

Urgent Reports Agenda

**Notice is hereby given of
an Ordinary Council Meeting**

Tuesday 19 May 2026

10:15 AM

**Council Chamber
Waimate District Council
125 Queen Street
Waimate**

www.waimatedc.govt.nz

Order Of Business

Reports	3
17 Consideration of Major (Urgent) or Minor Items not on the Agenda	3
17.1 Government Head Start Reorganisation Strategic Direction	3

REPORTS**17 CONSIDERATION OF MAJOR (URGENT) OR MINOR ITEMS NOT ON THE AGENDA****17.1 GOVERNMENT HEAD START REORGANISATION STRATEGIC DIRECTION**

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Attachments: 1. **Government's Head Start Pathway Policy Document - Simplifying Local Government**  

PURPOSE

1. Provide elected members with an overview of the Government's "Head Start" pathway for local government reorganisation.
2. Present initial issues, risks, and considerations for Waimate District Council (WDC).
3. Reflect recent public meeting feedback.
4. Seek Council direction on the level of engagement with the reform process.

BACKGROUND

5. The Government has introduced a voluntary "Head Start" pathway, enabling councils to develop and submit proposals for local government reorganisation, including the potential creation of unitary authorities combining regional and territorial functions.
6. The Head Start pathway is stated as voluntary, but as noted in Cabinet Paper ECO-26-MIN-0072 "agreed, that councils not in the head start will go through a compulsory backstop process, with regional council governance during the transition being exercised by some form of interim body (e.g. a board of mayors, Crown commissioners, or a hybrid), with the precise model to be confirmed by Cabinet 2027".
7. This indicates there is little to no opportunity to avoid joining the head start process, this also indicates the process is not voluntary. This introduces:
 - a. High levels of uncertainty;
 - b. Potentially significant financial and organisational impacts; and
 - c. Increased pressure on already constrained staff resources.
8. Key features of the proposal include:
 - a. A three-month timeframe to submit an outline proposal (by 9 August 2026);
 - b. No requirement for formal community consultation at this stage; and
 - c. A clear indication that a government-led "backstop" process will apply if councils do not act.
9. The reform is occurring in parallel with:
 - a. Water services reform;
 - b. Long Term Plan development;
 - c. Resource management system reform;
 - d. Spatial planning requirements; and
 - e. Normal business operations.
10. Collectively, these represent a significant change to the structure and operation of local and regional government.

COMMUNITY FEEDBACK

11. A public meeting was held 14 May 2026 to outline the Government's proposal and discuss potential implications for Waimate District.
12. Key themes included:
 - a. Recognition that change is likely and largely driven by central government direction;
 - b. A clear preference that:
 - i. Waimate retains influence over its future; and
 - ii. Council actively considers options rather than remaining passive.
 - c. General feedback that: There is confidence in Council to make decisions in the best interests of the district. Overall, there was no strong opposition expressed, but an expectation that:
 - i. Council will take a measured and well-informed approach; and
 - ii. The long-term interests of the district will remain the priority.

KEY CONSIDERATIONS**Strategic Position**

13. Council must determine whether to:
 - a. Take an active leadership role;
 - b. Participate collaboratively with neighbouring councils;
 - c. Adopt a more cautious approach.

Financial Implications

14. Transition costs are anticipated but no funding framework is currently defined.
15. Potential impacts include:
 - a. Changes to rates;
 - b. Debt alignment;
 - c. Long-term affordability.

Service Delivery

16. Potential benefits:
 - a. Improved coordination;
 - b. Greater scale.
17. Risks:
 - a. Reduced local responsiveness;
 - b. Disruption during transition.

Governance and Representation

18. Key issue is how to:
 - a. Maintain local voice and identity;
 - b. Ensure effective representation within a larger structure.

Regional Alignment

19. Opportunities to align with neighbouring councils;
20. Risks associated with:
 - a. Reorganising regional functions.
 - b. Loss of institutional knowledge and capability.

Capacity, Timing, and Risk

21. Extremely compressed timeframe;
22. Significant competing priorities within Council;
23. Limited detail available on:
 - a. Implementation;
 - b. Costs;
 - c. Backstop arrangements.
24. There is a material risk that Council cannot fully assess options within the available timeframe.
25. Interests of the district will remain the priority.

PROPOSAL

26. Subject to Council direction, the following steps are proposed:
 - a. Engagement with neighbouring councils and key stakeholders;
 - b. Development of potential structural scenarios;
 - c. High-level financial and service impact analysis;
 - d. Identification of governance and delivery options;
 - e. Reporting back through Council with a more detailed assessment.
27. This work is expected to require:
 - a. Reprioritisation of existing work programmes;
 - b. Use of external expertise;
 - c. Unbudgeted expenditure.

OPTIONS

28. Participate in the government head start and explore options; or
29. Do not engage in the government head start process.

ASSESSMENT OF SIGNIFICANCE

30. This matter is considered significant under Council's Significance and Engagement Policy due to its potential impact on:
 - a. Governance structures;
 - b. Service delivery; and
 - c. Community representation.

CONSIDERATIONS

31. In considering its response to the Government's Head Start pathway, Council must weigh a range of strategic, financial, and operational factors. These include the opportunity to influence future local governance arrangements versus the risk of reduced local input if Council does not engage, the potential financial implications and currently uncertain funding arrangements, and the impact on service delivery, local representation, and community outcomes.
32. Council also needs to consider organisational capacity and timing constraints, given the compressed timeframe and concurrent reform programmes, alongside the expectation that any response should be well-informed, evidence-based, and aligned with the long-term interests of the Waimate District and its communities.

Risk

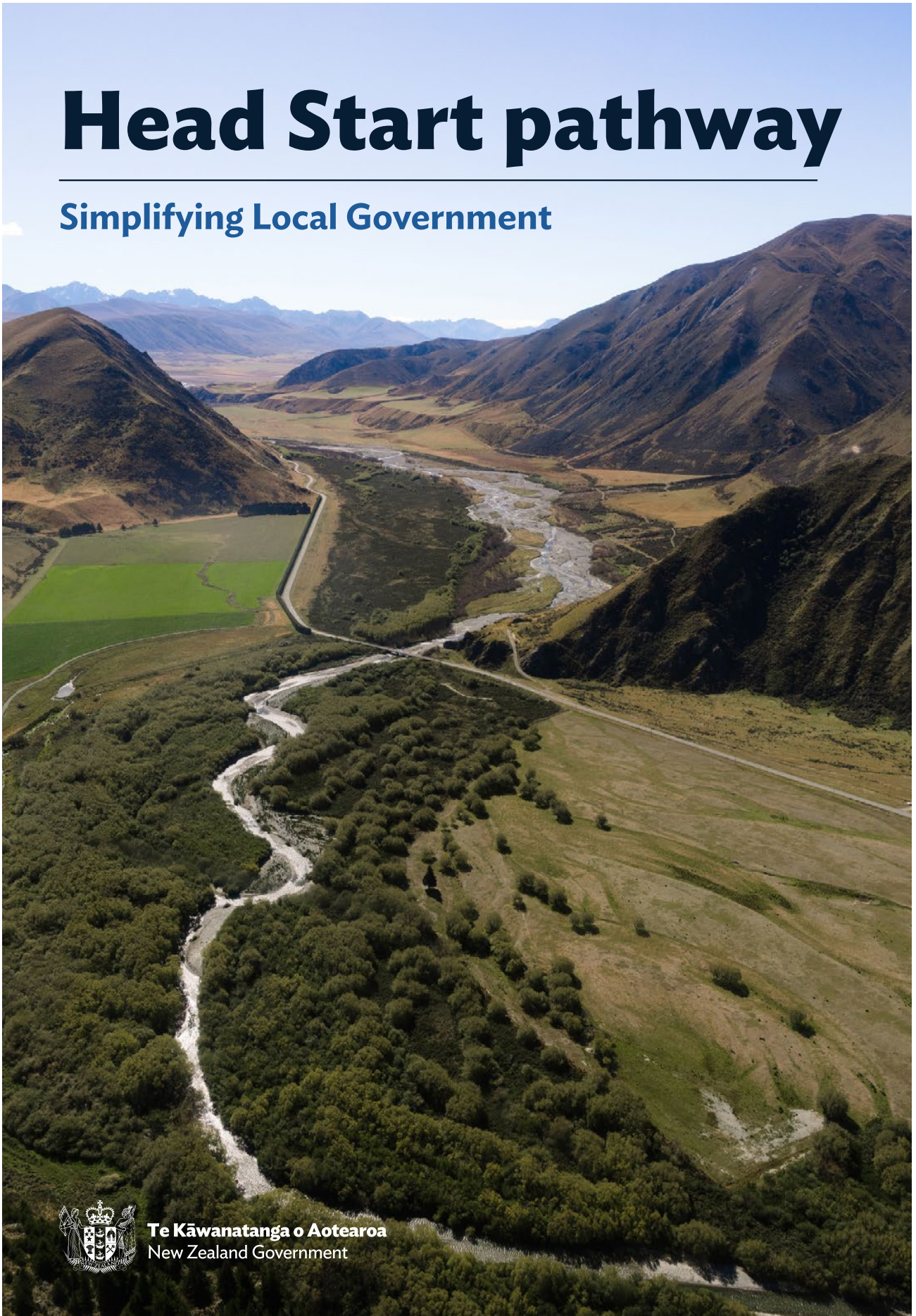
33. We are only determining our initial strategic direction; therefore the risk is considered low.

RECOMMENDATION

1. That the Government Head Start Reorganisation Strategic Direction report is received; and
2. Council agrees to further investigate reform options, including engagement with neighbouring councils; or
3. Council confirms no commitment is made at this stage to participate in or submit a formal Head Start proposal.

Head Start pathway

Simplifying Local Government



Te Kāwanatanga o Aotearoa
New Zealand Government

Ministerial foreword

Local government plays a central role in shaping how New Zealand grows and develops. Councils understand their communities and regions, and they are key partners with central government in delivering housing, infrastructure, and environmental management.

The Government knows councils are managing significant change, with multiple reforms happening at once. Alongside implementing a new planning system, councils told us through submissions on the [Simplifying Local Government proposal](#) that they wanted greater flexibility, including the ability to shape future governance arrangements themselves and, where they are ready, to move more quickly.

The Head Start pathway is a direct response to that feedback. It provides a voluntary, streamlined option for councils that want to lead the transition early, while continuing to deliver the new planning system. Head Start enables locally led solutions, so councils can set their own direction and pace rather than waiting for wider reform settings to apply.

The Government has been clear that regional governance needs to be simpler and more effective over time. Head Start is voluntary. Councils that do not opt in will not face mandatory change until after the 2028 local elections, giving them space to focus on delivering the first generation of plans under the new planning system.

Together, the Head Start pathway and the backstop approach provide certainty and confidence, supporting councils to lead where they are ready, while setting the system up to work better for the long term and delivering the new planning system.



A handwritten signature in black ink, appearing to read 'Chris Bishop'.

Hon Chris Bishop
Minister Responsible for RMA Reform



A handwritten signature in black ink, appearing to read 'Simon Watts'.

Hon Simon Watts
Minister of Local Government

The Simplifying Local Government proposal

In November we consulted on a draft proposal to establish regional boards of mayors, replacing regional councillors, to lead the development of reorganisation plans for a region. The proposal can be found at dia.govt.nz/Simplifying-Local-Government#Proposal.

What we heard

Consultation on this proposal resulted in more than 1,150 submissions, including around 70 from councils and local government sector bodies, and around 60 from iwi/Māori organisations. Submitters generally agreed with the need for reform but raised issues with the specific proposal.

There was more support for regional reorganisation plans than combined territories boards (CTBs). Many submitters had concerns about council capacity to progress these reforms at the same time as other government initiatives. Some suggested changes to the timing, membership, or remit of CTBs.

Many submitters supported keeping regional councillors in place until the 2028 local elections – as a practical measure to support mayors and maintain democratic legitimacy.

Submissions highlighted the important relationships regional councils have with iwi Māori, and the Treaty settlement redress arrangements that relate to regional council functions.

Other issues raised in submissions included:

- preserving and supporting local democracy, including balancing urban and rural interests, with some support for Crown observers
- retention of regional service delivery, particularly environmental management and river catchment management
- mayoral workloads and adopting a regional perspective; and
- funding and process concerns.

Councils told us they wanted greater flexibility to take locally led approaches to reform. Some councils and mayors have been clear that they are ready to move faster, building on existing regional arrangements such as mayoral forums rather than establishing a board of the region's mayors.

The Head Start pathway responds directly to that feedback, giving councils that are ready the opportunity to take the lead, shape their own regional solutions, and progress at pace.

What we are doing

We have listened to feedback and refined our approach.

We will introduce a streamlined Head Start pathway for councils that are ready to develop and progress reorganisation proposals, with the aim of creating unitary authorities within a region through bespoke legislation.

We will legislate for councils not progressing through Head Start to enter a compulsory backstop process after the 2028 local elections.

We will replace regional councillors at the 2028 local elections with an interim body (for example, a board of mayors, Crown commissioners, or a combination of both). The precise model will be confirmed later. Retaining regional councillors until the 2028 local elections will provide capacity during a period of substantial change.

How this fits with the new planning system

We know councils are navigating significant change, with multiple reforms happening at once.

The Head Start pathway gives councils that are ready to move early the confidence to get on with delivering the new planning system now, while they shape the governance arrangements ahead of the 2028 local elections.

By progressively aligning governance with how the new planning system is designed to work, Head Start enables councils to lead the transition on their own terms, rather than waiting for wider reform to commence.

Delivering the new planning system remains core business for all councils and continues in parallel, whichever pathway councils choose.

Head Start pathway

From 5 May 2026, two or more territorial and/or unitary authorities can submit an outline proposal to establish a new unitary authority covering part or all of a region. Proposals will need to be submitted by 9 August 2026.

A unitary authority combines the functions of a regional council and a city or district council into a single organisation. This can simplify governance, reduce duplication, and improve regional coordination.

Councils participating in the Head Start pathway will continue implementing the new planning system alongside any reorganisation activity.

Who can submit an outline proposal?

Any two or more territorial and/or unitary authorities (except for Auckland) including cross-boundary groupings, may submit if they represent a majority of either the:

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

Proposals cannot be submitted by minority groupings, individual territorial authorities or unitary authorities, regional councils, individuals or other organisations.

Eligibility criteria

Proposals must be submitted by two or more territorial authorities that together represent a majority of either directly affected territorial authorities or a majority of the population across directly affected districts. The following examples illustrate how this may work.

What types of reorganisation can be proposed?

Outline proposals must provide for the establishment of new unitary authorities. The most straightforward approach is for all councils in a region to combine to form a single unitary authority.

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

- existing territorial authorities are combined 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 large and has more complex issues
- the proposal clearly meets the criteria and doesn't lead to the fragmentation of key regional functions where collaboration is required, such as catchment management.

Working with iwi/Māori

Treaty settlement arrangements will continue to be provided for. We will work with applicants and iwi/Māori affected by the Head Start pathway to support the continuation of effective relationships and uphold settlement redress.

Councils will be expected to engage with relevant post-settlement governance entities (PSGEs) to demonstrate how existing Treaty settlement arrangements could be transferred to new unitary authorities with equivalent effect. The Government will also work with PSGEs directly on proposed arrangements. Councils will have an opportunity to further engage with Māori as they continue to develop outline proposals ahead of final decisions in 2027.

Example 1: Majority of directly affected councils

A region contains three territorial authorities: Council A, Council B and Council C. Council A and Council B jointly submit a proposal that affects Council C.

- ✓ This proposal would be eligible for consideration because Councils A and B form a majority of the directly affected territorial authorities, regardless of population size.

Example 2: Majority of population

A region contains four territorial authorities: Councils A to D. Councils A and B jointly submit a proposal that also impacts Councils C and D. Councils A and B together represent more than 50% of the population of the directly affected area, even though Council C and Council D are larger in land area.

- ✓ This proposal would be eligible for consideration because the proposing councils represent a majority of the population, even if they do not represent all councils.

Example 3: Minority of directly affected councils

A region contains five territorial authorities: Councils A to E. Council A and Council B jointly submit a proposal that also affects Councils C, D and E. Councils A and B together do not represent more than 50% of the population or the majority of affected councils of the directly affected area.

- ✗ This proposal would not be eligible for consideration because, while it involves two councils, it does not represent a majority of councils or population.

Example 4: Subregional unitary authorities

A region contains five territorial authorities: Councils A to E. Council A, Council B, Council C and Council D jointly submit a proposal for two unitaries for the region affecting Council E.

- ✓ This proposal would be eligible for consideration because the proposing councils are a majority of the directly affected territorial authorities, regardless of population of the directly affected areas.

Example 5: Subregional proposal - part of region

A region contains seven territorial authorities: Councils A to F. Council A, Council B and Council C jointly submit a proposal for a unitary for the three councils within their part of the region. The other four councils are unaffected.

- ✓ This proposal would be eligible for consideration because there are more than two territorial authorities proposing amalgamation and the majority of territorial authorities and population affected by the proposal are in favour of the proposal. Reorganisation plans for the remainder of the region (Councils D to F) will be required after the 2028 local body elections.

Note: eligibility is not acceptance, and eligible proposals will still need to pass the assessment.

How will outline proposals be assessed?

Five criteria will be used to assess the proposals:



Deliverability: Proposals are realistic and demonstrate how new arrangements can be implemented in a timely manner.



Supports the new planning system: Shows clear support for implementing the new planning system – including progress on spatial and natural environment plan development – and avoids or minimises disruption to that work.



Simplifies local governance: Proposes more efficient regional governance arrangements, consolidating decision-making and improving alignment between a region's councils.



Economies of scale: Supports regional strategic planning and effective delivery of key regional functions (such as transport and catchment management), and demonstrates responsible and affordable asset management, infrastructure investment, and service delivery.



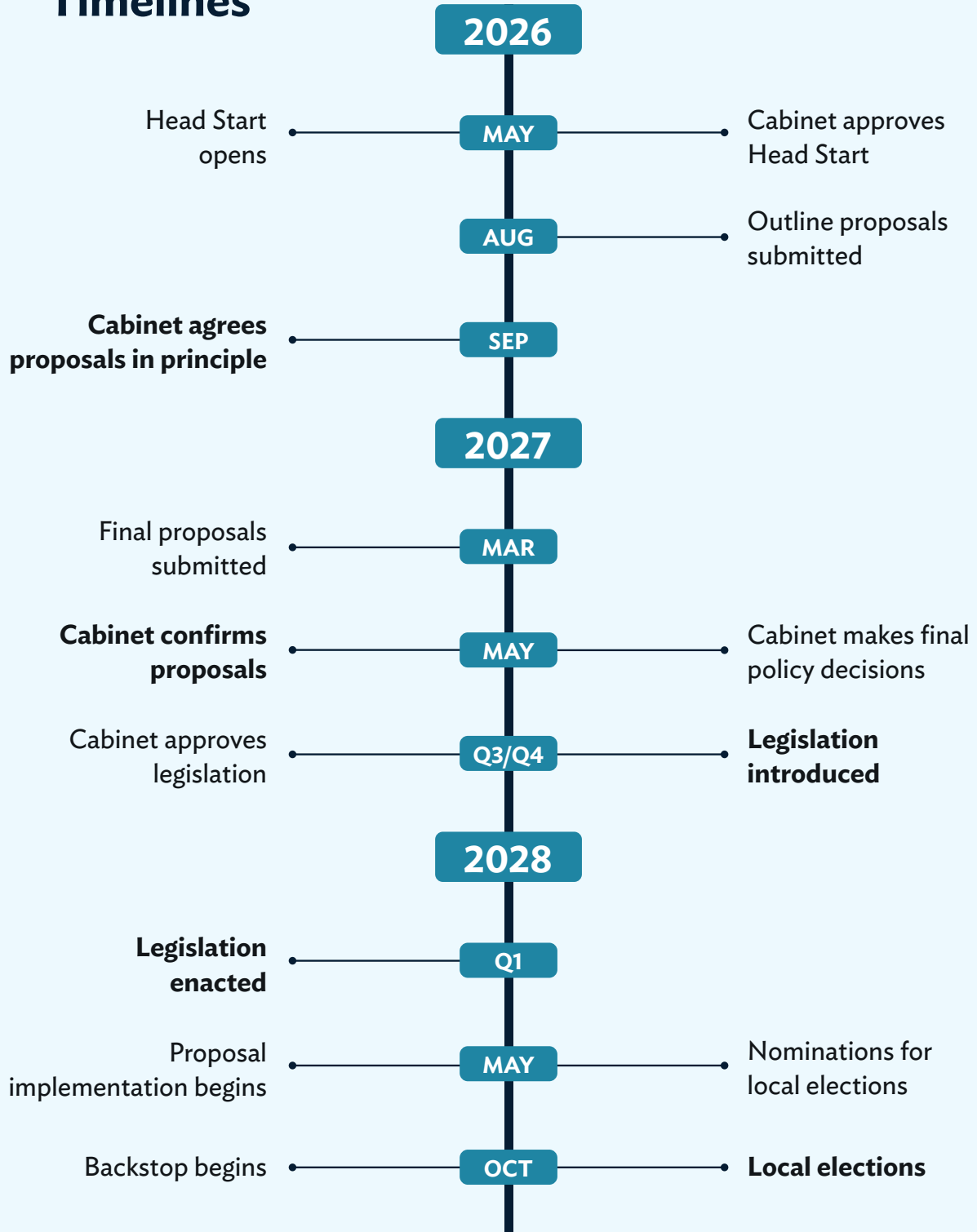
Maintains local voice: Demonstrates fair and effective representation for communities of interest and how decisions will be made at the local level, balancing urban and rural interests.

Next steps for Head Start

Once outline proposals have been assessed, Cabinet will decide which proposals are accepted into the detailed design phase of the Head Start pathway.

Once agreed in principle, any support required to develop detailed reorganisation proposals will be determined with submitters and agreed by Cabinet.

Timelines



Status of regional councillors

We previously proposed replacing regional councillors with boards of mayors.

Submitters suggested that retaining regional councillors until the end of their current elected periods would:

- support the transition to the new planning regime, including the first generation of spatial and natural environment plans
- retain institutional knowledge needed to make the transition
- provide additional governance capacity and capability during a period of substantial change.

It is our intention that regional councillors will not be elected at the 2028 local elections. They will be replaced by an interim body, for example a board of mayors, Crown commissioners, or a hybrid model. We will confirm the exact model in 2027, when successful Head Start proposals are approved.

Current regional councillors will stay on through to the end of the 2028 term to lead regional councils in their roles in the new planning system, particularly regional spatial plans.

Backstop legislation

Progress through the Head Start pathway will help inform the design of backstop arrangements for other regions.

Councils that do not progress through Head Start will continue to focus on delivering the new planning system, including development of the first generation of plans. Reform for those councils will not occur until after the 2028 local elections, through the compulsory backstop process.

This approach gives councils more time to concentrate on planning system implementation before any mandatory governance changes take effect, while still providing a strong indication of when and where future reform will occur.

Regions and councils not progressing through the Head Start pathway will be subject to a backstop process. During the transition, regional council governance would be exercised by an interim body, with the precise model to be confirmed in 2027. Legislation for the backstop will be enacted before nominations open for the 2028 local elections. This will ensure candidates understand any new roles and responsibilities, and electors can vote with clarity.

The final models of governance will be informed by lessons from the Head Start, feedback from consultation on the Simplifying Local Government proposal, and further advice from officials.

Rapid review update

A rapid review of regional council functions was completed to help guide councils during reorganisation planning. It was intended to identify functions that could potentially be centralised or ceased.

The review found that the key opportunities for centralisation are already being considered through existing government work programmes. For example, a national regulator for compliance and enforcement is being considered as part of the new planning system.

The RMA Expert Advisory Group recommended that, in the new planning system, compliance and enforcement functions should be transferred to a national regulator with regional compliance hubs. Policy work on this proposal is expected to be progressed after the Planning and Natural Environment Bills pass. The Government then expects to engage with local authorities and others to discuss the merits of different approaches.

The review concluded that other functions are still best delivered at a regional or local scale. In general, centralisation would involve high transition costs, be disproportionate to the problem identified, and is unlikely to materially improve regional or system outcomes. In some cases, the status quo is functioning effectively or could benefit from targeted modification rather than substantial change.

Transport is one key regional function that requires further consideration as a part of Head Start proposals. Transport responsibilities are currently split across central (NZ Transport Agency) and local government, with territorial authorities responsible for local roading while regional councils are responsible for network planning and public transport.

Outline proposals do not need to resolve all issues relating to any transfer of regional functions. However, proposals should:

- address the need to consolidate regional transport functions (such as in a regional unitary authority, regional joint committee or regional council controlled organisation)
- propose interim arrangements with respect to the new planning system compliance and enforcement functions, until Government decisions have been made
- explain how effective river catchment management can be maintained.

Resources

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

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