

8.15 Options for consultation on future local governance in the Aoraki South Canterbury / North Otago region under the Head Start Pathway

Author: Stephen Doran, General Manager Corporate
Brendan Madley, Senior Policy Advisor

Authoriser: Nigel Trainor, Chief Executive

Recommendation

That Council:

- 1 Receives and notes the report “Options for consultation on future local governance in the Aoraki South Canterbury / North Otago region under the Head Start Pathway”;
- 2 confirms that it wants to proceed with developing an outline proposal for reform under the Government’s Head Start Pathway;
- 3 notes the requirement to submit outline proposals to the Department of Internal Affairs by 9 August 2026;
- 4 notes that this timeframe does not allow for a fully compliant consultation using the Special Consultative Procedure to be undertaken;
- 5 agrees to undertake a targeted, time-limited consultation process recognising this constraint between 6 July and 24 July, the results of which will be presented to Council for a decision on 31 July;
- 6 agrees which options will be taken forward for consultation, and whether a preferred option will be stated;
- 7 acknowledges the process limitations of the abbreviated timeline and delegates to the Mayor and Chief Executive sign off rights for all consultation materials and public messaging;
- 8 delegates authority to the Mayor and Deputy Mayor to select individuals and organisations to present at a Hearing on 31 July (if over-subscribed); and
- 9 identifies where it seeks further information or analysis from officers to inform future decision making.

Purpose of Report

- 1 The purpose of this report is to seek direction from Council on whether to participate in the Government’s Head Start reform process; present a range of governance reform options and an initial analysis of their relative scoring against the Head Start criteria; agree which option(s) should be consulted on and potentially submitted; and to outline the consultation approach and risks.
- 2 The report also seeks agreement on a process that enables Council to make a decision on a preferred option for submission to central government, while acknowledging that consultation undertaken will not meet the thresholds typically expected for decisions of this scale.

- 3 There remains substantial uncertainty in the reform framework, meaning any decision at this stage will involve a degree of judgement. Accordingly, the purpose of this report is to present the best available data and analysis to assist Councillors in determining which option(s), if any, should be consulted on.

Assessment of Significance

- 4 This issue is considered of very high significance as it will likely result in fundamental reform in the nature, scale and function of local government. Impacts include likely significant changes to: representation and governance structures, service delivery arrangements and, long-term financial sustainability. However, our engagement approach is significantly constrained by the central government timeline. It is noted that any successful outline proposal will enter a Detailed Design phase, where central government has indicated that additional public consultation will occur.

Executive summary

- 5 Government has invited outline proposals under the Head Start pathway by 9 August 2026.
- 6 The timeframe is compressed and does not allow for what would be deemed a “normal” or ideal consultation given the significance of this decision.
- 7 Several reasonable and practicable options exist, which have been initially assessed against the Head Start pathway criteria and other criteria.
- 8 Officers recommend that community consultation occur on future local governance options, with these options to be determined by Council at this meeting.
- 9 It is proposed that an Extraordinary Council meeting occur on 31 July 2026, at which meeting Council will be presented with consultation feedback to inform a final decision whether to submit an outline proposal, and the content of any such proposal.

Background

Central government context

- 10 Central government has indicated that local governance structures and functions are to be reformed with an objective to reduce complexity and increase efficiencies. Through its Simplifying Local Government process, regional and territorial authorities will be reconstituted as unitary authorities. This will occur either via the Head Start or Back Stop pathways.
- 11 Through the Head Start pathway, central government is seeking councils to voluntarily elect to create geographically larger unitary authorities covering existing territorial activities as well as all, or possibly some, regional ones.
- 12 The Head Start Pathway is a voluntary early option for councils to take, where outline proposals have to be submitted by 9 August 2026. If supported by Cabinet, these plans would move into a more detailed design and consultation phase, leading toward implementation at a governance level for the 2028 local elections.
- 13 Central government has stated that councils that do not enter the Head Start pathway (or become part of a successful Head Start outline proposal, whether supported by them or not) will enter the Back Stop pathway after the 2028 local elections. Cabinet has yet to take policy decisions about the exact design of the Back Stop pathway, however officers currently

understand that this would result in reform decisions being taken at a more centralised level and with communities having less agency than the Head Start pathway.

- 14 Council has several decision points towards being able to put in an outline proposal, the details of which are below.

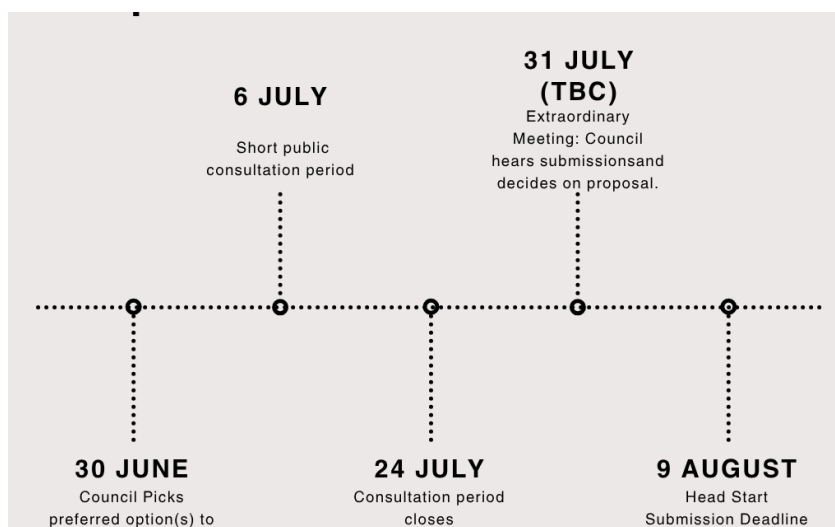


Figure: proposed timeline for decisions prior to deadline

- 15 The outline proposal, while being strategic and high-level, has to make the case for the change and have a clear evidentiary basis from information already held by Council.
- 16 The guidance document (Attachment 1) outlines how councils have to show how the new unitary authority can deliver improved outcomes on the following criteria:
 - 16.1 **Supports the new planning system:** how will your proposal make the new planning system easier to deliver and operate – not harder - and how you will ensure continuity throughout the process through the arrangements you are putting in place?
 - 16.2 **Simplifies local governance:** Does your proposal simplify things? Will it reduce duplication and make decision-making clearer and more efficient? Does it reduce complexity and make the system easier to understand and run?
 - 16.3 **Economies of scale:** does your proposal support regional strategic planning, including spatial planning, land transport, public transport and economic development? Will it deliver better value? How does it improve efficiency, save money over time, and support better asset management, infrastructure and services?
 - 16.4 **Maintains local voice:** how will communities continue to be represented and heard, and how local voice will be maintained in a larger system?
 - 16.5 **Deliverability:** how this can be implemented? Is it realistic and able to be delivered on time?
- 17 Central government’s stated timeframe for any successful outline proposal under the Head Start pathway is outlined below.

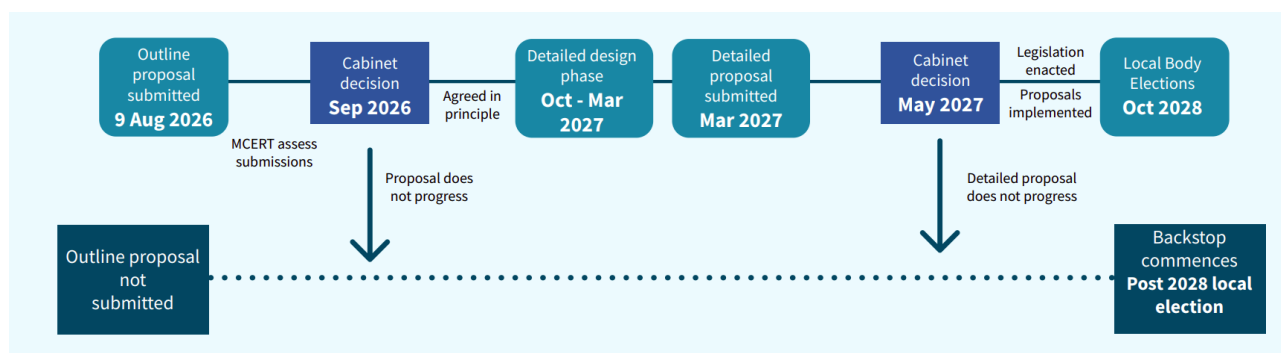


Figure: Timeline for Government Decision Making Following Proposal

Local context

- 18 A regional workshop involving councils across South Canterbury and North Otago identified a shared set of challenges and opportunities. These included increasing infrastructure pressures, the need to improve organisational capability, and the difficulty of sustaining service levels within current funding constraints. At the same time, the workshop highlighted opportunities to achieve greater scale, align decision-making across boundaries, and reduce duplication.
- 19 Work on a variety of regional options has also been underway at the Mayoral Forum level, the work of which has provided further information for the proposals presented today.
- 20 The combined Mid-South Canterbury and North Otago area represents a region of approximately 125,000 people, with a GDP of around \$10.5 billion and assets in excess of \$5.7 billion. This scale suggests that a range of structural options may be viable, including more integrated or consolidated governance arrangements.
- 21 More detailed metrics of each council to aid decision making are provided below. References to a combined region include the whole current area of Ashburton, Mackenzie, Timaru, Waimate and Waitaki District Councils. All information (unless otherwise stated) is sourced from publicly available and published sources.

Metric	Combined Region	Environment Canterbury
Population	125,000	-
GDP	\$10.5bn	-
Assets Managed	\$5.7bn	\$1.5bn
Annual Revenue	\$392m	\$324.9m
Annual CAPEX	\$125.6m	\$20.3m
Total Debt	\$583m	\$127.1m

SCALE: POPULATION, DWELLINGS, GDP

Local Authority	Population	Rateable Properties	Residential Dwellings	GDP (\$bn)
Ashburton	37,000	16,500	15,000	3
Mackenzie	6,500	5,250	4,500	0.5
Timaru	49,000	23,000	22,000	4.2
Waimate	8,500	4,500	4,000	0.7
Waitaki	24,000	14,500	12,000	2.1
Total	125,000	63,750	57,500	10.5

SCALE: REGIONAL COMPARISONS (MID/SOUTH SOUTH ISLAND)

Region / Local Authority Grouping	Population	GDP (\$bn)	GDP per Capita	Commentary
Mid-South Canterbury / North Otago Combined	125,000	10.5	~\$84,000	Significant provincial regional economy
Southland Region	~100,000	~9.4	~\$95,000	High productivity export and energy economy
QLDC + Central Otago Combined	~79,600	~6.8	~\$85,000	High-growth tourism and construction economy
Dunedin City	~133,000	~8.9	~\$67,000	Major South Island metropolitan economy

SCALE: POPULATION GROWTH PROJECTIONS

Local Authority	Population (2018)	Population (2023)	Population (2025 Est.)	Total Change (2018-2025)	Projected Growth Trend
Ashburton	33,400	34,746	37,400	+12%	Strong sustained growth
Mackenzie	4,900	5,100	5,500	+12%	Strong tourism driven growth
Timaru	46,300	47,500	49,500	+7%	Moderate steady growth
Waimate	7,800	8,300	8,500	+9%	Moderate steady growth
Waitaki	22,300	23,500	24,500	+10%	Moderate growth
Total	114,700	119,100	125,400	+9%	Continued regional growth

FINANCIAL: ASSETS AND DEBT

Local Authority	Total Debt (\$m)	Asset Value (\$bn)	Total Revenue (\$m)	Total OPEX inc. 3W (\$m)	Total CAPEX (\$m)
Ashburton	160	1.2	108	78.2	20
Mackenzie	30	0.4	31	28	5.3
Timaru	294	2.1	136	98.6	62
Waimate	13	0.6	26	17.4	9.5
Waitaki	86	1.4	91	68	28.8
Total	583	5.7	392	290.2	125.6

FINANCIAL: DEBT AND OPEX TO REVENUE

Local Authority	Net Debt / Revenue	Total Debt / Revenue	OPEX / Revenue
-----------------	--------------------	----------------------	----------------

Ashburton	133.6%	148%	72%
Mackenzie	69.6%	97%	90%
Timaru	134.3%	216%	73%
Waimate	11.7%	50%	67%
Waitaki	53.4%	95%	75%

SCALE AND FINANCIAL

Local Authority	Population	GDP	Total Debt	Asset Value	Debt per Resident	Assets per Resident	GDP per Capita
Ashburton	37,000	\$3.0bn	\$160m	\$1.2bn	\$4,300	\$32,000	\$81,750
Mackenzie	6,500	\$0.5bn	\$30m	\$0.4bn	\$5,500	\$72,700	\$76,923
Timaru	49,000	\$4.2bn	\$294m	\$2.1bn	\$5,900	\$42,400	\$84,547
Waimate	8,500	\$0.7bn	\$13m	\$0.6bn	\$1,500	\$70,500	\$77,822
Waitaki	24,000	\$2.1bn	\$86m	\$1.4bn	\$3,500	\$57,000	\$86,915
Total	125,000	\$10.5bn	\$583m	\$5.7bn	\$4,600	\$45,000	\$84,000

INFRASTRUCTURE: LOCAL ROADING NETWORKS

Local Authority	Sealed	Unsealed	Total
Ashburton	1,515km	1,102km	2,617km
Mackenzie	224km	516km	740km
Timaru	983km	762km	1,745km
Waimate	651km	673km	1,324km
Waitaki	772km	967km	1,739km
Total	4,145km	4,020km	8,165km

INFRASTRUCTURE: WATER ARRANGEMENTS

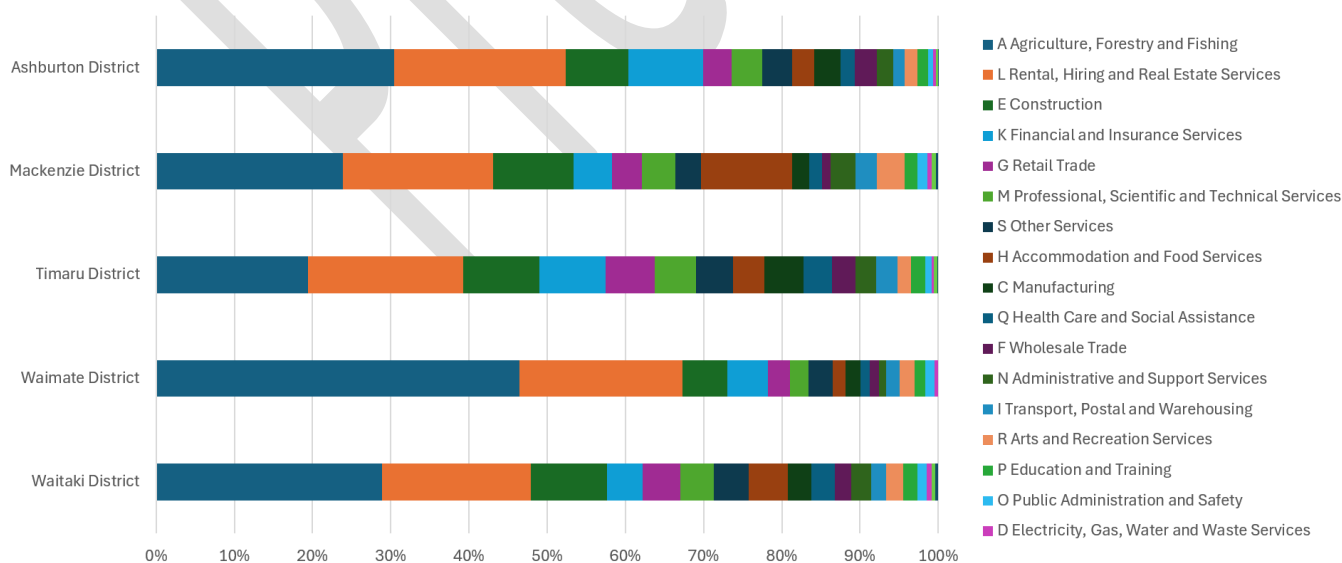
Local Authority	Current Direction	Commentary
Ashburton	Standalone delivery model	Ashburton appears positioned to continue independent delivery, supported by relative scale, growth and financial capacity.
Mackenzie	Joint arrangement with Timaru	Collaboration likely reflects increasing infrastructure complexity,

		tourism growth pressures and capability requirements.
Timaru	Joint arrangement with Mackenzie	Timaru’s organisational scale and capability may position it as a lead regional delivery partner.
Waimate	Standalone delivery model	Smaller scale may create longer-term affordability and capability challenges despite current independent approach.
Waitaki	Southern Water partnership	Participation reflects a broader regional collaboration model focused on shared scale and delivery capability.

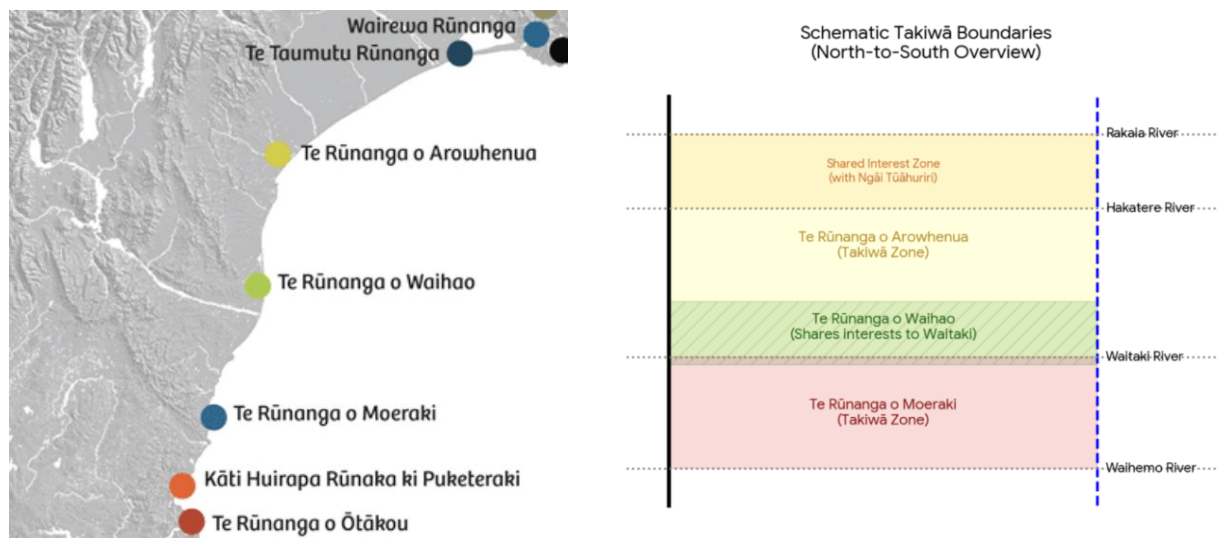
DEMOGRAPHICS: AGE

Local Authority	0-14 years	15-39 years	40-64 years	65 years +
Ashburton	7,200 (19%)	11,800 (32%)	11,000 (29%)	7,300 (20%)
Mackenzie	890 (16%)	1,850 (33%)	1,750 (32%)	1,040 (19%)
Timaru	8,500 (17%)	14,200 (29%)	15,300 (31%)	11,500 (23%)
Waimate	1,420 (17%)	2,300 (27%)	2,720 (32%)	2,020 (24%)
Waitaki	4,100 (17%)	6,800 (28%)	7,600 (31%)	6,000 (24%)
Total	22,110 (18%)	36,950 (29%)	38,370 (31%)	27,860 (22%)

DEMOGRAPHICS: JOB SECTORS



IWI BOUNDARIES



Discussion

- 22 Any outline proposal submitted under the Head Start Pathway will be assessed by Government against a number of criteria, including whether it is deliverable within the required timeframe, whether it supports the new planning system, and whether it meaningfully simplifies local governance while achieving economies of scale. At the same time, proposals must demonstrate that they maintain an appropriate level of local representation and continue to reflect the needs of communities.
- 23 There are also a number of functional considerations that proposals are expected to address, including the future of regional transport planning, environmental management, and river catchment functions. While outline proposals do not need to resolve all of these matters in detail, they are expected to demonstrate a credible pathway toward more integrated and effective delivery, which would be explored as part of the Detailed Design phase.
- 24 The development of any proposal is subject to several constraints. The most significant is the limited timeframe for decision-making and engagement. In addition, there is currently no specific legislative framework governing the Head Start process.
- 25 Legal advice indicates that councils must rely on their general powers under the Local Government Act 2002 and continue to meet the decision-making requirements set out in sections 76–81. This creates a degree of tension between the scale of the decision and the level of engagement that can reasonably be undertaken. It also introduces risk, both in terms of process and perception, which must be actively managed through clear communication and transparent decision-making.

Options considered to date

- 26 Officers have received guidance about options to be considered, and have commissioned an initial analysis of these (Attachments 2 and 3) based on the previous information and a workshop with South Canterbury Mayors, Deputy Mayors, CEs and Regional Representatives.
- 27 This analysis is intended to be high-level and used as a working tool to assist discussions at this stage of the process. The scoring was undertaken independently of Council; it is based on information available at the time of writing and (as is inevitable) contains a degree of subjectivity.

- 28 The analysis considers nine structural options in two analyses: first, against the Head Start criteria and selected economic, environmental, social and cultural criteria; second, against the Head Start criteria solely. Note that Head Start criteria were weighted as equally as possible for the purposes of this exercise, and that Cabinet may elect not to do this given their signal to assess “in the round”.
- 29 It is requested that elected members identify for officers any additional information, analysis or scoring criteria that they wish to be provided to inform decision making on 31 July.
- 30 One clear theme of the independent scoring is that adding Waitaki into an option tends to lower the scores because it introduces additional deliverability complexity and can dilute communities of interest. In general, including the full district scores more poorly than including just the Waitaki catchment. However, under the larger models, those negative impacts are somewhat diluted because the broader scale, larger population base and stronger regional logic help offset some of the complexity challenges.
- 31 From the Timaru perspective, some form of amalgamation with Mackenzie and Waimate District Councils is the obvious first step, especially given the existing context such as a quasi-regional identity and shared services agreement. However, these do not offer significant benefit from a scale and affordability perspective, with the combined unitary authority only having a usually-resident population of approximately 64,000 people and 32,750 rateable properties.
- 32 Further expansion of this grouping is more complex, but brings significant scale. The addition of Ashburton’s 37,000 population would bring the combined population to 101,000 people, and the addition of Waitaki would bring this to 125,000. For context, this would be larger than a combined Nelson Tasman unitary authority with a larger GDP per capita.
- 33 Further expansion again to include a larger part of the Waitaki District south of the current Canterbury Region boundary adds more complexity and challenge from a local voice perspective due to its connections with the Otago Region.

Regional perspective

- 34 Any new authority created from the amalgamation will not simply be a merger of territorial functions; there are also significant regional functions which, depending on final policy decisions yet to be taken by central government, will have to be delivered by the new, amalgamated unitary authority.
- 35 The regional functions currently undertaken by Canterbury Regional Council are outlined in Attachment 4. It is expected that most, if not all, of these functions will have to be delivered by the unitary authority. This includes freshwater management, flood protection, environmental monitoring, biosecurity and pest control, regional and public transport, and coastal management.
- 36 While it has been suggested that certain regional council functions could be delivered by some kind of national agency in future, there is no current policy indicating this.
- 37 Scale would be an important consideration from an environmental management perspective because although some services are currently funded through a targeted rate, there would be a loss of any cross-subsidy from the Greater Christchurch area (it is assumed that the Timaru District will not be part of a new unitary authority with the Greater Christchurch area).

- 38 However, the new organisation would also not carry the significant cost of public transport in the Greater Christchurch area, and it is assumed that operational efficiencies would eventuate or could be created from being a larger organisation.
- 39 One key nuance is whether boundaries are based on existing council boundaries or river catchment boundaries. In general, geographic boundaries are simpler to administer and provide less deliverability risk and complexity, but undermine the ability for the new unitary council to directly influence its entire catchment to achieve its regional council function objectives.
- 40 Bringing the full river catchments from, for example, Rakaia in the north to the Waitaki in the south would reduce the complexity of shared management of rivers, and is consistent with how rivers are currently managed under the regional council model.
- 41 This would be a key consideration for any unitary authority when looking to propose its boundaries. Additional considerations such as asset and debt-splitting with, for example, Selwyn District Council/ the new entity that it becomes part of (in the case of the Rakaia River catchment), would form part of the Detailed Design process.

Regional planning perspective

- 42 The proposed local government reforms and the development of Regional Spatial Plans under the RMA reform are closely interrelated, as both seek to reshape how growth, infrastructure, and services are planned and delivered at a regional scale.
- 43 Changes to council structures, roles, or service delivery (e.g. water services and potential consolidation) will influence how councils participate in the development of, fund, and implement Regional Spatial Plans, while those plans in turn provide the long-term spatial framework that reformed local government entities will need to align with in their decision-making and investment programmes.
- 44 While an assumption has been made that these regional spatial plans will be owned by the smaller 'regional' unitary authorities that emerge after these reforms, this is not detailed in current legislation or policy. It has been mooted that the new unitary authorities would be established through bespoke legislation, so the likely outcome is that this would be resolved in the Detailed Design process.

Local voice perspective

- 45 The government guidance makes it clear that outline proposals should not focus only on scale and efficiency; they must also show how communities will continue to be represented and heard in any larger governance arrangement.
- 46 In practice, this means an outline proposal needs to demonstrate a credible approach to providing for the fair and effective representation of Timaru District residents, ensuring appropriate access to decision-makers, and preserving channels for community input even if formal council structures are consolidated.
- 47 For Timaru District Council, this suggests that any proposal should not simply describe a new organisational footprint, but also signal how local decision-making, place-based advocacy, and responsiveness to community needs would continue within that model.
- 48 In this context, "local voice" is likely to be one of the most important tests of public legitimacy. A larger unitary authority may offer advantages in capability, scale, and alignment with wider planning and infrastructure systems, but those benefits will need to be balanced against

understandable concerns about any potential loss of local influence, reduced visibility of smaller communities, and decision-making becoming more remote.

- 49 The Guidance for Head Start outline proposals indicates that Ministers may weigh trade-offs across the assessment criteria rather than applying strict thresholds (considering outline proposals “in the round”). This reinforces the importance of articulating a credible (if high-level) local representation model from the outset.
- 50 Local governance models could have varying types of structures and degrees of delegations. Possible structures include community/local boards, local committees, increased subdivision arrangements, or other bespoke mechanisms that help ensure communities continue to see themselves reflected in governance arrangements.

Risks

- 51 Note that these risks are based on the decision to undertake community consultation at this pre-decision stage, not the transition process itself. A separate joint project plan would need to be developed by a transition team as part of the detailed design programme.

Risk	Description	Unmitigated Likelihood	Unmitigated Impact	Proposed Mitigation
Process challenge	The abbreviated timeframe may result in criticism or challenge that Council has not met expected decision-making and consultation standards.	High	High	Clearly document decision rationale, obtain legal input, be explicit about consultation constraints, and ensure transparent reporting back to Council.
Community backlash	Communities may perceive the proposal as predetermined or as reducing local voice and representation.	High	High	Explain that this is an outline proposal only, and emphasise that further consultation would follow any Government acceptance.
Inter-council misalignment	Potential partner councils may not support the same option, geography, or pace, undermining the credibility of a joint proposal.	Medium	High	Maintain active chief executive and mayoral engagement, keep options flexible, and avoid overcommitting publicly before regional alignment is tested.
Insufficient evidence base	The outline proposal may be criticised as lacking enough evidence on costs, benefits,	Medium	Medium	Frame the proposal as high level, use available comparative data, identify assumptions clearly,

	representation, or service delivery impacts.			and note that detailed design work would be required before implementation.
Iwi and stakeholder concern	Mana whenua, key stakeholders, or affected communities may feel they have not been adequately engaged on boundary or governance implications.	Medium	High	Undertake targeted outreach where possible, acknowledge limitations openly, and build further engagement commitments into any next phase.
Transition cost uncertainty	Actual transition and implementation costs may be materially higher than expected, reducing public and political support.	Medium	Medium	Avoid overstating savings, note that transition costs are not yet fully known, and test financial assumptions during any detailed design phase.

Options and Preferred Option

52 Officers deem that Council has three decisions to take at this meeting.

DECISION ONE: CONTINUE TO EXPLORE HEAD START PATHWAY, OR ENTER BACK STOP?

53 Option 1: Confirm its intention to lodge an outline proposal under the Head Start pathway, and undertake community consultation to inform its decision making.

53.1 This option allows Council to continue considering future structural arrangements with a greater degree of agency and influence on the final outcome than would otherwise be the case.

53.2 It is noted that Cabinet will make decisions on which proposals to progress to the Detailed Design phase; there is no guarantee that this decision will be consistent with Council’s proposal.

54 Option 2: Decline to lodge an outline proposal under the Head Start pathway, and opt to enter the Back Stop pathway.

54.1 There are a significant number of unknowns in this option, primarily how the government will actually approach the backstop process as there is no published information.

54.2 This would enable Council to continue as-is for the rest of this term and would reduce direct transition costs in the short term.

54.3 According to current central government intentions, it likely would not enable Council to have significant input into what the future state of governance in its locality would look like.

- 54.4 The most likely outcome is that the councils in the backstop will be bundled in with other larger groups that they had no part in creating. This would lead to a significant disempowering of community input into the decision making process, and could result in a dilution of local voice under the new governance arrangements.
- 55 Regardless of any decision made today, Council can enter the Back Stop pathway at any time prior to the lodging of any outline proposal.

DECISION TWO (IF DECISION ONE IS TO UNDERTAKE COMMUNITY CONSULTATION): WHICH OPTIONS TO CONSULT ON?

- 56 Council is legally required to consider all options that are deemed reasonable and practicable. The work undertaken to date (including the independent analysis) has supported this consideration.
- 57 Council should now consider which of the options considered to date (Attachments 2 and 3) or variations of these options should be progressed to community consultation. In doing so, Councillors may wish to consider the following questions:
- 57.1 Which options does it deem are in the best interests of the Timaru District?
- 57.2 Which options does it deem are likely to perform well as a Head Start proposal?
- 57.3 Which options does it want to hear community feedback on?
- 58 It is recommended that Councillors consider each of the options considered to date (listed below) and advise which to progress:
- 58.1 Option 1 – Timaru District Unitary Authority (noting that this is not allowed for in the guidelines)
- 58.2 Option 2 – Timaru + Waimate + Mackenzie District Councils
- 58.3 Option 3 – Timaru + Waimate + Mackenzie District Councils + Waitaki catchment
- 58.4 Option 4 – Timaru + Waimate + Mackenzie + Waitaki District Councils
- 58.5 Option 5 – Timaru + Waimate + Mackenzie + Ashburton District Councils
- 58.6 Option 6 – Timaru + Waimate + Mackenzie + Ashburton District Councils + Rakaia catchment
- 58.7 Option 7 – Timaru + Waimate + Mackenzie + Ashburton District Councils + Waitaki catchment
- 58.8 Option 8 – Timaru + Waimate + Mackenzie + Ashburton District Councils + Rakaia catchment + Waitaki catchment
- 58.9 Option 9 – Rural Canterbury Unitary (excludes Christchurch City)
- 59 Options not listed (or variations of existing options) can be progressed to consultation if deemed appropriate. It is noted that specific advice may not currently exist on any such bespoke options, depending on the extent of departure from options analysed to date.
- 60 Councillors should provide clear direction on whether options to be progressed are based on geographic boundaries or catchments (both variations can be consulted on). As a worked example to demonstrate this, when considering a three-council South Canterbury unitary or a four-council South Canterbury + Ashburton unitary, options might look like:

- 60.1 A South Canterbury Unitary Council based on existing territorial authority boundaries (Timaru + Mackenzie + Waimate).
- 60.2 A South Canterbury Unitary Council based on river catchment boundaries (Timaru + Mackenzie + Waimate + Rangitata River catchment currently part of Ashburton District Council + Waitaki River catchment currently part of Waitaki District Council).
- 60.3 A Mid-South Canterbury Unitary Council based on existing territory authority boundaries (Timaru + Mackenzie + Waimate + Ashburton).
- 60.4** A Mid-South Canterbury Unitary Council based on river catchment boundaries (Timaru + Mackenzie + Waimate + Ashburton + Rakaia River catchment currently part of Selwyn District Council + Waitaki River catchment currently part of Waitaki District Council).
- 61 Regardless of the options selected for consultation, it is proposed that the consultation document will also include the options of entering the Back Stop pathway and an “Other” option where the respondent can specify an alternative set of arrangements. Respondents will be asked to rank all of the options relative to each other.
- 62 While there is still a significant number of unknowns for these options, they better enable Council to play an active role in the development of the new organisation, particularly through the Detailed Design process.
- 63 They allow some level of control over the selection of organisations to partner with, noting that there is the risk that other councils could join the organisation at a later date through the backstop process.
- 64 In general, officers consider that a grouping of four that provides a minimum of 100,000 residents has the best opportunity to meet the government’s requirements for economies of scale under the Headstart Pathway whilst still being able to score relatively strongly on the “maintains local voice” and “deliverability” criteria. This trade-off is broadly reflected in the independent scoring of options.
- 65 Anything smaller than these options are less likely to provide the critical mass to deliver the regional and planning functions and provide the efficiency gains required by the Head Start Programme, based on signals received from central government.
- 66 There is a reasonable level of confidence that under all options, traditional territorial authority functions would continue as normal. This would exclude water, which is subject to different delivery models across all the local communities and would be an item of consideration during the Detailed Design process.

DECISION THREE (IF DECISION ONE IS TO UNDERTAKE COMMUNITY CONSULTATION): STATE A PREFERRED OPTION IN THE CONSULTATION?

- 67 **Option 1:** State a preferred option.
- 68 **Option 2:** Do not state a preferred option.
- 69 Council may wish to determine a draft preferred option, and indicate this publicly. This is a matter for Councillors’ judgement.
- 70 Stating a preferred option can infer that a specific “proposal” is being made to the community, whereas not stating a preferred option infers that no draft position has been taken.

- 71 Stating a draft position can motivate a greater number of responses (either for or against the proposal), but may also influence responses and undermine receiving the communities' "true views".
- 72 Neither approach constrains Council's decision making or the options available to it at the 31 July Council meeting.

Consultation

- 73 Legal advice commissioned by Local Government New Zealand advises that due to there being no current legislative basis for the Head Start Pathway, with any enabling legislation not likely until 2027, there is no exemption from council decision making requirements in the LGA.
- 74 This means that any local authority that submits a proposal will be doing so in reliance on its general power of competence in section 12 and in line with sections 76-81 of the LGA around decision making and consultation.
- 75 Council has offered the community the informal opportunity to provide general feedback on the Head Start reforms via email. These are collated and attached (Attachment 5).
- 76 Feedback received had most submitters accepting that some form of local government reform or greater collaboration may be necessary, while expressing strong caution about full amalgamation, rushed timeframes, and the risk of losing local identity and effective representation.
- 77 A recurring theme was support for a South Canterbury or central South Island configuration, commonly involving Timaru, Mackenzie and Waimate, with some suggesting wider inclusion of Waitaki and/or Ashburton where catchment, economic, social and cultural connections support it.
- 78 Submitters emphasised that any proposal must clearly demonstrate efficiency gains, cost savings and service improvements, and must avoid creating additional layers of governance or shifting debt and financial burdens between communities.
- 79 There was also concern that the public has had limited information and opportunity to understand the implications of reform, with several submitters calling for more transparent analysis, proper consultation, recognition of mana whenua interests, and careful treatment of regional functions such as catchment management.
- 80 This level of uncertainty underlines the value of further consultation around a formal proposal.
- 81 Noting that the timeline is extremely tight, it is then recommended the council undertakes some form of formal consultation within the limits of what is proposed in order to meet its obligations under the LGA. Note: it is envisaged by central government that further public consultation would form part of the Detailed Design process if and when any outline proposal is accepted.
- 82 It is proposed that this public consultation would commence on Monday 6 July and close on Friday 24 July at 5pm. Respondents would be asked to rank the selected options relative to each other, rank priorities for the Timaru District/ factors that have informed their rankings, and be able to make free-format comments.
- 83 The public consultation would be in line with normal procedures, this would include a proposal document in the Timaru Courier, on the TDC website and Facebook pages. A printed version of the proposal would be available from all Council facilities.

- 84 The priority will be to generate responses from Timaru District residents. Responses from affected areas outside of the District (for example wider South Canterbury or a catchment area) will also be invited for the purposes of exploring their views as a stakeholder in any future unitary council. Where possible, these views will be provided to the relevant existing council.
- 85 Further options to discuss with the public and get in-person feedback are limited due to the timescale but can be facilitated if Councillors wish to do this.
- 86 It is proposed that an Extraordinary Council meeting occur on Friday 31 July. This would consist of a Hearing in the morning, followed by deliberations and a decision in the afternoon.
- 87 Due to time constraints, it may not be possible to hear in person from all submitters who wish to speak at the Hearing. If this occurs, it is suggested that the Mayor and Deputy Mayor be delegated permission to determine which organisations and individuals may present in person. All others wishing to present at the Hearing will be invited to make a separate video submission which would be made available to Elected Members and the public prior to the meeting.

Relevant Legislation, Council Policy and Plans

- 88 Local Government Act 2002 (particularly ss 76–81)
- 89 Significance and Engagement Policy
- 90 Government reform framework
- 91 Government RMA reform / Regional Spatial Plans

Financial and Funding Implications

Amount Requested: \$5,000

Capital Expenditure: \$0

Operational Expenditure: \$5,000

Funding Source: Rate Funded Loan Funded Grant/Subsidy Funded
Targeted Rate Fees/Charges

Is the proposed expenditure: Budgeted or Unbudgeted

Is a budget reallocation required? Yes No

- 92 This amount requested is solely to cover public and stakeholder consultation. There is no allowance for any transition costs (which would be considered during Detailed Design) or the costs of generating the outline proposal.
- 93 Consultation was unforeseen at the time of budget setting in the Annual Plan 2026/27. It is solely the cost of consultation and covers advertising and design costs required to distribute the information to the public and stakeholders.
- 94 The overall cost of reform is unknown at this time, but there will likely be costs arising from the reform, which should be proportionally apportioned to partnering councils, and there has been no announcements of any support from government to help support the implementation of their policy.

Other Considerations

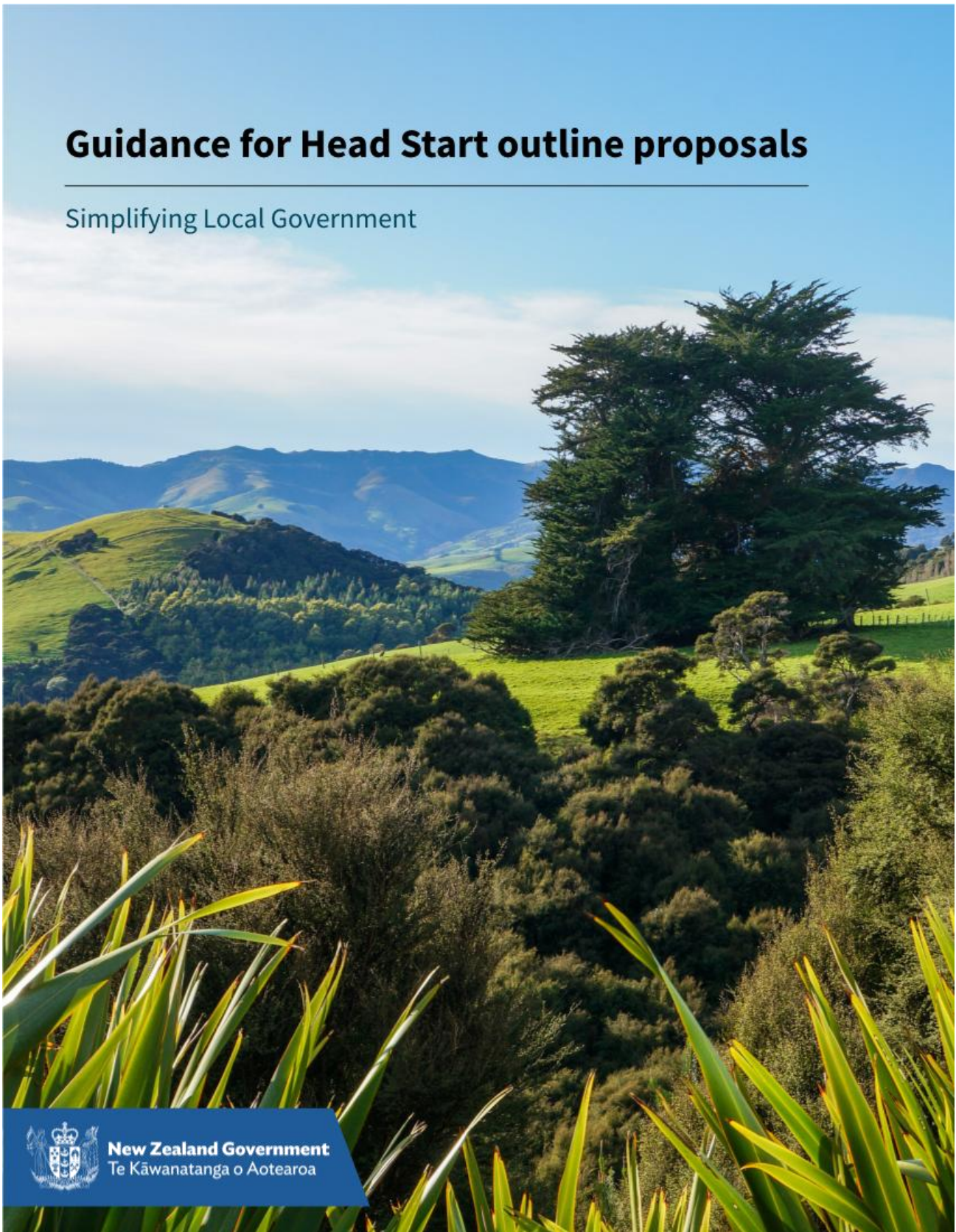
- 95 In a best case scenario, Council's public consultation would be consistent with our neighbours and potential partners, and we would hope to share feedback where possible. Officers are undertaking to do this, but it could be challenging given central government time constraints and the different timeframes that councils are using to make their decisions.
- 96 In general, it becomes progressively more difficult to meet the eligibility criteria to lodge a Head Start proposal, the greater the population and/ or number of existing councils affected by any such proposal. Whilst this is a relevant consideration for any final decision and Councillors should be mindful of it throughout the process, it should not influence decisions made in this report regarding which options to progress for consultation.
- 97 Officers will continue to update elected members and the community as and when central government releases additional relevant information about Simplifying Local Government.

Attachments

1. **Guidance for Head Start outline proposals**
2. **Independent Options Evaluation - full evaluation**
3. **Independent Options Evaluation - Head Start criteria only**
4. **Canterbury Regional Council Functions**
5. **Head Start Collated Feedback**

Guidance for Head Start outline proposals

Simplifying Local Government



New Zealand Government
Te Kāwanatanga o Aotearoa

Contents

<u>Purpose</u>	<u>3</u>
<u>Who will assess proposals and how will they assess them?</u>	<u>3</u>
<u>Eligibility</u>	<u>4</u>
<u>Developing your outline proposal</u>	<u>5</u>
<u>Subregional proposals</u>	<u>5</u>
<u>What do we expect outline proposals to cover</u>	<u>6</u>
<u>Assessment criteria</u>	
• Supports the new planning system	7
• Simplifies local governance	9
• Economies of scale	10
• Maintains local voice	12
• Deliverability	14
<u>Treaty settlements</u>	<u>15</u>
<u>Other supporting information</u>	<u>16</u>
<u>Finalising proposals</u>	<u>16</u>
<u>Timeline</u>	<u>17</u>
<u>Contact</u>	<u>18</u>
<u>Deadline</u>	<u>18</u>

Purpose

The purpose of this guidance is to support councils to develop outline proposals for Head Start. The content in your outline proposal will help central government assess alignment with the Head Start pathway, and enable the Government to make decisions on which proposals should be accepted into the next phase of the Head Start pathway for detailed proposal development.

This Guidance builds on the Head Start [Policy Document](#) and should be read alongside that document.

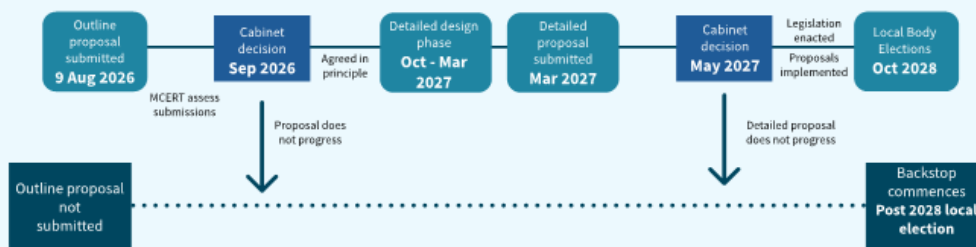
Who will assess proposals and how will they assess them?

Outline proposals will be assessed by Ministry of Cities, Environment, Regions, and Transport officials against the agreed criteria, recognising that:

- outline proposals are intended to be ‘light touch’, high-level, and strategic
- there are no strict content requirements (guidance is a guide)
- there are no set thresholds for meeting each of the criteria; and
- Ministers are prepared to make trade-offs when considering outline proposal assessments.

For example, while outline proposals should address all criteria, one might score well against ‘supports the new planning system’ and ‘economies of scale’ assessment criteria, whereas another might score well against those for ‘maintains local voice and deliverability’. Outline proposals will be assessed by how well they meet the criteria as a whole.

Cabinet will make final decisions on which outline proposals are agreed in principle for the detailed design phase. Detailed proposals approved by Cabinet will be given effect through primary legislation.



Eligibility

Who can submit an online proposal?

Any two or more territorial and/or unitary authorities (except for Auckland Council) including cross-boundary groupings, may submit an outline proposal. To ensure the right scale, proposals must represent a majority of either the:

- directly affected territorial authorities; or
- population across directly affected areas.

A directly affected territorial authority is one that is proposed to be part of the creation of a unitary authority or authorities. It may or may not be a party to the proposal.

A cross-boundary grouping could include a territorial authority from a neighbouring region or a proposal that divides existing boundaries within a region.

Outline proposals cannot be submitted by minority groupings, individual territorial authorities or individual unitary authorities, regional councils, individuals or other organisations. However, the support for or contribution to an outline proposal by a regional council or other organisation can be highlighted.

For examples of how eligibility criteria may work, see [page 7 of the Head Start Policy Document](#)

What types of reorganisations can be proposed?

Outline proposals must provide for the amalgamation of at least two territorial authorities or unitary authorities into a new unitary authority.

The most straightforward approach is for all territorial authorities in a region to combine to form a single unitary authority, which takes on the functions of the regional council.

We will also consider outline proposals for subregional unitary authorities and potential cross-boundary proposals, where:

- existing territorial authorities are amalgamated, and regional council functions are transferred

- the proposed arrangements would result in fewer local authorities overall
- the proposed arrangements would deliver clearer accountability and effective delivery of key functions, including regional planning, transport, and catchment management.

More than one unitary authority in a region is only likely to be approved if:

- the region is geographically large, contains a large number of territorial authorities and has significantly complex issues; and
- the proposal clearly meets the criteria and doesn't lead to the fragmentation of service delivery for key regional functions where collaboration or integration is required.

Developing your outline proposal

What level of detail is expected?

- Provide a high-level, strategic outline of your proposal only. Focus on the core ideas, key trade-offs, and what still needs to be worked through.
- Make the case for change, setting out your evidence base. We don't expect you to generate new evidence for the proposal or undertake detailed modelling but rely on information you already have available.
- For each criterion, tell us: how does the proposal meet the criteria, why it is better than the current state, what are the trade-offs and risks, and what still needs work.
- Detailed design will occur in the next phase (see Finalising Proposals section). Signpost in your outline proposal what are your priorities for further work against each criterion.
- Provide the best information you have available that makes the strongest case for your proposal being accepted into the detailed phase.

We are testing whether your proposal is workable in practice – not whether it is fully designed.

Subregional proposals

The Government is open to considering subregional outline proposals that improve outcomes for the region as a whole.

Officials will consider the merits of a subregional proposal within the context of the broader region when assessing it against the assessment criteria.

For subregional proposals, we are looking for information on the following questions:

How does the proposal benefit the region as a whole?

- Will the governance and delivery of regional services be improved?
- How will unitary authorities created through the Head Start process work with the rest of the region to deliver regional planning outcomes and regional services, such as catchment management?
- Does the proposal provide better outcomes for particular communities of interest or labour market areas?
- How else does a subregional approach make sense for your region in contrast to a single regional unitary authority?

What is the impact on councils not included in the proposal?

- How do you propose regional functions and services will continue to be delivered for councils not included in your proposal?
- Are there any communities that are likely to be negatively impacted by the proposal through things like changes in regional service provision or higher rates burden to meet the costs of existing regional functions (eg, flood protection infrastructure such as stopbanks, regionwide biosecurity, etc.)?
- Does the outline proposal leave the door open for other councils to join at a later stage?

Any subregional unitary authorities formed through Head Start must continue with spatial planning at the regional level at the time of enactment of the Planning Bill and Natural Environment Bill. The Bills, as introduced, allow for subregional plans to feed into the broader regional spatial plan where this is necessary.

What do we expect outline proposals to cover

How does the proposal meet the eligibility criteria?

Confirm your proposal is eligible to be considered. Specifically:

- identify how the proposal meets the eligibility criteria covered in the previous section
- identify the territorial authorities and/or unitary authorities directly affected by the proposal in the regional or cross boundary area
- confirm which territorial authorities and/or unitary authorities support the proposal
- explain what role affected territorial authorities or the regional council have played in the development of the proposal; and
- highlight the position of directly affected territorial authorities that are yet to decide on or don't support the proposal, or if a

regional council supports the proposal.

What is the proposed structure and governance arrangements?

We are looking for a high-level description of your proposed local governance structure and arrangements. This should focus on how local governance structures within your region will be consolidated and the division of roles and responsibilities. For example:

- a regional unitary authority
- a region consisting of more than one (two or three) subregional unitary authorities
- a subregional proposal
- any territorial or unitary council being combined
 - local representative and decision-making bodies, such as local boards, community boards, or any new models for local representation and decision-making
 - intended regional spatial plan governance arrangements; or
 - for subregional proposals, how the authorities will work together to govern and deliver key regional services (eg, transport and catchment management, etc.) through joint committees, council-controlled organisations, or other options for regional collaboration.

Assessment Criteria
**Supports the new
 planning system**



What we're asking for

To assess outline proposals against this criterion, officials will consider how proposals show clear support for implementing the new planning system – including progress on spatial and natural environment plan development – and avoid or minimise disruption to that work.

At a high level – how will your proposal make the new planning system easier to deliver and operate – not harder - and how you will ensure continuity throughout the process through the arrangements you are putting in place?

How does this structure help the new system work in practice?

What we need to know

We are looking for information on the following questions:

How does this help the new planning system work better?

- How does it support delivery of a stable regional spatial planning process?
- Does it make coordination easier (eg, fewer plans, fewer layers of governance)?

What are the trade-offs and risks?

- Could this disrupt or complicate delivery of the new planning system?
- How will these risks be managed?
- Explain how your proposal reflects integrated catchment management. If an existing catchment is split, in your proposal describe the implications, risks, and potential mitigations.

What still needs to be worked through?

- What still needs to be resolved in your detailed design phase?

What does 'good' look like?

- Focus on practical impacts for the planning system.
- Steps or processes that could be applied to support the planning reforms. Focus on setting out the initial steps needed to support the development of a stable regional spatial plan process.
- Clear, simple explanation of why this helps.

What we don't expect in an outline proposal

- Detailed plan or process design (natural environment plans, land use plans - detailed committee structures, formalised delegations or formed governance arrangements for plan making, etc).
- Overly technical planning detail, 'process agreements' for regional spatial plans, or detailed programmes for plan delivery. You may, however, indicate that these – along with any specific governance arrangements – will be developed in a later step and may require more detailed provision in the detailed design phase.

For an outline proposal, any reference to a 'region' in the Planning Bill or Natural Environment Bill applies to the region that applied at the time those Bills were introduced (not any new regional boundary proposed through an outline proposal).

Irrespective of Head Start outcomes, councils must move at pace following enactment of the Bills to prepare regional spatial plans upon current boundaries.

System Shifts for local government in the Planning Reforms

Councils will have statutory functions in the new planning system to:

- jointly make and maintain a spatial plan for the region
- make and maintain a regulatory plan (a regional council makes a natural environment plan, each territorial authority makes a land use plan, and a unitary authority prepares both); and
- administer and implement their regulatory plans including consenting/permitting, monitoring and enforcing compliance, and regulating and managing effects.

Regional entities will also set environmental limits for the region and undertake state of the environment monitoring. The spatial plan, natural environment plan and land use plans are proposed to be brought together into a combined regional plan.

Assessment Criteria
Simplifies local governance



What we're asking for

To assess proposals against this criterion, officials will consider how proposed governance arrangements will reduce complexity, improve accountability, and support effective decision-making.

At a high level - Does your proposal simplify things? Will it reduce duplication and make decision-making clearer and more efficient? Does it reduce complexity and make the system easier to understand and run?

What we need to know

We are looking for information on the following questions:

How does your proposal simplify local government?

Will your proposal reduce complexity, improve accountability, and support effective decision-making? For example:

- how does the proposal demonstrate simpler governance arrangements compared to the status quo (ie, how will the proposal reduce duplication and remove any unnecessary governance layers)?
- is there a clear distinction of roles and responsibilities allocated or delegated to local representative bodies, including local boards and community boards?
- are there innovative approaches to new forms of local representative bodies (ie, not constrained by current Local Government Act 2002 options)?
- is the proposed governance structure easy to understand for communities? Is it clear to communities who is accountable for what?

- does the proposed governance structure support decision-makers to consider competing objectives and trade-offs and make effective decisions?
- for subregional proposals, how will the proposed governance arrangements for the delivery of key regional services be designed to minimise complexity and duplication?

What are the trade-offs and risks?

In answering the questions above, please outline any identified trade-offs for 'simplifies local governance'. For instance, impacts on local voice and representation or service delivery.

What still needs to be worked through?

Please outline any further work you intend to undertake following the submission of your outline proposal, as part of the detailed design of your final Head Start proposal.

What does 'good' look like?

- In many cases a single unitary authority would be a feasible option.
- In larger more complex regions two or at most three unitary authorities could be considered.
- The roles and responsibilities of local representative bodies are well defined, and it is clear who is accountable for what.
- Simple and effective arrangements for subregional unitary authorities to work with other councils within the region.

What we don't expect in an outline proposal

- Detailed information on all governance arrangements across councils, including committee structures and detailed decision-making delegations.
- Agreement to have been reached with non-submitting councils on regional governance arrangements.

Assessment Criteria

Economies of scale



What we're asking for

To assess outline proposals against this criterion, officials will consider how proposals support regional strategic planning and effective delivery of key regional functions (such as transport and catchment management), and demonstrate responsible and affordable asset management, infrastructure investment, and service delivery.

At a high level – does your proposal support regional strategic planning, including spatial planning, land transport, public transport and economic development? Will it deliver better value? How does it improve efficiency, save money over time, and support better asset management, infrastructure and services?

What we need to know

We are looking for information on the following questions:

How will functions be effectively delivered?

- How does your proposal support the effective delivery of regional and territorial transport functions?
- How will functions that require regional integration be delivered in a more effective way? Specifically, consider how catchment management and transport responsibilities would be managed effectively.

How will increased economies of scale add benefits?

- Explain potential impacts on rates and financial sustainability. For example, through changes in population or businesses paying for services, or geographical coverage.
- Highlight potential for improved service delivery, economic development opportunities, opportunities for innovation, etc.

What are the expected financial impacts of reorganisation?

Set out at a high level whether the reorganisation will promote:

- improvements in asset management/stewardship
- infrastructure investment
- enhanced effectiveness, efficiency, and financial sustainability of services
- assurance that the entities proposed will have the resources necessary to enable them to effectively perform or exercise their responsibilities, duties, and powers
- plans for managing debt for the unitary
- plans for any council-controlled organisations
- projected costs of implementing the proposed reorganisation; and
- improved appetite for risk and innovation.

Where will efficiencies come from?

For example, consider the potential for economies of scale or economies of scope for:

- governance of functions
- planning and regulatory functions
- emergency management
- science, data, systems, and capability
- asset management and infrastructure investment/procurement; and
- service delivery (eg, shared services).

What are the trade-offs and risks?

Outline any identified trade-offs and risks for 'economies of scale'. For instance, impacts on 'maintains local voice', and how they may be managed or mitigated.

What still needs to be worked through?

Outline any further work you intend to undertake following the submission of your outline proposal, as part of the detailed design of your final Head Start proposal.

What does 'good' look like?

- Clear shift to fewer, larger councils with stronger financial resilience and capability.
- Practical examples of where scale and efficiency gains are expected.
- Proposals that consider regional services such as transport, planning and catchment management and propose either aligning boundaries, or clear governance and accountability mechanisms to manage these functions effectively.

What we don't expect in an outline proposal

- Detailed mapping of all regional functions to the unitary.
- Detailed financial modelling.
- Attempts to quantify savings precisely.

Assessment Criteria
Maintains local voice



What we're asking for

For this criterion, officials will consider how proposals demonstrate fair and effective representation for communities of interest, and how decisions will be made at the local level, balancing urban and rural interests.

At a high level - how will communities continue to be represented and heard, and how local voice will be maintained in a larger system?

What we need to know

We are looking for information on the following questions:

How will people elect representatives?

Set out your high-level approach to representation arrangements for new unitary authorities. For example, whether the members of a unitary authority (other than the mayor) are proposed to be elected at-large, by wards, or a mix, and where any wards are likely to be.

We do not expect representation arrangements to be fully agreed by outline proposals. However, there should be sufficient information to assess whether the proposal supports the fair and effective representation of communities of interest, and the good governance of key regional and local functions, if a distinction remains.

How will communities be represented?

At a high-level, explain the approach to local representation and decision-making for the new unitary authorities. For example, whether a unitary authority is proposed to have local or community boards, or a new model for local representation and decision-making—and if so, where these are likely to be and how members will be chosen.

How will iwi/Māori participate in decision-making?

What are the opportunities for Māori to contribute to local government decision-making processes, as required under the Local Government Act 2002? This could involve identifying any existing relationship agreements or arrangements between affected councils and iwi and hapū, as well as any other processes that support Māori to contribute to local decision-making and considering how these may transfer to new unitary authorities.

Arrangements provided through Treaty settlement redress are covered in the 'Treaty settlements' section below.

What are the trade-offs and risks?

Identify any trade-offs and risks for 'maintains local voice'. How will the proposal provide coherent decision making? What are the impacts on representation of the simplification of local governance or economies of scale, and how they may be managed or mitigated? For example:

- loss of local responsiveness addressed through the use of service centres; or
- replacing current representation arrangements with equally or more complex local or community board representation.

What still needs to be worked through?

Outline proposals should set out what issues will be resolved in the detailed design phase of the Head Start pathway. For example, representation arrangements more closely resembling those proposed as part of a routine representation review, including more detailed proposals for local or community boards and any Māori representation.

What does 'good' look like?

- An agreed list of principles or a framework for representation that can be worked through in the detailed design phase.
- Clear intent and direction, not detailed structures.
- Shows balance between scale, complexity and local input.
- Considers what level 'place-making' decisions are best allocated or delegated to.

What we don't expect in an outline proposal

- Full representation model design.
- Electoral system detail (ie, ward boundaries and member numbers per ward, etc.).

Assessment Criteria
Deliverability



What we're asking for

For this criterion, officials will consider whether proposals are realistic and provide confidence that new arrangements can be implemented by the 2028 local elections.

At a high level - how this can be implemented? Is it realistic and able to be delivered on time?

What we need to know

We are looking for information on the following questions:

How would you implement the proposal?

Set out your high-level approach to transition and implementation. That means describing generally how you would set this up (eg, transition board or joint committee), who would be involved and how, any key decisions already made, and any major risks or challenges.

How would changes be timed?

Include proposed high-level milestones for the full reorganisation, describing when the new authorities could realistically be established, and any key dependencies or constraints (eg, elections and proposed 'backstop' legislation).

What still needs to be worked through?

Explain what issues you expect to resolve in the detailed design phase. Officials will help refine these if your outline proposal is approved. For example, detailed costs and benefits of amalgamation, transitional arrangements and implementation planning (resembling those proposed as part of a standard reorganisation pathway).

Are there interactions with other local government programmes?

Does your proposal align with the approach to other existing local government programmes, such as Local Water Done Well, City and Regional Deals, or is future alignment planned?

What do you need from the Government?

Describe any barriers to implementation and, if you are seeking reorganisation assistance, the nature and extent of the support you expect from the Government, including any additional changes to the enabling primary legislation, funding, or other specific support.

What does 'good' look like?

- Realistic and practical proposal to deliver new arrangements before the 2028 elections.
- Clear about trade-offs and risks .
- Shows honest assessment of what is known vs unknown.
- Specific and realistic about support needed from Government.

What we don't expect in an outline proposal

- Full transition and implementation plan.
- Drafting instructions for bespoke legislation.

Treaty settlements

What we're asking for

Any Treaty settlement arrangements that councils have with Post-settlement Governance Entities (PSGEs) must be upheld with the same or equivalent effect through the Head Start process. We are interested in your view on how settlement arrangements captured in the scope of your proposal could be transferred to new unitary authorities. This information will be used to inform the Crown's engagement with PSGEs on any changes needed to Treaty settlement redress.

The Crown is responsible for upholding Treaty settlements.

What we need to know

To support the Crown to uphold Treaty settlements, outline proposals must either:

1. explain how existing Treaty settlement arrangements could transfer to new unitary authorities with equivalent effect; or
2. propose a plan to work with affected PSGEs to determine how existing Treaty settlement arrangements can be given equivalent effect in the new unitary authority.

In developing your outline proposal, you may wish to consider:

- what Treaty settlement arrangements will be affected under the proposal
- how could these arrangements transfer to new unitary authorities with equivalent effect; and
- have you engaged with affected PSGEs, or if not, what is your plan to do so.

What does good look like?

- Affected Treaty settlement arrangements are clearly identified.
- Explains outcomes from early engagement with PSGEs.
- Includes provision for working with PSGEs on giving equivalent effect to Treaty settlements in the new unitary authority.

What we don't expect in an outline proposal

- You are not expected to determine or agree any changes to Treaty settlement redress. This will be worked through between the Crown and PSGEs as part of broader engagement on upholding Treaty settlement arrangements in the new planning system.
- You are not expected to have completed a full engagement process with affected PSGEs on how settlement arrangements could be transferred to new unitary authorities. We expect engagement will continue after outline proposals are submitted.
- If you intend to engage with PSGEs after an outline proposal is submitted, we will work with you to ensure alignment with the Crown's process.

Other supporting information

Include in your outline proposal any other supporting information or matters you think are important to support consideration of your regional or subregional proposal by officials and Ministers.

Finalising proposals

As signalled under the assessment criteria above, it is expected that your outline proposal will signpost where you think further work is necessary (ie, distinguishing between what has been agreed and what could be further investigated/developed in the detailed design phase).

Further information will be provided for submitters accepted into the detailed design phase. It is likely that this phase will involve ensuring the final proposal addresses:

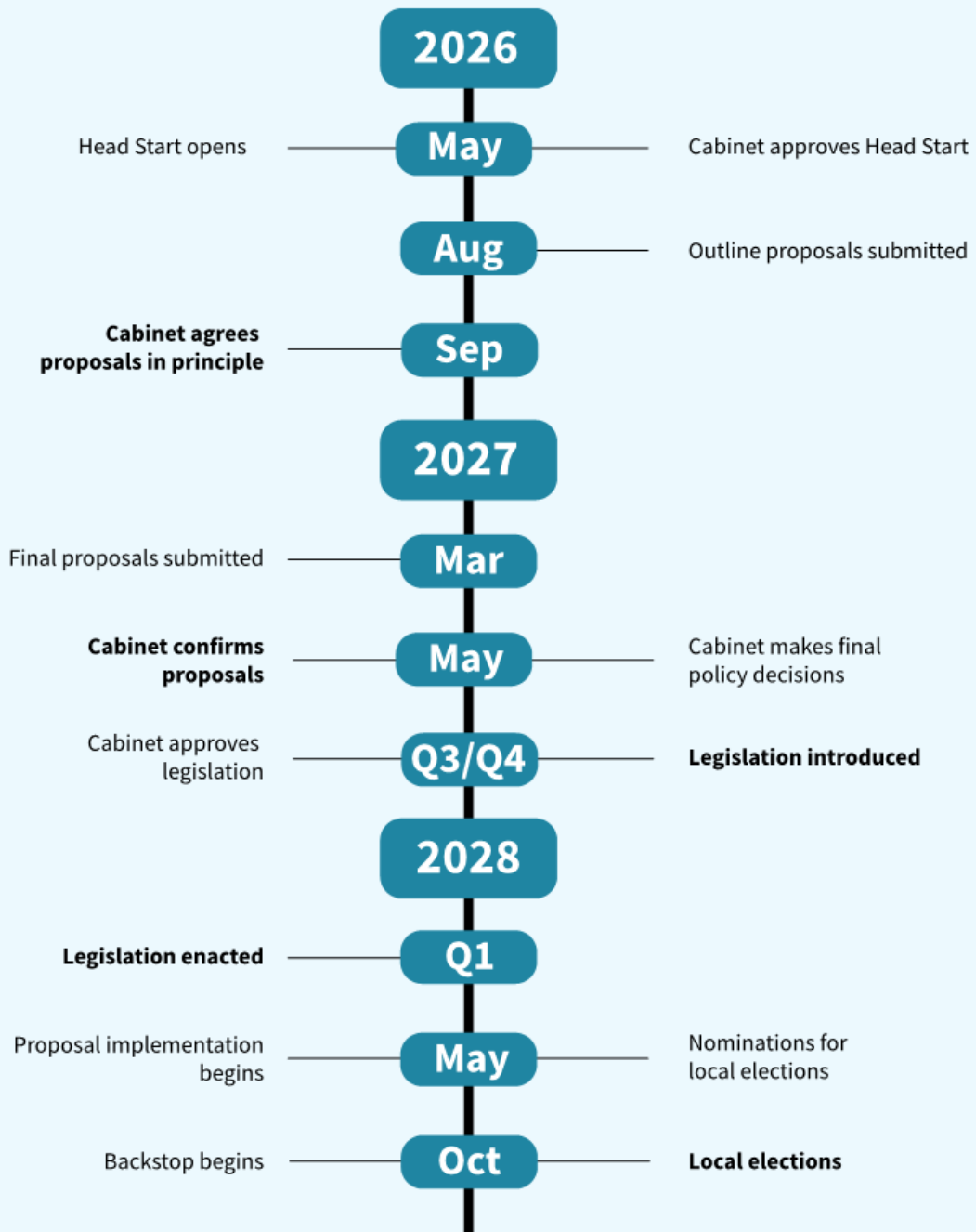
- **regional spatial planning** (timing alignment between the new planning system - including national instruments - and amalgamation processes)
- **regional council functions and services** (full mapping to mitigate the risks of any lone or under-resourced functions or services. Proposed interim arrangements with respect to the new planning system compliance and enforcement functions will need to be considered until Government decisions have been made)

- **cost and benefits** (financial analysis of the impacts of the proposal including projected transition costs and longer-term financial sustainability)
- **representative structures** (detailed design including governing bodies, local boards, community boards, committees or other innovative variations, and Māori representation)
- **transitional arrangements** (a board, body, etc.)
- **implementation planning** (personnel transfers, asset transfers, council-controlled organisations, debt management, etc.)
- **outcomes from any Iwi/Māori engagement for representation and Treaty settlement redress;** and
- **outcomes from any engagement with the community.**

The summary timeline on the next page sets out the current expected timeframes.

- Outline proposals (May to August 2026).
- Cabinet agrees proposals in principle (September 2026).
- Detailed design phase (October 2026 to March 2027).
- Cabinet confirms final proposals and makes final policy decisions (May 2027).
- Legislation enacted to implement Head Start proposals and the backstop (Q1 2028).

Timeline



Contact

There is a rolling FAQ on the [Simplifying Local Government website](#), so please look there for the latest answers.

For further questions, please contact your Department of Affairs (DIA) Partnership Director below or email us at SimplifyingLocalGovernment@dia.govt.nz.

<i>Regions</i>	<i>Partnership Director</i>	<i>Contact</i>
Northland / Auckland / Waikato	Vanessa Blakelock	Vanessa.blakelock@dia.govt.nz 021 832 417
Bay of Plenty / Gisborne Tairāwhiti / Hawkes Bay / Manawatu Whanganui / Taranaki	Rebecca Maplesden	Rebecca.maplesden@dia.govt.nz 021 852 853
Wellington / Otago / Southland	Warren Ulusele	Warren.ulusele@dia.govt.nz 021 227 8187
Nelson City and Tasman / Marlborough / Canterbury / West Coast	Sarah Polaschek	Sarah.polaschek@dia.govt.nz 027 281 5617

Deadline

Final proposals are to be sent to SimplifyingLocalGovernment@dia.govt.nz by 9 August 2026.


Resources

For further information, including guidance and how to engage with officials and access support, see dia.govt.nz/Simplifying-Local-Government

Published by the New Zealand Government
in May 2026



New Zealand Government
Te Kāwanatanga o Aotearoa

 South Canterbury Amalgamation Options			Activity options Option 1: Timaru Unitary Authority Option 2: 3 TLA's Unitary Option 3: 3 TLA's Unitary + Waiaki Catchment - ECAN Southern Boundary Option 4: 3 TLA's Unitary + Waiaki District Council Option 5: 3 TLA's Unitary + Ashburton District Council Option 6: 3 TLA's Unitary + Ashburton District Council + Rakaia Catchment Option 7: 3 TLA's Unitary + Ashburton District Council + Waiaki Catchment Option 8: 3 TLA's Unitary + Ashburton District Council + Rakaia Catchment + Waiaki Catchment Option 9: Rural Canterbury Unitary (excludes Christchurch City)																																												
OPTIONS EVALUATION - SCORES ASSESSED FROM STATUS QUO FULL EVALUATION (HEAD START + ECONOMIC, ENVIRONMENTAL, SOCIAL AND CULTURAL)																																															
Investment Objectives		Relative importance of objective	0.09	1.12	0.88	0.24	1.88	2.03	1.49	1.98	0.12																																				
Supports New Planning System	Supports regional spatial planning (Scale)	3%	-3	1	2	1	2	3	3	4	4																																				
	Does it make coordination easier? (Reduction in the number of plans)	3%	-2	2	2	2	3	3	3	3	4																																				
Simplifies Local Governance	Reduces complexity (Reduction in Governance Entities)	3%	0	2	2	3	3	3	3	3	4																																				
	Improves accountability (Community understands how decisions are made and who's responsible)	3%	3	2	2	1	1	1	1	0	-1																																				
	Supports effective decision making (Reduces duplication, negotiation, between Councils and conflicting priorities)	3%	-1	1	2	1	2	3	3	4	5																																				
Economies of Scale	Population & rating base (Scale)	3%	0	1	1	2	2	3	3	4	5																																				
	Infrastructure & asset base (Scale)	3%	1	2	2	3	3	3	3	4	5																																				
	Capability (Ability to Attract and Retain Appropriate Skills - Combined Revenues)	3%	-1	1	1	1	2	3	3	4	5																																				
Maintains Local Voice	Representation & democratic access (Based on Status Quo - Assumes representation will have Local Boards)	3%	3	2	1	-1	1	1	-1	-1	-3																																				
	Local decision making & influence (Based on Status Quo - Assumes representation will have Local Boards)	3%	2	2	1	-1	1	1	-1	-1	-3																																				
	Maintaining community identity (Deal with local issues effectively)	3%	2	1	0	-1	0	0	-1	-1	-2																																				
Deliverability	Implementation & transition risk (Complexity of Merging Organisations)	10%	0	-1	-1	-2	-1	-1	-2	-2	-3																																				
Supports Economic Development	Affordability of Services (Efficiency of Delivering Services)	6%	-1	0	0	0	1	1	1	2	-1																																				
	Ease of doing business & investing (Regulatory Simplification)	6%	1	2	2	1	3	3	3	3	-1																																				
Looking After Our Environment	Integrated environmental stewardship (Ease in defining & implementing optimised and balanced solution across the environmental domain)	4%	0	1	2	2	2	2	2	3	1																																				
	Long-term resilience (Ease in planning and implementing solutions for climate resilience, natural hazards etc)	4%	-1	1	1	1	2	2	2	3	-1																																				
	Consistent regulation (Consistency of Consenting, Monitoring and Enforcement)	4%	1	2	2	2	3	3	3	4	2																																				
Liveability & Social Cohesion	Access to community facilities & services	6%	0	1	-1	-2	2	2	1	2	-1																																				
	Community cohesion	6%	0	0	-1	-2	3	3	1	1	-2																																				
Culture	Tei Māori relationships & treaty obligations	4%	1	2	2	2	3	3	3	4	-1																																				
	Protection of local identity, heritage & sense of place (Maintaining Uniqueness)	4%	0	2	1	-1	3	3	2	2	-2																																				
	Community expression (Collectively share and articulate a shared identity, values and experiences)	4%	0	2	1	-1	3	3	2	3	-3																																				
Ranking			100%																																												
Final Ranking				9	5	6	7	3	1	4	2	8																																			
Overall Assessment																																															
Recommendation																																															
<p>Notes: Score -5 to +5. The purpose of the scale is to show both direction and strength of impact. A positive score does not mean an option is without risk, and a negative score does not necessarily rule an option out - it simply identifies where the trade-offs appear to sit. The scoring framework has been structured so that 50% of the assessment reflects the central government / Head Start perspective, and 50% reflects a local government and community perspective. This is intended to balance alignment with the Government's reform agenda with the practical local impacts for communities, councils and service delivery. All options have been scored against the current state / status quo. Option 1 is not the baseline - it is one of the options being assessed. This means the scores reflect whether each option is expected to improve, worsen or make no material change compared with current arrangements.</p>																																															
<table border="1"> <thead> <tr> <th>Score</th> <th>Score name</th> <th>Meaning</th> </tr> </thead> <tbody> <tr> <td>-5</td> <td>Very strong negative impact</td> <td>Major adverse impact; option is likely to materially worsen outcomes.</td> </tr> <tr> <td>-4</td> <td>Strong negative impact</td> <td>Significant adverse impact; serious concerns or trade-offs.</td> </tr> <tr> <td>-3</td> <td>Moderate negative impact</td> <td>Clear downside; impacts are material but may be manageable.</td> </tr> <tr> <td>-2</td> <td>Minor negative impact</td> <td>Some adverse impact; relatively limited or capable of mitigation.</td> </tr> <tr> <td>-1</td> <td>Very minor negative impact</td> <td>Slight downside; unlikely to be decisive or its own.</td> </tr> <tr> <td>0</td> <td>Neutral / no material change</td> <td>No clear positive or negative impact compared with the status quo.</td> </tr> <tr> <td>1</td> <td>Very minor positive impact</td> <td>Slight improvement; useful but not material.</td> </tr> <tr> <td>2</td> <td>Minor positive impact</td> <td>Some improvement; limited but meaningful benefit.</td> </tr> <tr> <td>3</td> <td>Moderate positive impact</td> <td>Clear positive impact; materially improves outcomes.</td> </tr> <tr> <td>4</td> <td>Strong positive impact</td> <td>Significant improvement; strong contribution to desired outcomes.</td> </tr> <tr> <td>5</td> <td>Very strong positive impact</td> <td>Transformational or best-performing impact; substantially advances desired outcomes.</td> </tr> </tbody> </table>												Score	Score name	Meaning	-5	Very strong negative impact	Major adverse impact; option is likely to materially worsen outcomes.	-4	Strong negative impact	Significant adverse impact; serious concerns or trade-offs.	-3	Moderate negative impact	Clear downside; impacts are material but may be manageable.	-2	Minor negative impact	Some adverse impact; relatively limited or capable of mitigation.	-1	Very minor negative impact	Slight downside; unlikely to be decisive or its own.	0	Neutral / no material change	No clear positive or negative impact compared with the status quo.	1	Very minor positive impact	Slight improvement; useful but not material.	2	Minor positive impact	Some improvement; limited but meaningful benefit.	3	Moderate positive impact	Clear positive impact; materially improves outcomes.	4	Strong positive impact	Significant improvement; strong contribution to desired outcomes.	5	Very strong positive impact	Transformational or best-performing impact; substantially advances desired outcomes.
Score	Score name	Meaning																																													
-5	Very strong negative impact	Major adverse impact; option is likely to materially worsen outcomes.																																													
-4	Strong negative impact	Significant adverse impact; serious concerns or trade-offs.																																													
-3	Moderate negative impact	Clear downside; impacts are material but may be manageable.																																													
-2	Minor negative impact	Some adverse impact; relatively limited or capable of mitigation.																																													
-1	Very minor negative impact	Slight downside; unlikely to be decisive or its own.																																													
0	Neutral / no material change	No clear positive or negative impact compared with the status quo.																																													
1	Very minor positive impact	Slight improvement; useful but not material.																																													
2	Minor positive impact	Some improvement; limited but meaningful benefit.																																													
3	Moderate positive impact	Clear positive impact; materially improves outcomes.																																													
4	Strong positive impact	Significant improvement; strong contribution to desired outcomes.																																													
5	Very strong positive impact	Transformational or best-performing impact; substantially advances desired outcomes.																																													

What are Canterbury Regional Council’s functions?



In our Long-Term Plan 2024-34, Canterbury Regional Council organised our functions into three core services. This approach helps us to be more outcome-focused and purpose-driven and to achieve the greatest environmental, social, economic and cultural outcomes for Waitaha Canterbury.

<h3>Environmental Regulation and Protection</h3>	<ul style="list-style-type: none"> Regulatory frameworks (\$14m) Authorisations (consenting) (\$27m) Compliance (\$27m) Incident response (\$4m) Pest management (\$14m) 	<ul style="list-style-type: none"> Indigenous biodiversity and mahinga kai (\$14m) Data, information and advice (\$23m) Local action support (\$9m) 	
<h3>Community Preparedness & Response to Hazards</h3>	<ul style="list-style-type: none"> Flood and river resilience (\$38m) Flood warning and advisory service (\$2m) Data and information on contaminated land and natural hazards (\$5m) 	<ul style="list-style-type: none"> Civil Defence Emergency Management (\$5m) Navigation safety in ports, harbours, rivers and lakes (\$3m) 	
<h3>Public Transport</h3>	<ul style="list-style-type: none"> Bus and ferry services in Greater Christchurch and Timaru (\$153m) Total Mobility funding, and support for Community Vehicle Trusts (\$17m) 	<ul style="list-style-type: none"> Regional transport 	

\$ figure are expenditure as per draft Annual Plan 2026/27, to nearest million

<h3>Enabling functions</h3>	<p>Corporate Services / Finance</p>	<p>Communications & Engagement</p>	<p>Strategy & Planning</p>
<p>These core services and functions can only be delivered through the support of enabling and supporting functions, which include:</p>	<p>Digital Solutions, assets, financial management, procurement</p>	<p>Stakeholder relationships, community consultation and engagement, customer advisory, communications and media</p>	<p>Strategic guidance to Core Services, Organisational performance reporting, secretariat support to regional bodies</p>
	<p>Tumu Herenga & Governance</p>	<p>People & Capability</p>	
	<p>Support for Tiriti partnership ,Chair, Council and Chief Executive</p>	<p>Health, Safety and Wellbeing, recruitment, org development</p>	

David Bruce, Oamaru

Local Government Reforms

Having being involved as an Oamaru based journalist for the ODT in the 1989 Reforms, I still believe that North Otago should be part of a central South Island unitary authority.

The Waitaki catchment is a vital economic social, recreational and cultural asset for Waitaki.

However, it appears to me Waitaki is focused on going with Otago, which would be a major disaster.

The part of Waitaki district North of the Waihemo ward, including Oamaru, should be included in a central South Island authority.

Waihemo should go to Dunedin, as it should have in 1989 instead of being thrown in with Waitaki to make up the numbers.

Water from the Waitaki flows as far south as Hampden for domestic and irrigation supplies.

Culturally a central South Island region would also incorporate the Aoraki runanga areas based on the Waitaki catchment

David Bruce

Oamaru

Kathryn Robinson, Timaru

Hey,

I've seen reports in the media and info on your facebook page asking for our opinions on the government's proposal for local government reforms.

I'm now a Timaru person having moved from Wellington around 5 years ago and love living here.

I would prefer not to see a new local government structure lumping all of Canterbury with Christchurch City. Cities like Christchurch have different issues to areas with small to medium towns (like Timaru). It would be great to see a new local government for the small to medium towns and associated rural areas between Christchurch and Dunedin, of which Timaru could be, but doesn't have to be the heart. The Aoraki Secondary Schools area (which includes Ashburton and Oamaru and through to Twizel) could be an option, but I think the people of Ashburton and Oamaru should also have their opinions heard too. Because it sounds like the new local government structure

would absorb the regional council functions, river catchment boundaries rather than the river as the boundary could also be an option.

Those are my thoughts and I hope they are useful.

Kind regards,

Kathryn Robinson

Anthony Brien, Timaru

Thank you for the opportunity to provide input on the current Local Government Review.

My comments are offered from a position of experience and careful consideration, having been a resident and ratepayer in the Timaru District for 40 years, previously served as a Timaru District Councillor, and as a Board Member and Chairperson of Venture Timaru. I therefore approach this discussion with an understanding of local and community engagement, governance and the practical delivery of services within our district.

The Need for Reform

I support the view that local government reform is necessary. In particular, there is a strong case for achieving greater efficiency through a more collaborative approach to service delivery across neighbouring districts. Rising costs, increasing infrastructure demands, and pressure on ratepayers all point to the need for new ways of working that reduce duplication and improve outcomes.

At the same time, I acknowledge that change in local government structures can be challenging. People have a strong sense of identity and belonging tied to their local area, and concerns about representation are both valid and important. Any reform process must recognise and respect this.

Collaboration with Neighbouring Authorities

I support the Timaru District Council's proactive engagement with neighbouring local authorities and its willingness to signal to central government that collaborative arrangements are being explored. This is both sensible and necessary.

However, I believe it is essential to include when communicating with central government a caveat that any collaborative or structural change must demonstrably deliver efficiencies in both service delivery and cost and this can only be arrived at after due diligence has been undertaken, which will take time and must not be rushed. Without tangible financial benefits, particularly those that flow through to ratepayers, there will be limited justification for significant change and new models may need to be considered.

Cost Structures and Governance Complexity

It is important to be realistic about the potential costs of any new governance arrangements.

If a new territorial authority were to be established, it would likely require a Chief Executive, an organisational structure, staff and operational systems, and governance oversight (e.g., a Board or Council).

If, in addition, local representation were retained through mechanisms such as Local Boards, this would introduce further costs, including member remuneration and support, as well as administrative costs. On top of this, there would likely need to be an overarching governance structure (e.g. a mayor and governing body) to coordinate across the entity.

In effect, there is a real risk of creating multiple layers of governance, each with associated costs. It is therefore critical that any proposal is fully and transparently costed, and clearly demonstrates that it will not replicate, at a similar or higher cost, the current system of individual local authorities. Without this discipline, structural reform could unintentionally increase costs rather than reduce them.

Preferred Approach to Amalgamation

In terms of potential structural models, I see merit in exploring a combined arrangement between Mackenzie, Timaru, and Waimate districts.

There is a longstanding association between these areas, including shared economic, social, and geographic connections. This provides a logical foundation for deeper collaboration or potential amalgamation, and likely offers a more cohesive starting point than wider or less connected configurations.

Key Issue: Debt and Asset Allocation

The most critical issue that must be resolved in any amalgamation is the treatment of existing debt and assets.

Ratepayers will understandably be concerned about cross-subsidisation between districts, inheriting debt from other areas and fair recognition of existing infrastructure and investments.

A clear, fair, and transparent framework for accounting for debt and assets within a merged organisation is essential. If this issue can be satisfactorily resolved, it will go a long way toward addressing community concerns and building confidence in any proposed changes.

Conclusion

- I support the need for reform and greater collaboration to achieve efficiencies.
- However, any proposal must be rigorously tested against its ability to reduce costs and improve service delivery.
- Governance structures must be carefully designed to avoid unnecessary duplication and expense.

- A Mackenzie–Timaru–Waimate configuration is a sensible option to explore.
- Above all, clarity around debt and asset allocation will be crucial to public acceptance.

This is an important opportunity to shape a more efficient and sustainable model of local government. With careful planning, transparency, and a strong focus on outcomes for ratepayers, meaningful improvements can be achieved.

Regards

Anthony Brien

Graeme Spencer, Timaru

In preparing this submission, I am conscious that the Government is committed to pursuing local government reorganisation. While I am opposed to "full on" amalgamation that door is clearly closed - not that it was ever open!

It is my view that the submission process should have started before Government arrived at this extreme approach.

My initial comments will have no bearing on the outcome and I introduce them purely as observations.

OBSERVATIONS

Before requiring councils to consider amalgamation, the Government should have demonstrated, with evidence, that larger local authorities consistently deliver lower costs and lower rates. That case has not been made.

Before Government is forcing Councils to go down this path, perhaps they should first explain why central government itself has become one of the largest, most fragmented, and least accountable bureaucracies in the country.

LGNZ could have played a significant part in exposing these issues, canvassing for a longer time frame and looking at alternative solutions. LGNZ are guilty - again - of supporting Government Policy when they are supposed to be representing Councils.

In my opinion Central Government needs to clean up their own act before worrying about Local Councils where you actually see something for your money.

The requirement for councils to develop plans within a three-month window, while they are already managing significant water reforms is unrealistic, a change of this scale requires careful analysis, consultation, and a clear understanding of potential benefits. (if any).

I have never subscribed to the view that bigger is automatically better. Large organisations often develop additional layers of management and administration, becoming increasingly focused on maintaining their own structure and processes. The anticipated efficiencies frequently fail to materialise, while decision-making becomes more distant from the communities being served. ECAN is a prime example of this.

GENERAL

Smaller centres have an interest in retaining their local identity and decision-making.

Full amalgamation risks creating "big brother" councils where smaller communities lose influence, local priorities are diluted, and decision-making becomes increasingly remote and urban-centred.

A far more sensible solution is shared services, not forced amalgamation.

Councils can already share:

- IT systems,
- accounting platforms
- GIS,
- records management,
- web services,
- and specialist expertise

This approach allows councils to achieve economies of scale where it makes sense, while preserving local representation and accountability. It can offer financial benefit without sacrificing local identity and independence.

REPRESENTATION

I believe this is key to providing communities of their need to be heard, strong local boards need to be established, not unlike our existing Community boards but with greater powers and responsibilities. They need to be able to control their local amenities - walkways, cycleways, swimming pools, libraries. Elected representatives on the community boards are then chosen by the community to represent them at Council level.

ECAN

The future role of regional councils also requires consideration. They do deliver important services which require a solution. Returning to the "original" boards - Catchment, Pest etc may be a solution but this is a complex review that deserves proper analysis and cannot realistically be undertaken within the proposed timeframe.

WHO

Two obvious participants are MacKenzie and Waimate but that leaves Timaru well short of Government guidelines. The two other participants are Ashburton and Waitaki , social media tells me that the Waitaki residents can see advantages in joining with Timaru, however we know that they are facing serious financial issues - is that a barrier? It isn't providing debt is ring fenced in the short term. Any amalgamation proposal must recognise existing economic, social and geographic relationships.

Where councils enter an amalgamated structure with significantly different debt positions and revenue generating assets, arrangements should ensure that these are appropriately attributed and do not unfairly disadvantage other communities. In the interests of long term partnerships these should likely be absorbed in the longer term.

There is a risk that Timaru may end up with Waimate and MacKenzie alone and although geographically speaking it is a sensible option, the Government may view it differently.

Graeme Spencer

Jackie Newton, Timaru

Kia ora and greetings:

It's almost impossible to provide any useful contribution on local government reform as the public are not privy to any discussions in the background between different councils, or what variables are important. The fault for this must lie with the national government, but I do think that locally the TDC could have provided more background. Bearing that in mind, here are some thoughts:

- The minimum amalgamation is the obvious one of the three councils in South Canterbury. If a larger area is required, then the area could extend to Oamaru/around Maheno so that both sides of the Waitaki catchment are included. (There has been a suggestion that south of around Maheno would more naturally look to Dunedin/Otago, and it would be a good time to revisit this.) Looking at an even larger area, then Ashburton is the obvious addition.
- Central Government will assess proposals from councils against five criteria. It is notable and insulting that central Government leaves out consideration of mana whenua's interests, and rights under the Treaty of Waitangi . I hope that TDC sets an example by explicitly measuring its proposal against this.

Nga mihi

Jackie Newton

Angus Westgarth, Timaru

I'm writing as a ratepayer and resident, please see my points below

- Given the expense of creating a water CCO, it makes no sense to proceed with it considering the changes it will have in 2 years once the local government reforms are hoping to be completed by. Seems like a crazy way to literally put money down a drain(s).
- I don't agree with the set out timelines from Government to implement the changes, it doesn't feel democratic to be forced into this process one way or another without much wider consultation. These changes are considered the biggest since 1989 - they should also be treated as such, which I believe should be more time to fully scope what this means for ratepayers.
- I don't believe enough Timaru district residents currently know or understand what these changes are and what the Pros/Cons of this are.
- Depending on who we potentially amalgamate with, it's a scary thought that our rates may have to subsidise other towns - Waitaki in particular has a wide array of issues we shouldn't be considering any sort of amalgamation with them.

Cheers

Angus

[CONTINUED NEXT PAGE]

Wendy Smith, South Canterbury Chamber of Commerce



Simplifying Local Government – Head Start

Introduction:

The South Canterbury Chamber of Commerce is the voice of South Canterbury business, serving the community since 1905. With over 500 member businesses and with a strong national and international Chamber family, we work together to build business success. We recognise that healthy businesses lead to the improved wellbeing of all South Cantabrian's. Consultation has commenced on Simplifying Local Government. Preliminary feedback has been requested by 12th June by Timaru District Council, while Mackenzie District Council and Waimate District Council are engaging with their respective communities. The Head Start process for Councils then requires outline proposals by early August. The Chamber recognises this proposal aligns with our position on seeking practical policies that support sustainable business growth, productivity, infrastructure investment, and a stronger regional economy.

1. Broad Support for Reform

There is recognition that the current local government structure is overly fragmented, increasingly expensive, and difficult to navigate.

Businesses, rural communities and Government all acknowledge:

- Duplication of functions and administration
- Rising rates and infrastructure costs
- Increasing regulatory complexity
- Pressure on infrastructure delivery
- Challenges coordinating planning and investment
- Growing dissatisfaction with slow decision-making and inconsistent outcomes

There is broad support for simplification, improved coordination and stronger long-term planning.

2. Infrastructure Delivery Is Critical

A major driver for reform is the need to improve infrastructure planning, affordability and delivery.

This includes:

- Water infrastructure
- Transport and freight networks
- River management and flood protection
- Housing growth infrastructure
- Environmental planning
- Catchment management
- Civil defence and resilience

The combined Mid/ South Canterbury/North Otago region already represents:

- Population: ~125,000
- GDP: ~\$10.5 billion
- Assets managed: ~\$5.7 billion
- Annual revenue: ~\$392 million

- Roading network: 8,165km

This scale increasingly supports consideration of a larger regional governance model capable of delivering stronger economies of scale and more coordinated long-term investment.

3. Local Voice Must Be Retained

There is support for simplification, there are also strong concerns regarding:

- Loss of local representation
- Urban dominance over rural communities
- Centralisation of decision-making
- Loss of local identity
- Governance capability during transition

The Chamber supports governance arrangements that:

- Retain meaningful local representation
- Reflect genuine communities of interest
- Protect rural voices and catchment interests
- Maintain local decision-making where appropriate
- Ensure balanced urban and rural governance

4. Governance Capability and Financial Sustainability Matter

There is also strong support for:

- Skills-based governance
- Better commercial and infrastructure capability
- Evidence-based decision-making
- Long-term financial planning and sustainability
- Improved accountability and transparency

Businesses want governance structures capable of:

- Delivering infrastructure efficiently
- Supporting growth and investment
- Simplifying planning and consenting
- Managing debt responsibly
- Delivering measurable value for ratepayers
- Destination management of visitor products, dispersal and experiences.

Preferred Regional Option:

Mid/ South Canterbury / North Otago Unitary Authority (Five District Model)

Following consideration of the Government reform direction, and regional business feedback, the preferred high-level option identified for further investigation is proposed as a five-district unitary authority.

A Five District Unitary Authority comprising:

- Ashburton District
- Mackenzie District

- Timaru District
- Waimate District
- Waitaki District
- Relevant regional council role including Ecan

This model would combine regional and territorial functions into a single unitary authority structure.

Why This Option Has Merit:

1. Strong Regional Scale

This provides sufficient scale to:

- Improve efficiency
- Strengthen infrastructure capability
- Deliver economies of scale
- Improve specialist capability and expertise
- Enhance strategic planning
- Support stronger engagement with central government

2. Strong Existing Community and Economic Connections

The five districts already share:

- Strong economic interdependence and similar economic base
- Freight and transport connections
- Workforce movement
- Health and education linkages
- River catchments and environmental systems
- Shared infrastructure challenges
- Similar provincial growth pressures

This supports the Government's emphasis on "communities of interest" and integrated regional planning.

3. Better Infrastructure Coordination

A single regional authority would improve coordination across:

- Transport networks
- Water infrastructure
- Flood protection
- River management
- Spatial planning
- Housing growth
- Industrial land planning
- Economic development
- Environmental management

This is particularly important given the increasing overlap between local government reform and RMA reform.

4. Potential Efficiency Gains

Potential benefits include:

- Consolidation of back-office functions
- Reduced duplication
- Simpler planning and consenting systems
- Shared specialist capability
- Improved procurement scale
- Stronger financial sustainability
- Better long-term asset management

These potential efficiency gains re planning and consents will be tied to how well the Government reforms the RMA and interpretation of National policy statements.

The proposal may also strengthen the region's ability to attract:

- Infrastructure investment
- Regional deals
- Central government funding
- Specialist staff and expertise

5. Ability to Retain Local Representation

A key requirement of any preferred model is retaining strong local voice.

Potential governance options discussed include:

- Local boards or community boards
- Delegated local decision-making
- Subregional representation structures
- Rural representation protections
- Catchment-based advisory structures
- Hybrid governance models similar to Auckland or Tasman

The Chamber strongly supports governance arrangements that retain meaningful local input while simplifying regional decision-making.

Key Risks and Issues Requiring Further Work

The Chamber also acknowledges significant issues still requiring detailed investigation and consultation.

These include:

- Transition costs (Layers of bureaucracy and back-office staff/consultants must be tightly managed)
- Governance structure design
- Urban versus rural representation balance
- Delivery of regional functions
- River and catchment management
- Civil defence and hazard management
- Debt allocation must be understood up front and financial sustainability calculated
- Local service levels and responsiveness
- Boundary considerations

- Community engagement and public support
- Alignment with wider Canterbury arrangements
- Timing alongside RMA reform implementation

The Chamber considers these matters critical to any future proposal.

Chamber Preferred Regional Option

The South Canterbury Chamber supports continued investigation and discussion of a five district unitary authority model as a potentially practical and economically significant option for the wider South Canterbury and North Otago region. The greatest benefit is that it brings together communities that share similar economic drivers, infrastructure requirements and long-term priorities, while maintaining sufficient scale to improve capability and reduce duplication. South Canterbury, Mid Canterbury and North Otago are fundamentally different from the major metropolitan centres of New Zealand. Our economy is heavily reliant on agriculture, food production, manufacturing, tourism, logistics and export industries. As a result, our infrastructure priorities are also different. Water security, irrigation, flood protection, rural roads, freight routes, port infrastructure, industrial land development and support for primary industries are critical to the ongoing success of our region.

Any larger regional model that incorporates major metropolitan centres such as Christchurch would see investment decisions inevitably influenced by population size and creates a risk that funding and resources are increasingly directed toward urban growth projects, public transport systems, housing developments and city infrastructure, rather than the infrastructure required to support provincial economies.

However, support remains conditional on:

- Demonstrated long-term efficiency and value
- Retention of strong local representation
- Protection of rural interests
- Clear infrastructure and financial benefits
- Practical and affordable implementation
- Appropriate governance capability
- Meaningful community and stakeholder engagement

The Chamber believes any future reform process should remain collaborative, evidence-based and focused on delivering better long-term outcomes for businesses, communities and ratepayers across the region.

Wendy Smith

Chief Executive

South Canterbury Chamber of Commerce

wendy@scchamber.org.nz | 027 229 2949

25 Canon St | PO Box 919 | Timaru | New Zealand