



EVENT BRIEFING

Meeting with the Mayors of the Southland Mayoral Forum, 24 July 2025

Date:	18 July 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	BRIEFING-REQ-0016726

Action sought		
	Action sought	Deadline
Hon James Meager Minister for the South Island	Meet with the Mayors of the Southland Mayoral Forum.	24 July 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Karl Woodhead	General Manager Strategy, Planning and Performance, Kānoa – Regional Economic Development & Investment Unit (Kānoa)	Privacy of natural persons	
Cory Hagenaars	South Island Lead Advisor, Kānoa	Privacy of natural persons	✓

The following departments/agencies have been consulted

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments



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Purpose

To provide background and supporting information for your meeting with the Mayors of the Southland Mayoral Forum on Thursday, 24 July 2025, from 10.00am to 10.30am.

Recommendations

The Ministry of Business, Innovation and Employment (MBIE) recommend you:

- a **Note** the information in this briefing to support your meeting with the Mayors of the Southland Mayoral Forum.

Noted

Karl Woodhead
General Manager Strategy, Planning and Performance

Kānoa – Regional Economic Development & Investment Unit, MBIE

17/07/2025

Hon James Meager
Minister for the South Island

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Summary

1. You are meeting with the Mayors of the Southland Mayoral Forum (the Forum), on Thursday, 24 July 2025, from 10.00am to 10.30am, in G.011 Rainbow Room, Parliament House.
2. Key attendees are:
 - Nicol Horrell, Regional Council Chair, Environment Southland (Southland Regional Council).
 - Rob Scott, Mayor of Southland.
 - Ben Bell, Mayor of Gore and Local Government New Zealand Zone Six representative.
3. Biographies are included in the 'About the audience' section of this briefing. Nobby Clark, Mayor of Invercargill, will not be attending.
4. Key discussion topics include:
 - Current projects underway in Southland that align with your priorities.
 - The proposed merger of Southland councils.
5. Prior to this meeting you will be meeting with Mayor Clark on Saturday, 19 July 2025 (briefing REQ-0016739 refers).
6. You previously attended the Southland Mayoral Forum on 5 February 2025 (briefing REQ-0008746 refers).

Discussion topics

Awarua Quadrant

7. The Awarua Quadrant (the Quadrant) is a planned, privately funded \$2.50 billion, 513-hectare industrial and logistics hub in Invercargill, developed by Calder Stewart, a property and construction firm. It will integrate with an inland port at Milburn, near Milton (the Milburn Quadrant) in Otago, forming a multi-billion-dollar logistics and manufacturing ecosystem. While the Government will be consulted during its development, it is not actively involved in the project.
8. The Quadrant is expected to attract high-value industries like food processing, advanced manufacturing, and clean-tech exporters, diversifying the regional economy and creating long-term employment.
9. Construction is expected to begin once anchor tenants are confirmed, with a build timeline of 12 to 24 months.
10. A similar project to the Quadrant was announced by the Government in May 2025, with loan funding of \$8.20 million provided through the Regional Infrastructure Fund (RIF) to support Stage One of the Southern Link Logistics Park project. This initial stage covers a 40-hectare site and includes warehousing and container facilities. Combined with the developments at the Quadrant and the Milburn Quadrant, the Southern Link Logistics Park will significantly enhance the region's freight handling capacity.

Anticipated benefits

11. The Quadrant is expected to significantly boost regional freight capacity, with the fully developed site projected to facilitate up to 200,000 tonnes of freight annually, equivalent to around 15,000 shipping containers.

12. The Quadrant is strategically positioned with direct access to two deepwater ports, close proximity to Manapōuri's renewable energy network, and seamless integration into a broader inland port logistics system.

Confidential advice to Government

13. [In-Confidence] Confidential advice to Government

14. As this is under active consideration, any questions should be referred to Kānoa – Regional Economic Development & Investment Unit (Kānoa) officials.

Rakiura Stewart Island Renewable Energy Project

15. Rakiura Stewart Island is not connected to the national grid and relies on five diesel generators, consuming 580,000 litres annually, to supply electricity to around 494 permanent connections. As a result, electricity costs are around 240 per cent higher (\$0.85 cents per kilowatt-hour) than the national average, making power particularly unaffordable for residents.
16. The Rakiura Stewart Island Renewable Energy Project (the Project) is a two-stage project to establish up to 80 per cent renewable energy generation on Rakiura/Stewart Island and reduce reliance on diesel generation. It will be implemented in two stages:
- **Stage One:** installation of a solar power plant and battery energy storage system, as well as network upgrades (to reduce line losses) and installation of smart meters.
 - **Stage Two:** A proposed second stage involves implementing another source of renewable energy, such as wind.
17. The project is expected to deliver both direct and indirect benefits:
- Direct benefits include a reduction in electricity prices and a significant decrease in diesel consumption for power generation.
 - Indirect benefits encompass support for economic development, particularly in tourism, aquaculture, fisheries, and industry diversification, enhanced resilience of the island's electricity network, and mitigation of risks associated with diesel supply chain disruptions.
18. In June 2025, Government announced suspensory loan funding of \$15.35 million through the RIF to support Stage 1 of the project, which includes the initial development of a solar farm and upgrades to the surrounding network infrastructure.

Datagrid New Zealand Limited

19. Datagrid New Zealand Limited (Datagrid) are proposing to establish a 6,000-kilometre Trans-Tasman subsea cable fibre ring and to construct a data centre in Invercargill. Information on the Datagrid project was provided to you previously (briefing REQ-0013783 refers).

Update

20. Confidential advice to Government

Milford Opportunities Project

21. The Milford Opportunities Project (MOP) is a government-led¹ initiative focused on reimagining tourism at Piopiotahi / Milford Sound and along the Milford Road corridor. It was initiated in response to increased visitor pressures and aims to ensure long-term environmental protection and economic sustainability by establishing a high value, self-sustaining tourism model that enriches the visitor experience while preserving the region's natural and cultural values.
22. The MOP has progressed through three key stages:
 - **Stage One:** completed in 2018, this stage established the project's vision and objectives to guide long-term planning for Piopiotahi / Milford Sound.
 - **Stage Two:** focused on extensive stakeholder engagement and research, culminating in the release of the Milford Opportunities Masterplan (the Masterplan) which is structured around seven key pillars², and outlined a strategic approach to managing visitor growth while protecting the natural environment.
 - **Stage Three:** is broken into two phases. Phase One, conducted between 2022 to 2024, focused on evaluating the feasibility of the Masterplan's key recommendations. This stage concluded with the submission of a business case to Ministers in June 2024. The project is currently in Phase Two, which focuses on designing, planning, and implementing key initiatives.
23. In June 2025, Government announced a \$15.20 million³ investment as a part of the MOP to upgrade infrastructure and enhance conservation efforts at Piopiotahi / Milford Sound. This funding aims to support sustainable tourism growth while safeguarding the region's unique natural and cultural heritage.

Proposed merger of Southland councils

24. The Mayor of Southland has proposed merging Southlands three local authorities and regional council into two unitary authorities. You have previously been provided information and updates of the proposed merger (briefing REQ-0016739 refers).

Southern Water Done Well

25. Southern Water Done Well (SWDW) is a collaborative initiative between the Central Otago, Gore, and Clutha District Councils, developed in response to the Government's *Local Water Done Well* policy. It aims to identify the most effective solutions for managing drinking water, wastewater, and stormwater services within their communities. The councils are currently considering three options:
 - **Option 1:** a jointly owned council-controlled organisation.
 - **Option 2:** a stand-alone council-controlled organisation.
 - **Option 3:** an in-house business unit.

¹ Governed by a ministerial group (the Ministers of/for Conservation, Tourism and Hospitality, and Transport) and delivered in collaboration with Ngāi Tahu, the Department of Conservation, Southland District Council, Waka Kotahi, Ministry of Business, Innovation and Employment, and Environment Southland.

² Seven Pillars: 1. Mana whenua values woven through, 2. A moving experience, 3. Tourism funds conservation and community, 4. Effective visitor management, 5. Resilient to change and risk, 6. Conservation, 7. Harness innovation and technology.

³ Investment is sourced from the International Visitor Levy (\$8.20 million) and the Department of Conservation's capital works programme (\$7.00 million).

26. Recently, the Waitaki District Council withdrew from *SWDW*. In response, a joint statement was issued by the Mayors of Central Otago, Gore, and Clutha. They acknowledged that while it's important for councils to make decisions they believe are in the best interests of their communities, they continue to support a jointly owned Council Controlled Organisation as the most effective model for future water service delivery.
27. If local water is raised with you during the meeting, we recommend directing any queries to the Department of Internal Affairs.

Southland City and Regional Deals

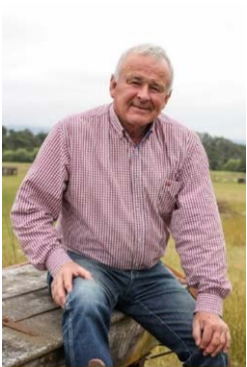
28. The four Southland Councils (Invercargill City Council, Southland District Council, Gore District Council, and Environment Southland) submitted a joint proposal for a City and Regional Deal. The details of Southland's joint proposal have been provided to you previously (briefing REQ-0011634 refers).

Regional priorities, challenges and opportunities in Southland

29. Information on regional priorities, challenges and opportunities for the Southland region was provided to you previously (briefing REQ-0011013 refers).

About the audience

30. Biographies of key attendees are below.

	Nicol Horrell, Regional Council Chair, Environment Southland Nicol is the current Chair of Environment Southland, representing the Western constituency. He is serving his sixth term on the Council and was re-elected Chair for a third consecutive term in October 2022. He has signalled that this will be his final term as Chair.
	Rob Scott, Mayor of Southland Rob was elected Mayor of Southland in October 2022. Prior to this, he was a businessman based in Lumsden, Southland.
	Ben Bell, Mayor of Gore and Local Government New Zealand Zone Six representative Ben was elected Mayor of Gore in October 2022. Prior to this, he worked as an environmental data analyst at Horizons Regional Council. In 2021, he founded Random42 Limited, a company focused on water-monitoring technology and portable wind turbines.