costs to users.
- 5.2. Examples of these models include targeted rates, user-pays models and Special Purpose Vehicles. These alternative models meet the legislative principles of transparency and objectivity for funding local government set out in both the *Local Government Act 2002* and *Local Governing (Rating) Act 2002*. Our approach is also consistent with the recommendation of the New Zealand Productivity Commission that local government should adopt a more transparent approach to rating tools and other funding sources¹.
- 5.3. *New fees*
- 5.4. For the 2026-27 financial year, Selwyn District Council plans to introduce new resource management fees for disbursements, engineering acceptance and Regulatory Special Project Manager services. Selwyn District Council also plans to introduce new building consenting fees including for pre-application meetings, lodgement fees, Project Information Memoranda ("PIM") and applications for extensions of time. Such fees may add substantial cost to projects that have already been scoped therefore affecting feasibility - for example a minimum \$1,000 for a PIM for a non-consented small standalone dwelling.
- 5.5. We recommend more transparency around setting new fees, especially fees relevant to resource management and/or building consenting. These compounding costs can directly affect project feasibility and investment decisions. Clear justification creates confidence that fees reflect genuine cost recovery.

Fee increases

- 5.6. The draft Annual Plan also proposes increases to resource consenting and building consenting fees, and other fees associated with regulatory services. We are glad to see the rationale for the increases. Most fee increases are approximately 2%, associated

¹Local government funding and financing. Retrieved from <https://www.productivity.govt.nz/inquiries/local-government-funding-and-financing/>

with inflation. However, fee increases for building consent applications are 25%, to allocate full costs to users, rather than subsidising costs with rates. The draft Annual Plan estimates this would save ratepayers \$2.5 million in 2026-27, by shifting the burden to the development community. It would be helpful for the draft Annual Plan to include information about whether the building consent fee increases would affect residential developers and commercial developers differently. The impacts need to be fair and proportionate to all entities that use the service.

- 5.7. While the consultation material does provide justification about proposed changes to fees and charges, we are concerned that there are no other cost-saving proposals in the draft Annual Plan that would impact a particular group within the Selwyn district at this scale.
- 5.8. We emphasise that it is important for user-pays funding models to be applied fairly, and to think about any flow on effects for communities. Allocation of costs needs to be transparent and equitable, and considered in the context of rates and other business costs that are increasing faster than inflation. It is also important to provide information about when proposed fees will take effect, to support business planning.

6. Conclusion

- 6.1. Property Council advocates for the creation of a well-designed, functional and sustainable built environment. We are concerned that the proposed increases to rates and fees will place pressure on ratepayers and businesses. Council should continue to focus on cost control, transparency, and alternative funding to ensure Selwyn remains vibrant and attractive for business and visitors.
- 6.2. Property Council members invest, own, and develop property in Selwyn district. We wish to thank Selwyn District Council for the opportunity to submit on Selwyn District Council's Draft Annual Plan 2026-27 as this gives our members a chance to have their say in the future of our city. **We also wish to be heard in support of our submission.**
- 6.3. Any further enquires do not hesitate to contact Samantha Lay Yee, Senior Advocacy Advisor, via email: samantha@propertynz.co.nz or phone: 09 300 9580.

Yours Sincerely,



Tom Chatterton
South Island Committee Chair
Property Council New Zealand