

Emerging Issues

- Local government reform, governance
- Central/local government relationships

Zone Three

Contents

- 01 Introduction
- 02 Reform - overload
- 03 Systems Improvement Bill
- 04 Governance "issues"
- 05 Head start
- 06 Rates capping
- 07 Observations
- 08 Discussion



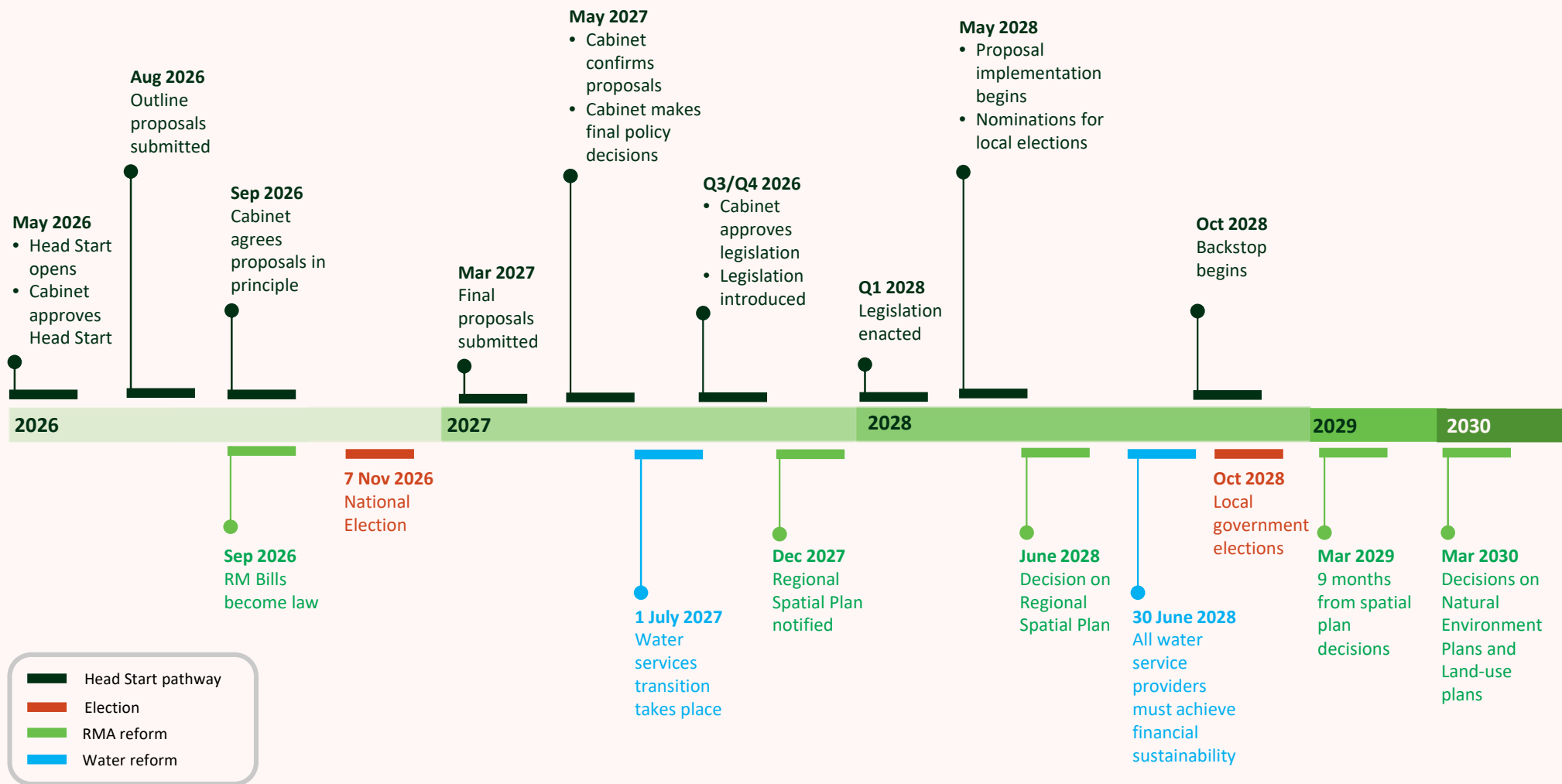
Credentials and Disclaimers



Reforms



- 01 Water reform
 - 02 RMA reform
 - 03 New purpose and core services
-
- 04 Head start
 - 05 Rates capping



Water Services



- 01 “Network infrastructure” still includes water services so a core service
- 02 Still some interface between LGWSA and LGA
- 03 The LGWS Act and LG(WS)(Repeals and Amendments) Act generally remove water services from the LTP and into the Water Services Strategy
- 04 Exceptions are provisions for targeted rates for water services in the FIS - s.221(4) LGWS Act
- 05 Demonstration in financial strategy of compliance with financial principles if council is a water services provider
– s.18(2) LGWS Act
- 06 Infrastructure strategy (s 101B(5A) – may still include water services infrastructure information if that is part of, or desirable to support, integrated approach to infrastructure planning in the district (but not detailed information about any water service)

Local Government (Systems Improvement) Amendment Bill



The primary policy objective of the Bill is to reduce pressure on council rates by -

- 01 Refocussing the purpose of local government
- 02 Prioritising core services in council spending
- 03 Strengthening council transparency and accountability
- 04 Providing regulatory relief



General policy statement continues ...

- The Bill is intended to address cost of living concerns
- In current LTPs, rates have risen the fastest in 20 years and forecast to rise again by an average of 15%
- Accepts rates rises are driven by rising council costs, particularly for critical infrastructure
- But Government is concerned rises exacerbated by lack of fiscal discipline, including:
 - Spending on activities that stray from core services
 - Spending more than necessary on basics
 - Not taking advantage of the full range of funding and financing tools

Proposed new purpose and role under the Bill

s 10 – Purpose

- a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- b) to meet the current and future needs of communities for good-quality, cost-effective, and local:
 - i. Infrastructure; and
 - ii. public services; and
 - iii. performance of regulatory functions; and
- c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b).

s 11 – Role

unchanged

s 11A – Core services to be considered in performing role

- 1) In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities:
 - a) network infrastructure
 - b) public transport services (s.5(1) LTMA 2003)
 - c) waste management and minimisation (s.5(1) WMA 2008)
 - d) civil defence emergency management (s. 4 CDEMA 2002)
 - e) libraries, museums, reserves, and other community and recreational facilities.

“cost-effective”

In relation to the delivery of infrastructure and public services, and the performance of regulatory functions, **cost effective** means ensuring that the public receives value for money by—

- (a) using resources effectively, economically, and without waste; and
- (b) taking into account the total costs and benefits of any decision or action

Discussion

Removes references to the 4 well-beings (again)

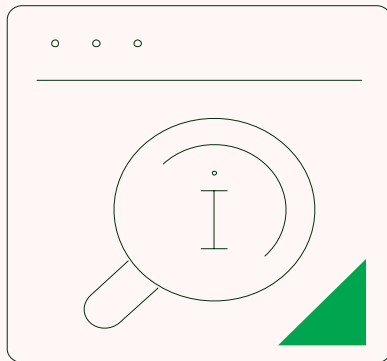
Largely restates purpose from 2012-2019

New (c) suggests role in supporting local economic growth and development (by meeting community needs cost effectively)

- No transition provisions
- Community engagement/choice



Implications for LTP 2027/2037



- Purposes of the LGA relating to framework for local authorities to decide which activities they undertake and how, and accountability to communities, remain, and the purpose of local authorities is still to provide democratic local decision-making by and on behalf of communities
- It is still about “now and for the future” and sustainability
- How to respond to the purpose change is a matter for LTP consultation
- There are no transitional provisions relevant to LTP or change of purpose/core services
- A key focus must be efficient use of resources without waste and total cost and benefit

Governance "improvements"



—> **New responsibilities and entitlement:**

- New CE responsibilities to provide (s. 42(2)(i)), and elected member entitlement to have access to (cl. 26A Sch. 7), documents held by council and reasonably necessary to enable effective performance of their functions, duties and powers
- With “right of appeal” to the governing body if CE declines (cl 26A (3) and (4) Sch 7)

—> **Standardised Code of Conduct and Standing Orders:**

- To be issued in due course

—> **Prohibition on non-elected committee members voting**

- Announced 2 June 2026: Amendment Paper not released yet

—> **Second term of CE appointment (without advertising):**

- Increased from 2 to 5 years

Guidance for Head Start outline proposals

Simplifying Local Government

Key points taken from recent Guidance

- Initial assessment by MCERT
- Outline proposals are intended to be light-touch, high-level and strategic
- No strict content requirements (guidance is a guide)
- No set thresholds for criteria
- Ministers prepared to make trade-offs between criteria



New Zealand Government
Te Kāwanatanga o Aotearoa

SIMPSON
GRIERSON

Guidance for Head Start outline proposals

Simplifying Local Government

Key points taken from recent Guidance

- Regional council support can be indicated
- Spatial planning boundaries not immediately affected
- Scope for ideas for local representative bodies outside of existing LGA models
- Economies of scale includes effective functional delivery
- Outcomes from community engagement likely to be addressed in final proposal



New Zealand Government
Te Kāwanatanga o Aotearoa

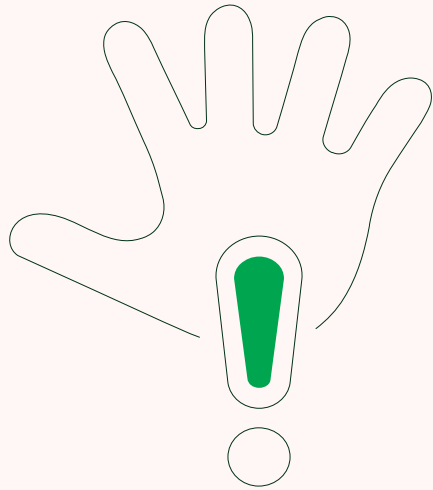
SIMPSON
GRIERSON



LGA requirements continue to apply

- Decision to submit an outline proposal does not arise from any specific statutory obligation, power or function
- Decision to submit therefore relies on general power of competence
- Part 6 (LGA) requirements will apply
- Assessment of significance needed

Risks?



- Judicial review – not merits, process focussed
- Political, relationship and public relations risk
- Risk of inclusion in other councils' proposals
- Risk of exclusion altogether
- Risk arising from inclusion in the 'backstop' process
- Other process uncertainty – LTP processes, Water Reforms, impending RM reforms

Rates capping: the potential model



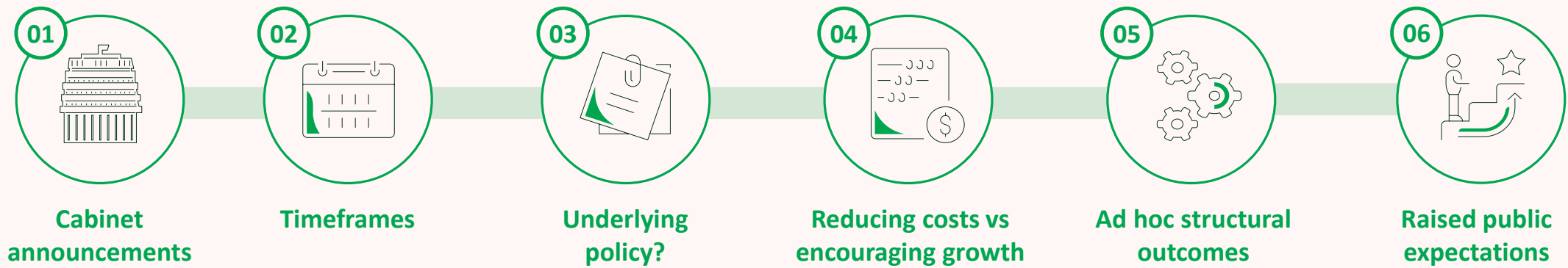
- 01 A target range within which councils can raise rates (includes a minimum, midpoint and maximum)
- 02 The target range to be anchored in long-run economic indicators
- 03 Applies to all sources of rates (excluding water charges, development contributions, fees-funded council services)
- 04 Variations to the target range will be allowed in certain circumstances
- 05 Regulatory oversight
- 06 Transition period between 2026 and mid-2029



Some thoughts

- Is CPI a robust method to measure Council inflation?
- Appears to assume that efficiency gains can meet lost revenue
- How does this sit with supporting economic growth and development?
- Doesn't this ensure that any "infrastructure deficit" increases?
- The regulator will get to determine local outcomes
- And what of the combined impact of reforms - additional costs significant to implement RMA reform, Simplifying Local Government, increased water costs (overall costs)?
- Encourages shift to user charges, which may be regressive

Observations



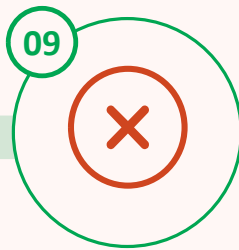
Observations



**Ministerial
power**



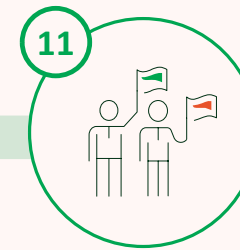
**Commerce
Commission in**



**Local Government
Commission out**



**Politicised Local
Government Act**



Lobbyists



**The need for a
national voice**

Discussion



Jonathan Salter | Consultant

+64 4 924 3419

+64 21 480 955

jonathan.salter@simpsongrierson.com



THESE SLIDES DO NOT CONSTITUTE LEGAL ADVICE. COPIES ARE PROVIDED TO ATTENDEES FOR PERSONAL USE ONLY

Zone Three Meeting – Local Government Reform Forum

Date: 2-3 July 2026

Host: Napier City Council

Please note I have put my notes in Chatgpt to assist this report. I welcome any questions and thank Rangitikei District Council for the opportunity to attend. I can add that much of the benefit of the event is in conversations outside the speaker sessions. Enjoy! Counsellor Fi Dalgety,

Purpose

This report summarises presentations, panel discussions and council feedback from the Zone Three Meeting hosted by Napier City Council in July 2026. The meeting focused on the Government's proposed Local Government Reform Programme, including the HeadStart process, the proposed Backstop mechanism, and opportunities for councils to shape future governance arrangements.

Hon. Simon Watts – Minister Responsible for Local Government Reform

Overview

The Minister outlined the Government's expectations for the HeadStart programme and the principles underpinning local government reform.

Key Messages

- HeadStart is intended to be a collaborative process rather than compulsory amalgamation.
- Proposals for a single council unitary will not to be accepted.
- The Department of Internal Affairs (DIA) will assess proposals against established criteria.
- **Re Consultation**

A question was asked regarding whether there would be opportunity for additional consultation during the Backstop process.

The Minister emphasised that reform is intended to be a two-way process, with Government prepared to learn from the HeadStart submissions and make sensible adjustments where appropriate. ie 90% as per criteria but must be workable, fit for purpose & able to deliver long term benefits. They remain open to sensible amendments.

Timeline

The Minister outlined the anticipated timetable:

Date	Milestone
9 August 2026	HeadStart proposals submitted
Late September 2026	Officials provide recommendations to the Minister
Mid-2027	Draft legislation expected – RMA also legislated
2028	New legislation intended to be in force for Local Government Elections

Backstop Process

Questions were asked “Can Councils be dragged into Headstart? Would there able to be Consultation – an outstanding fear!

The Minister advised that:

- Councils should not lose sleep over the possibility of compulsory intervention. He considered it unlikely.
 - Government's preference is for councils to develop locally-led solutions.
-

A question from Whanganui asked how Government intended Councils who manage functions of multiple waterways. Size & scale are important but so is being close to the ratepayer.

He noted that duplication across councils remains a significant issue and that Government is seeking a simpler local government system that is more efficient and effective.

1 unitary = 1 spatial plan

Representation Reviews

Nick Nixon (South Taranaki District Council) asked whether councils would still be required to undertake representation reviews during this reform period.

The Minister confirmed they would.

He also commented that this provides councils with an opportunity to ensure their representation arrangements are "match fit" for future governance structures. Noting that very small Councils are not going to be enduring.

Functional Responsibilities

The Minister acknowledged that different council activities require different governance approaches.

Some services require:

- strong local representation and local decision-making,
- while others benefit from:
- greater scale,
 - regional delivery, and
 - coordinated planning.
-

Geographic Boundaries

The Minister advised there is flexibility around geographic boundaries.

He suggested the reform process presents an opportunity to:

- tidy up existing boundaries;
 - improve alignment between communities of interest; and
 - create governance arrangements better suited to future service delivery.
-

Hon. Mark Patterson

Minister for Rural Communities (NZ First)

Minister Patterson focused primarily on ensuring rural communities remain well represented throughout the reform process.

Key Themes

Food Production

The Minister emphasised the importance of protecting New Zealand's food-producing regions.

He noted that a growers' consortium has recently been established to strengthen the voice of food producers.

Rural Communities

Concern was expressed that larger governance structures could weaken rural representation. Discussion highlighted:

- protection of rural voices
 - emergency service resilience
 - maintaining local identity
 - ensuring smaller communities remain influential within larger governance models.
-

Local Voice

He recognised the importance of maintaining strong local relationships and ensuring reforms do not distance decision-makers from communities.

Questions from Scott Gilmour

Scott Gilmour asked:

"What are Government's bottom lines?"

If Councils go to Backstop, will they be told "Do this or it will be done do you?" Councils need time to look at it.

The Minister responded that Government recognises local sensitivities, are Metros in or out or are rural based Councils best amalgamated.

Number of Councils

A question was asked whether New Zealand currently has too many councils -78

Reference was made to Switzerland, which has a similar population of 4mill but over 2,000 local councils.

The Minister responded that the issue is not simply the number of councils.

Rather, the challenge is:

- multiple planning systems;
- inconsistent standards/interpretations;
- duplication;
- complexity across regulatory frameworks.

He noted there are currently around 1,600 different planning mechanisms or standards operating across local government, creating unnecessary complexity.

Efficiency

Questions were raised regarding:

- expected efficiency gains;
- measurable cost savings;
- whether meaningful analysis has been undertaken; and
- how significant structural reform could realistically be completed within a three-month timeframe.

The Minister acknowledged these concerns while reinforcing Government's objective of creating a more efficient and effective local government system.

Key Discussion Question

A recurring question throughout the session was:

What is the size of the prize?

Participants questioned:

- what efficiencies are realistically achievable;
- what trade-offs may be required;
- whether reform will reduce costs for ratepayers; and
- how success will ultimately be measured.

Parliamentary Panel Discussion

Regional Priorities and Opportunities for Hawke's Bay

Panel Members

- Katie Nimon MP (National) – Napier
- Stuart Nash – NZ First Candidate
- Cushla Tangaere-Manuel MP (Labour)
- Heather Skipworth – Green Party Candidate

The panel was asked four questions:

1. Do you support the Government's local government reform programme?
2. Do you favour greater localism or greater centralisation?
3. What do you believe is broken within local government?
4. What is your long-term vision for local government?

Questions Put to the Panel

1. Do you support the Government's local government reform programme?
2. Are you in favour of localism or greater centralisation?
3. What do you consider to be broken within local government?
4. What is your long-term vision for local government?

Katie Nimon MP (National)

Support for Reform

Katie Nimon expressed support for the Government's reform programme, while acknowledging that communication around the reforms could be improved.

Key Points

- Local government must improve efficiency.
- The current system is not financially sustainable.
- Local decision-making remains valuable and should be retained wherever possible.
- Duplication between councils should be reduced.
- Resource consenting remains overly complex and expensive.
- Councils should focus on delivering core services well.
- Greater emphasis should be placed on economic development opportunities.
- Strong partnerships with private enterprise will be increasingly important.
- Reform should help create communities where people choose to live, work and invest.

Stuart Nash

General Position

Mr Nash supported a stronger partnership between central and local government but questioned whether the current reform process is sufficiently locally led.

Key Messages

- Local government remains the strongest advocate for local communities.
- Reform should come from the ground up rather than being imposed.

- Local knowledge produces better decisions.
- Some functions, including tourism promotion and certain regulatory activities, may be better delivered regionally.
- Local councillors remain best placed to understand community priorities.

Concerns Raised

Mr Nash expressed concern regarding:

- the compressed timeframe;
- the diversity of councils being asked to adopt similar solutions;
- alignment with existing Long Term Plans;
- the importance of maintaining genuine local leadership.

Cushla Tangaere-Manuel MP (Labour)

Key Messages

Ms Tangaere-Manuel raised concerns regarding the overall approach to reform.

Key observations included:

- The process appears rushed.
- Communities may feel reform is being imposed rather than developed collaboratively.
- Local government should not continue receiving unfunded mandates from central government.
- Greater partnership with iwi should be recognised within future governance arrangements.
- Communities are already experiencing consultation fatigue.

Heather Skipworth (Green Party)

Key Messages

Ms Skipworth questioned both the pace and intent of the reforms.

She suggested:

- the process is being undertaken too quickly;
- Government has not demonstrated that structural reform will necessarily reduce costs;
- savings may not eventuate;
- there is growing public distrust in decision-making processes.

She also suggested central government should consider paying rates on Crown-owned property.

Questions from Attendees

Elijah Pue – Horizons Regional Council

Mr Pue raised concerns regarding Māori representation.

Discussion focused on:

- the importance of genuine partnership with iwi;
- Māori wards;
- ensuring Māori voices are appropriately recognised during any future governance changes.

Concern was expressed that previous Māori Ward referendum processes had not reflected genuine partnership.

Hon. Tangi Utikere MP (Labour – Palmerston North)

Mr Utikere raised several concerns regarding the reform programme.

HeadStart Timeframe

He questioned whether councils had been provided sufficient time to properly consider structural change.

He suggested:

- more time should be available;
- bipartisan political support would strengthen confidence;
- uncertainty remains around many future Government initiatives.

Additional Matters Raised

- future Roads of National Significance;
- protection of the Four Wellbeings;
- future revenue sources;
- environmental protection;
- catchment management;
- public transport;
- biodiversity;
- maintaining local democratic representation.

Mr Utikere emphasised that future reform should represent a genuine partnership between central and local government, future revenue options and no further unfunded mandates.

Around the Regions Presentations

Wairoa

Previous community consultation indicating approximately **87% of respondents opposed amalgamation.**

Discussion highlighted that:

- land area;
- food production;
- geographic scale;
- and rural representation

should all receive weighting rather than population alone.

Would consider North/South HB unitary.

Tararua District Council

Tararua advised it is **not supportive of amalgamation.**

However, councillors expressed support for:

- shared service arrangements;
- collaboration between neighbouring councils;
- maintaining strong community representation.

Members described the current reform programme as:

"a game of musical chairs where everyone is trying to find a seat before the music stops on 9 August."

Tararua advised it had hosted nine community meetings and intends advocating for alternative options. Wants to fight for better options – considers NZ is over centralised.

Napier City Council

Napier reported:

- development of a Memorandum of Understanding;
- agreed Rules of Engagement;
- establishment of a small working group meeting weekly.

Council found Local Government New Zealand briefings particularly valuable.

Discussion acknowledged previous amalgamations had delivered relatively modest financial savings, referencing:

- Tasman;
- Marlborough;
- Auckland.

Key discussion points included:

- desired outcomes from Government;
- future regional governance;
- decision-making structures;
- maintaining appropriate representation.

Council advised it had received approximately **520 community submissions**. Consultation continues. Digital billboards, coffee with a Councillor etc

South Taranaki District Council

South Taranaki advised it is actively considering amalgamation despite the limited timeframe.

Current collaboration already includes:

- shared services;
- sharing Regional Council function already;
- regular meetings involving councillors, mayors and chief executives.

Community consultation asked "what matters most?":

- local decision-making;
- affordability;
- representation;
- Māori partnerships;
- governance simplicity;
- collaborative planning;
- environmental protection.

Approximately **1,100 responses** had been received of 726 on LWDW

Around **93.5%** expressed support for exploring a model involving **two unitary councils across Taranaki**.

Horizons Regional Council

Horizons reflected on the uncertainty facing local government.

Council emphasised several principles:

- communities must remain central to reform;
- local government exists to serve communities;
- governance must remain economically sustainable;
- catchment-based management remains important.

Discussion highlighted that:

- localism should be reflected within any new governance design;
 - councils should work together rather than compete;
 - reform should improve service delivery while ensuring no community is left behind.
-

Whanganui District Council

Whanganui advised it would **not submit a HeadStart proposal** within the current timeframe.

Council believes:

- three months is insufficient;
- six months would allow significantly better community engagement.

Discussion highlighted:

- catchment-first planning;
- engagement with river communities;
- understanding what communities genuinely value before structural decisions are made.

Community engagement undertaken to date included: Asked “What is most important to them if LG was to change”

- approximately 300 survey responses;
- around 150 attendees at a public meeting.
- Live poll voting

Council expressed interest in exploring:

- shared service arrangements;
 - collaboration;
 - options that genuinely improve community outcomes rather than simply changing organisational structures.
-

Gisborne District Council

Gisborne noted that governance models suited to metros may not necessarily work for rural New Zealand.

Key points included:

- Structural change should not be the objective in itself.
- Amalgamation assumes better outcomes.
- Reform must recognise:
 - ageing infrastructure;
 - climate change;
 - increasing community expectations; and
 - financial sustainability.

Council indicated support for reform only where there is clear evidence that it will strengthen communities while maintaining local connections.

Have to make sure the change leaves our Communities stronger

Central Hawkes Bay Council

Representatives emphasised the unique characteristics of Hawke's Bay:

- large geographic area;
- relatively small population;
- significant productive land.

Discussion focused on:

- protect land use
- keeping decision-making close to communities;
- affordable and sustainable rates;
- improving roading infrastructure;
- strengthening regional economic development.

Councils noted the absence of a regional water strategy and regional energy strategy and considered reform an opportunity to develop a stronger regional approach while preserving local representation.

The recurring message was:

Focus on the outcomes rather than simply the process.

Rangitikei District Council

Rangitikei described its preferred approach as:

"Friends with benefits."

The comment reflected support for stronger collaboration between councils while maintaining each council's individual identity and local decision-making responsibilities.

Palmerston North City Council

Palmerston North acknowledged that elected members recognise the need for change but expressed uncertainty regarding the Government's proposed Backstop process.

Discussion highlighted:

- uncertainty around Government intervention;
- the need for greater clarity regarding the Backstop process;
- whether future reform should be based around catchments or communities of interest.

Community engagement to date had generated additional questions rather than clear support for structural change.

Council considered collaborative service delivery to be a critical component of any future model.

Ruapehu District Council

Ruapehu reflected on the 1989 local government reforms, when approximately 150 councils were reduced to 76.

Council observed that those reforms significantly affected rural communities with:

- small populations;
- large geographic areas;
- extensive infrastructure responsibilities.

Concerns regarding the current proposals included:

- reduced elected representation;
- loss of local identity;
- compressed consultation timeframes;
- continued use of the term "amalgamation."

Federation of Councils

Council suggested future models should instead be viewed as groups of councils working together to deliver services rather than traditional amalgamations.

Members agreed reform is necessary but advocated keeping an open mind regarding structural options.

New Plymouth District Council

New Plymouth's Chief Executive, who currently acts jointly for New Plymouth District Council & Taranaki Regional Council described the process humorously:

"What started as *Married at First Sight* has turned into a Tinder date."

The analogy reflected uncertainty regarding potential future partners and governance arrangements.

Council commented that:

- meaningful modelling is difficult without clear information on costs and benefits;
- community engagement has generated only modest participation;
- Government should allow councils to say what they think & begin with a "clean sheet of paper." Like exploring a federation model.

Taranaki Regional Council

Council advised that BAU normal business needs to continue.

Current collaborative work includes:

- JMA partnership arrangements with iwi; all Councils lost their Maori Wards.
- significant catchment governance & care responsibilities;
- environmental management programmes.

Considered more of a Head case and back stab process.

Horowhenua

Need to change because:

- recognition that current funding arrangements are unsustainable;
- affordability and efficiency remain key drivers;
- concern regarding timing ahead of the General Election.

Need to think long term.

Personal preference: Palmerston North, Horowhenua and Kapiti collectively serve populations of approximately 200,000 people only 100km apart, suggesting opportunities for greater collaboration.

Hastings District Council

Not worried we structure concerned re outcomes.

Significant opportunities:

- water security;
- energy security;
- transport connections;
- workforce availability;
- housing.

Importance of representation for Rural Communities

Reference was made to the 1989 reforms, where rural communities were required to contribute towards urban services. Not happy. Have 4 rural wards.

Council noted that future arrangements must ensure representation is adequate rather than simply proportionate to population.

Manawatū District Council

Manawatū expressed the view that:

“Bigger is not necessarily better.”

“We can do Regional Council roles”

Council considered its current population of approximately 34,000 to be an appropriate size for effective local government.

Indicated support for Heartland model

Hawke’s Bay Regional Council

The Council presented a thought-provoking historical overview of land use across the region.

Key messages included:

- New Zealand’s landscape has been dramatically transformed since European settlement.
- Approximately 51% of the land area is now in pasture.
- Catchment Boards have existed since 1941, yet rivers do not recognise administrative boundaries.

Discussion highlighted:

- land-use capability;
- catchment management;
- river health;
- biodiversity;
- environmental resilience.

Council observed that much of regional council work is invisible until it is no longer undertaken. One example contrasted public debate around funding a new roundabout with the less visible but equally important investment required to protect rivers.

Hon. Andy Foster – Future of Local Government in Regional New Zealand

Hon. Andy Foster discussed opportunities to reshape both local government structures and functions.

Key messages included:

- Form should follow function.
- Government should first determine what services need to be delivered before deciding governance structures.
- The Local Government Act should be reviewed.
- Unfunded mandates should cease.

Discussion also covered:

- by-election costs;
- asset management;
- proposed rates caps;
- special purpose roads;
- infrastructure funding.

Mr Foster questioned whether some responsibilities could appropriately return to central government.

Structural Reform

Mr Foster noted that many councils have shown limited enthusiasm for amalgamation.

He suggested councils require:

- additional time;
- greater flexibility;
- clearer information regarding costs and benefits.

Issues requiring further clarity include:

- debt harmonisation;
- regional council costs;
- ownership of strategic assets such as ports.

He summarised the challenge by stating:

“Every council needs a dance partner.”

Community Engagement

Mr Foster encouraged councils to undertake meaningful Long Term Plan consultation and develop proposals communities could support before the 2028 elections.

He acknowledged there are multiple possible governance models, including:

- unitary authorities;
- federation models;
- collaborative regional arrangements.

Maintaining local representation remained a consistent priority. Noted issues re Maori Wards, ie low voter turn out so EM are elected with only 10-15% of vote.

Other Presentations

Jonathan Salter (Simpson Grierson)

Mr Salter outlined the legal and governance challenges facing local government.

Key observations included:

- rising public expectations; eg rates capping – wanted by rate payer but very difficult to implement, DIA acknowledge challenge, role for Commerce Commission? ie LG cant do it , Commerce Commision not asked
- Unfair timeframe
- User pay focus – how encourage growth with rates cap
- increasing legislative complexity;
- need Local Government New Zealand to stand up & be a strong lobbyist;
- need strong unifies local voice

Hon. Andrew Hoggard

Mr Hoggard outlined work underway across:

- food safety; animal welfare; environmental regulation; freshwater farm plans, SNA tighten up, biosecurity (Avian flu – not if its when).

He advised future farm planning processes are intended to become simpler, reduce duplication and increasingly recognise industry assurance programmes. Need to understand impact and what mitigations available.

Need Transition period – so have capability to deliver.

Need to truly understand Regional Council function before we decide on the form.

Hemi Smiler - Department of Internal Affairs – GM of Local Government Reform & Deals

Officials provided further detail regarding implementation.

Local Representation

Shouldn't be questioning Should I be in Headstart or not but Who do I want to work with?

Need 1-2-3 unitary model

How preserve local provincial voice when say 9% of population but 70% of land mass.

Need to consider what sub-unitary looks like ie

- local boards;
- ability to create targeted rates;
- by laws;
- independent budgets;
- dispute resolution mechanisms.
- What new tools need/ are available

Transition

Officials acknowledged further work is required on:

- debt harmonisation/ standardisation; need to be developed in detailed design stage.
Also need transition plan
- What ifs? In design phase – Can we “off ramp”. Concern re current legislation
- What does transition look like – key milestones, no RC elections. Mayors will transition.
- No more clarity on Backstop until May 27. Minister likely to revisit reforms in September.

Overall Observations

Several consistent themes emerged throughout the forum:

- There is broad acceptance that reform is needed, particularly given current funding pressures.
- Most councils favour stronger collaboration and shared services over compulsory amalgamation, but this is not an option.
- Preserving local representation and community identity remains a priority.
- Greater certainty is sought regarding the Government's proposed Backstop process.
- Rural councils consistently emphasised the importance of catchment management, local decision-making and fair representation.
- Affordability, infrastructure funding and long-term financial sustainability were common concerns.
- Participants generally supported reform that delivers demonstrable community benefits rather than structural change for its own sake.

Zone 3 meeting 2/3 July (Thurs/Fri)

Diana Baird

Executive summary

Politicians summarising what they have done this term and what they want to do next term. Nothing earth shattering nor surprising. Definitely in the home-straight to electioneering.

District councils all seem to have been attempting ratepayer engagement on amalgamation(s), and despite low ratepayer turnout/engagement, are mostly concerned about local representation and identity.

Everyone (including parliamentary staffers) would like to know what the Backstop process is, and would like it to be consultative rather than prescriptive. All agreed the Headstart process timeframe has been too short. Messages received consistent with previously: no further details nor commitments. Having said that, I am still new at this game and I may have miss subtleties in the messaging.

A couple of the Central government politicians raised issues vital to our communities and local government which did NOT relate to amalgamation... see comments from the two Andrews.

Speakers

Mark Patterson (NZ First), Minister of Rural Communities, and Associate Minister for Regional Development and Agriculture.

He had been present at the Hunterville when we did the Amalgamation engagement.

“an update from the Minister on current Government priorities affecting rural communities including local government reform, infrastructure, service delivery and opportunities for stronger Central and Local Government collaboration” What he actually spoke on:

Parliament was under urgency trying to pass 20+ piecers of legislation before Saturday. He thanked District Councils for their contributions.

He commented briefly on local government concerns, citing weather events and good regional growth. He also referenced Watties and McCains closures, hoping for a restart in conversations while airing concerns about food self sufficiency.

As a result, there were 3-4 bills around emergency services, including more “tools” for the likes of managing the Wairoa Bar.

The budget had delivered extraordinary funding for urban roading projects and 6 regional roads of significance including Waioireka and Awakino.

Regional water storage continued to be on his agenda, especially on the East coast, including for flood protection.

Energy costs may be mitigated by “super hot” geothermal scheme(s).

He remains interested in Tairāwhiti deprivation and the Manawatu Freight Hub.

Questions

What are his thoughts on rural communities losing their voices? NZ1st and National are conscious that solutions should come from local bodies, and that defaults are not preferred. It would be “brave” to do that.

Fiona Gordon (Horizons) asked why regional councils were excluded from Headstart and the minister said he didn’t know.

Craig Little observed it was difficult where there is no legislation. Scott Gilmore (Taranaki) asked what NZ 1st’s position was on the local reform... their bottom line from participants... would it be collaborative or prescriptive? Answer: there had not been enough regionally led progress so central government was stepping in.

“The size of the prize is unknown” regarding the tradeoff between representation and “cheaper services”.

What is the ideal number of councils? Citing 78 in our population currently; internationally (e.g. Switzerland) there are far more. Answer: there are a vast array of planning regimes, and they were trying to reform planning and governance all at the same time.

Andy asked whether amalgamations separate from regional councils would be considered? answer: up to us.

Forum on Hawkes Bay Opportunities from standing candidates

	Stuart Nash <i>NZ 1st</i>	Katie Nimon <i>National, MP Napier</i>	Cushla Tangaere- Manuel <i>Labour, Ikaroa Rāwhiti</i>	Heather Te Au- Skipworth <i>Greens, Ikaroa Rāwhiti</i>
Question				
Do you support current government reforms	Recognises the level of change being required	Yes, National led.	Agreeing, but not advocating for change by force, nor the	Described it as “paternalistic behaviour”, ignoring

	by new legislation		short timeframe. Questioning how it will all fit in the longterm	2021review, and it represents a loss of representation
Localism or centralisation?	Believes in not telling people what to do – it must be a partnership	Local vs hyper local, structure must be the right fit	Should not be by force, and needs to be local, bottom up	Localism. Boots on the ground. Is the money scary? Or will the cost be greater?
What is wrong and how should we fix it	Acknowledged the cost of getting it wrong	Duplication and inefficiencies provide complication to a decision working in the right place	Recovery from events and underfunded central government mandates: legislative overreach	Stick not a carrot approach
Long term vision?	Local problems need local solutions, providing the most passion and connection. Dissatisfaction leads to disengagement and erosion of the empowerment to make meaningful change	Global opportunities for locals: growing, industrial farming all needing a government partner to enable, not provide perfection.	The answer is in the room! Strong partnerships Reinstate legislation, especially Maori wards	Eroding of local and central government

At this point I stopped taking notes... a bunch of political-speak for voters. What was also interesting was the obvious respect between Katie Nimon and Cushla Tangaere-Manuel. The other 2 were true to their political allegiances.

Tangi Utikere (Labour, PN) on their LG position

Commented on:

- Tight legislative timeframe for reforms
- No fixed analysis of the consultation/conversation
- A bipartisan approach is needed
- Force is not helpful

- Shame “better local government” did not ask how to engage for better democracy
- Regional Council: work and place to understand fundamentals at the end of the process.

Questions:

Dave Wilson asked whether they would fund the changes if they were successful?

Reply: needs a conversation.

Michael Ford: are there other solutions than amalgamation? i.e. to protect local voices.

Shared services? Reply.. but where is the local voice? Are communities in favour?

Max (New Plymouth): what about the 4 wellbeings and un-funded mandates? Reply: not going to reinstate them, but would encourage them still to be included.

Andy: what aspects will cost more? Reply: Acknowledged hoped for expectations.

So basically nothing new/different.

Regional roundup

Pretty consistently, most speakers outlined how Districts were engaging with communities. While there had been a low turnout/response, most were concerned about representation and local identity. Noone felt there were too many councils, that money could be saved, nor that there was adequate time nor detail.

Few came out with definite amalgamation preferences, but some were expressed as below.

Other interesting comments:

Wairoa:

in 2015 87% voted against amalgamation; wanted to ringfence assets/taonga.

- they made a big contribution to exports which benefitted regionally, and cost locally.
- They could not do a local standalone local unitary, so going for something with the rest of Hawkes Bay

Tararua:

- Shared services are the fix, not amalgamation.
- Identified a need for reform, not structural change
- Announcements led to a mad rush... musical chairs won't provide a better outcome
- Are engaging with Horizons

- Want to fight for better(?!) options
- SLG: probably backstop, with time to get it right.

Napier:

- Discussing/meeting weekly, appreciated LGNZ efforts
- Some council functions ready to engage.
- Not going for a standalone Unitary
- Evaluating North or South

South Taranaki

- Working toward amalgamation with Stratford, New Plymouth and Taranaki RC.
- Staff already working together.

Horizons

- Explored the change for their leaders: acknowledged the job to be done, and that they were good at change
- Successive governments had signaled change
- Value the power of a collective approach and unity
- They are here to help

Wanganui (Mayor absent)

- Committed to doing the work, but it must be better for their community, else why do it?

Gisborne: learnings from their own unitary journey

- Support reform, don't protect existing structures for the sake of it.
- Consider all the options: amalgamation/shared services/collaboration/flexibility in the future
- Structure not = amalgamation not = cost savings
- Can deliver sustainability, capability, flexibility

Still considering Backstop when they see the outcomes.

Central Hawkes Bay

- Reflected on Peter Dunne: Local government is bigger than Central, so don't bash it! ¹
- Similar to Wairoa... looking for sustainability of communities (not cost of living), means to raise incomes, manage water and energy

¹ [Local government is no joke](#) 2019 Newsroom worth a look

Rangitikei (Dave Wilson)

Responded to and agreed with other presentations. Observed we are in the middle

Palmerston North City (mayor absent)

- Supported amalgamation in 1989, but not so much this time.
- Difficult for representation... loses on all analyses
- Easy to criticise... but what are the options?

Need a clean sheet to consider

- Federation
 - Representation
 - Identity
 - Services
- Acknowledged the Mayoral Forum and the need for an open mind

New Plymouth

Definitely an early mover/Headstart, but would like to see the cost benefit analysis as well

Taranaki Regional

Iwi representation is challenging

Horowhenua

- Themes common to many, but with different issues
- With rates capping, we will be unable to exist as we are
- They have natural relationships with Kapiti (e.g. sport) but also Central Districts Water (CDW) so are remaining deliberately flexible
- Their stated preference is Kapiti/Horowhenua/Palmerston North/Horizons (i.e. in part?)... only 100km
- BUT prepared to get on with the real work

Hastings

- Gave an interesting summary of their history of amalgamation
 - Rural urban differential abolition lead to death threats! Hence they have wards, and acknowledge the need to not leave the community behind in the solutions... adequate, not just proportional representation
 - The need for representation for smaller communities
- Less worried about the structure than the outcomes for water, energy, transport labour and housing

Manawatu

Still publicly standing against Headstart, with engagement 86% in favour (didn't note the %engaged with) of a small unitary council.

They are listening to Federated Farmers and want to stay rural, stay talking, and would put a proposal together outside of Headstart

Hawkes Bay Regional

Gave a theatrical performance highlighting the tension between civic functions and the environment

Andy Foster, NZ First

The local government minister had a poor background in Local Government, and questioned the function of Local Government without a water mandate.

Identified Unfunded Mandates

- Neutral chairs
- Lifejackets
- Local transport revenue – e.g. tolling, are state highways a cost or an asset
- Rates caps – core vs non-core
- FAR – look after existing assets before new ones
- The bow wave of bridge replacements
- Special purpose roads
- Earthquake prone buildings
- Traffic management costs... 40% of maintenance costs????
- Audit costs 1-2% of rates,
- 25% underspend on water identified but no accompanying solution

Structural/Sector reform

An overall opportunity to explore amalgamation, and if anyone is ready the Headstart it good, but others need more time

Big question is what to do with Regional council functions.

He is advocating for a middle ground between Headstart and Backstop:

- Knowing numbers: rates harmonisation?
- Ports and other assets
- Community voice following amalgamation
- Clarity on rationale... skeptical about savings
- Need for guard rails and offramps
- Function over form

Maori wards

Electorate MPs $\pm 5\%$ by population, so to attain 50% is a very small constituency. The numbers are very messy and anti-democracy and need calling out

Jonathan Salter, Simpson Grierson Consultant

Slides to follow?

We're wound up about Headstart, but RMA progress through parliament is also uncertain.

LG systems improvement Bill

A lot of law encouraging cost effectiveness with litigators will challenge

But reducing costs vs encouraging growth...???

It has potential to raise public expectations.

Andrew Hoggard Act party MP

Minister of Food Safety and Biosecurity

Associate Minister of Agriculture (Animal Safety), the Environment (Farm plans and fresh water) and Biodiversity

Workstreams/priorities

It was great to hear about other issues actually vitally impacting to our rural communities

Farm Environment Plans (FEP)

- To remove duplication, make it simpler
- Utilise industry assurance pathways: NZGAP, meat company QA programmes
- So engaging as a legislator with these groups to ensure consistency and the ability to deliver

Significant Natural Areas (SNAs)

– process paused, reviewed and tightened to comply with field visits and science

Establishing carrots for good activities

– *nature based activities*... other Carbon Credits based on science... a real scheme or not? How best can government enable such a system, with assurance based on

- Standards
- Transparency... no double dipping
- Adding to biodiversity

- Long lasting

Value to:

- Processors e.g. Silver Fern Farms sales to Wholefoods
- Outside investors/philanthropy for large operators and/or catchment care organisations

Biosecurity

Avian flu... when not if (as we have subsequently seen).... Working with the poultry industry.

Alignment of and Regional boundaries

Last but not least... after amalgamations this will be important for pest and weed control, and catchment management

Hemi Smiler – DIA/MCERT

All about the changing LG landscape

Post amalgamation:

- Representation – new tools?
 - Sub-unitary layers
 - Targeted rates for local amenities
 - Clear dispute/conflict resolution
- Balance sheets:
 - Debt harmonisation not expected in preliminary proposals
 - Need to outline the approach to solving
- Off-ramps
 - Nothing intended yet, but it is a legislative process
 - Some proposals may be contingent on off ramps... needs to be well considered... why? What process?
- Transition
 - Progress legislation is due before the 2028 LG elections
 - Need to know what we are voting for (do we ever?)
 - Unitary councils may not yet be in place.
 - So need to understand the considerations and timeline
- No headstart agreed? the Board of Mayors/crown commissioners remain

The detailed phase will be detailed sometime between August and May

MCERT say they have the processing ability

Bespoke legislation is required to direct Backstop... there will be 2 years to write a plan and 2028 may have interim terms.

TA boundary changes are within the headstart scope

Headstart – from Aug 9 will have a rapid assessment, followed by a detailed proposal phase.

Still lots of unknowns...

- could the existing Local Government Commission process be altered for Headstart/Backstop?
- Are there roles/power to be removed?
- Will a poll or referendum be required?
- How will the RMA reform impact? (still before the House)
- How will 2028 spatial plan agreement and implementation take place?

Side tours

As a district councillor, I had the privilege to tour the Hawkes Bay museum (great shaking room) and the Women's Rest building. The latter is an interesting development of a Council owned facility with a community trust into a meeting space and centre for Art Deco heritage.

Diana Baird observations

Everyone was talking about amalgamation options, but most were tight lipped about what they actually thought their councils would end up doing.

It is easy to become a one-issue meeting, and forget that our staff have to get up each day and continue to do the job of serving our community... There are many "real" issue to deal with daily, which have nothing to do with the issue we might currently get worked up about. Words from Andy Foster and Andrew Hoggard underline this.

And there are the things we don't talk about... as Napier councillor pointed out, over there they have spent a lot on building flood banks/cycle tracks higher, but the river mouths have not been dredged. No solution fixes everything.

I did not take notes on Simon Watts (Fi will report) nor the LGNZ update.

Nonetheless, Zone 3 is a great meeting space – I am always so encouraged by the bonhomie and genuine respect everyone extends.

Zone 3 Local Government Reform Meeting Report 2-3 July 2026

Introduction

The Zone 3 meeting brought together representatives from councils across Hawke's Bay, Ruapehu, Taranaki, Horizons, Manawātū-Whanganui, Horowhenua, Tararua, and Gisborne regions to discuss the Government's local government reform programme, amalgamation proposals, governance structures, and future regional arrangements. The forum provided an excellent opportunity for information sharing, discussion, and understanding of the differing challenges faced by councils throughout the region.

Wairoa District Council

Attendees: 8

Key themes from Wairoa included strong support for retaining Māori wards and significant opposition to amalgamation proposals.

Key points raised:

- Wairoa representatives were not supportive of amalgamation.
 - Approximately 33% of the Hawke's Bay land area is located within Wairoa District.
 - Around 45% of exports through the Port of Napier originate from the Wairoa area.
 - Concerns were expressed that amalgamation could diminish local representation and community voice.
-

Tararua District Council

Attendees: 4

Tararua delegates emphasised the need for reform but not necessarily amalgamation.

Key points:

- Focus should be on fixing services rather than pursuing amalgamation.
- Strong community support exists for local government reform.
- One speaker described the reform process as being "like a game of musical chairs."
- Nine consultation meetings were held.

- Only 9% of respondents supported the "backstop" option.
 - Taranua is actively exploring partnerships within the Horizons region.
 - Consideration is being given to a North/South amalgamation option.
-

New Plymouth District Council

Attendees: 1

Discussion highlighted uncertainty regarding the available reform options.

Key points:

- Reform was compared to a "Tinder date" — too early to know whether it will succeed without seeing the final model.
 - Consultation meeting participation was reported as poor.
 - There remains insufficient information available to assess future governance arrangements.
-

Napier City Council

Attendees: 5

Napier presented two preferred options moving forward.

Key points:

1. Remain as a standalone council.
2. Amalgamate with the four Hawke's Bay territorial councils.

Additional comments:

- Representatives stated that Blenheim, Tasman and Auckland had achieved little or no savings through amalgamation.
 - A total of 520 responses were received on the consultation document.
 - Preference was expressed for either one or two councils within Hawke's Bay.
 - Strong concerns were raised regarding the poor representation experienced by smaller communities following the 1989 local government reforms.
-

South Taranaki District Council

Attendees: 4

South Taranaki demonstrated considerable support for amalgamation.

Key points:

- Strong preference to amalgamate.
 - Existing shared services with New Plymouth are working well.
 - Preferred amalgamation partners are Stratford and New Plymouth.
 - Approximately 1,100 submissions and consultation responses were received.
 - 93.5% supported a two-unit model alongside Stratford.
-

Horizons Regional Council

Attendees: 4

Feedback reflected uncertainty while acknowledging regional cooperation.

Key points:

- Significant uncertainty remains regarding future arrangements.
 - The regional council itself remains united.
 - Further clarity from central government is required.
-

Whanganui District Council

Attendees: 3

Whanganui representatives stressed the importance of allowing more time for decision-making.

Key points:

- Not committed to pursuing a Head Start proposal.
 - Preference for a shorter reform pathway but with additional time.
 - Requested at least six more months for consideration.
 - Strong emphasis was placed on the Whanganui River as a living entity and central component of regional identity.
 - Approximately 490 responses were received through consultations.
 - Will proceed with reform if efficiencies can be clearly demonstrated.
-

Gisborne District Council

Attendees: 2

Gisborne highlighted unique demographic and geographical challenges.

Key points:

- Māori comprise approximately 56% of the population.
 - Large geographic area with a relatively small rating base.
 - High exposure to weather-related hazards and natural disasters.
 - Supports reform.
 - Strong emphasis on partnerships with iwi and hapū.
-

Central Hawke's Bay District Council

Attendees: 5

Central Hawke's Bay focused on maintaining existing regional relationships.

Key points:

- Large land area with a relatively small rateable population.
 - Significant economic contribution through the Port of Napier.
 - The closure of McCain Foods and losses at Wattie's were noted as major economic setbacks.
 - Preference to remain connected with existing regional structures.
 - Concerns were raised regarding the absence of a clear water strategy.
-

Palmerston North City Council

Attendees: 2

Palmerston North advocated for collaboration rather than immediate amalgamation.

Key points:

- Requires support and cooperation from surrounding councils.
- More likely to pursue shared services than a Head Start proposal.
- Three months was considered insufficient time for decision-making.
- Catchment management was identified as a major concern.

Ruapehu District Council

Attendees: 3

Ruapehu representatives sought greater flexibility in reform options.

Key points:

- Exploring alternative governance options.
- Considering challenging government-led amalgamation proposals.
- Interested in a federated model and council groupings.
- Belief that additional time is required before major decisions are made.

Taranaki Region

Attendees: 2

Key points:

- Māori wards have been removed.
- Significant importance placed on protecting and recognising the Waitara River.
- Strong expectation that iwi treaty settlement arrangements must be fully honoured.
- Opinion split approximately 50/50 between a Head Start approach and a backstop arrangement.

Horowhenua District Council

Attendees: 2

Key points:

- Faces many of the same issues as neighbouring councils.
- Taking a long-term strategic view.
- Considering two amalgamation options:
 - Palmerston North
 - Rangitikei

Hastings District Council

Attendees: 3

Key points:

- Received 681 consultation responses.
 - 67% supported a model incorporating Napier, Wairoa and Central Hawke's Bay.
 - Proposal included the establishment of four wards to maintain representation.
-

Manawatū District Council

Attendees: 3

Key points:

- Strong view expressed that "We are not broken, we do not need fixing."
 - Received 743 consultation responses.
 - 30% supported joining with Rangitikei.
 - 8% supported joining with Horowhenua.
 - Preference to become a small unitary authority.
 - No intention to submit a Head Start proposal.
-

Hawke's Bay Regional Council

Attendees: 5

A strong sentiment was expressed regarding the future of regional governance.

Key observation:

"RIP – who is going to stand up for the land now?"

This reflected concerns about the future role of regional councils and environmental stewardship under any new governance arrangements.

Local Government New Zealand (LGNZ)

Attendees: 2

LGNZ participated in discussions and provided ongoing support and guidance regarding reform processes.

Rangitikei District Council

Attendees: 6

Rangitikei representatives actively participated throughout the forum and contributed significantly to discussions around governance reform and regional collaboration.

Overall Themes

Several common themes emerged across the meeting:

- Strong support for reform but not necessarily for amalgamation.
 - Concerns regarding loss of local representation, particularly in smaller communities and rural districts.
 - Widespread belief that consultation timeframes are too short.
 - Recognition of the importance of iwi partnerships, treaty obligations, and Māori representation.
 - Significant concern regarding water management and environmental stewardship.
 - Ongoing uncertainty around government reform models and outcomes.
 - Greater support for shared services and collaborative arrangements than for full amalgamation in many districts.
 - A recurring desire to maintain strong local identities and community decision-making.
-

Closing Remarks

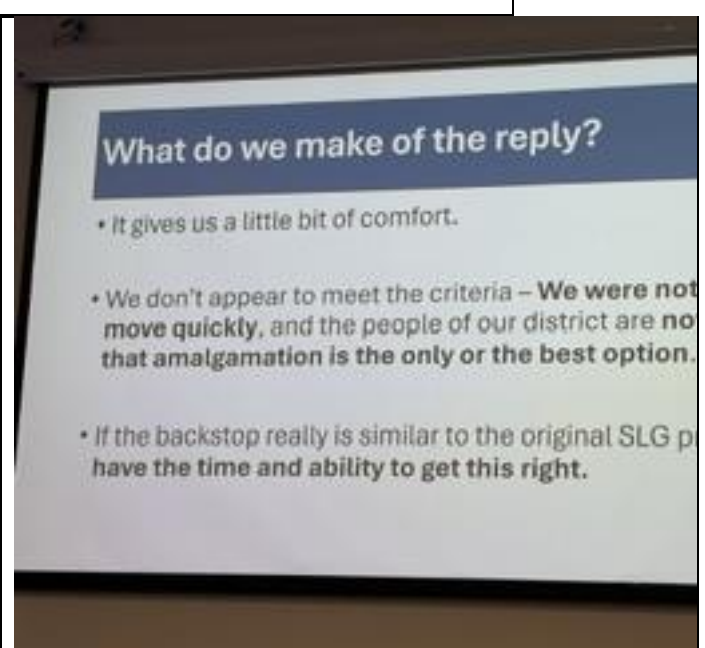
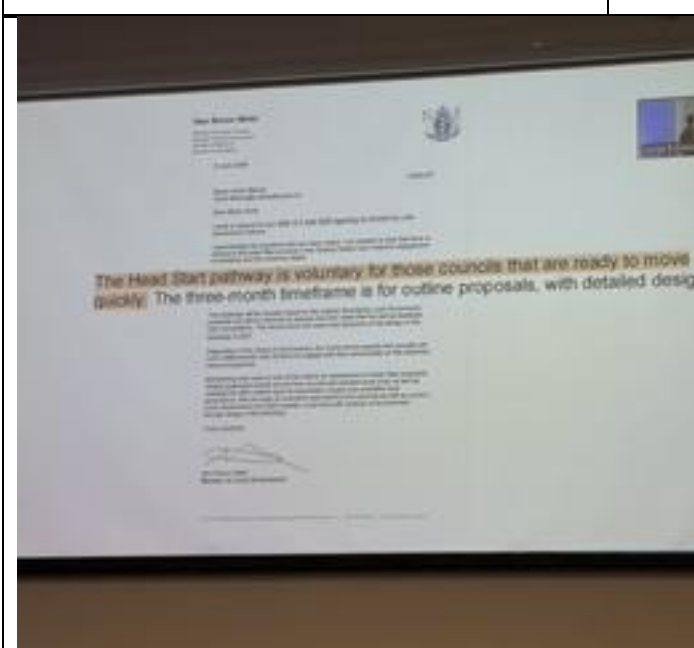
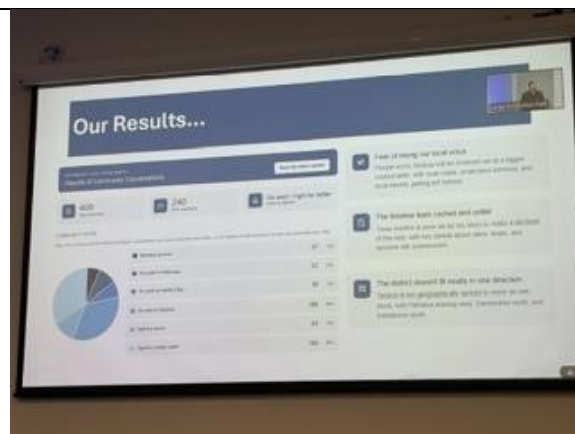
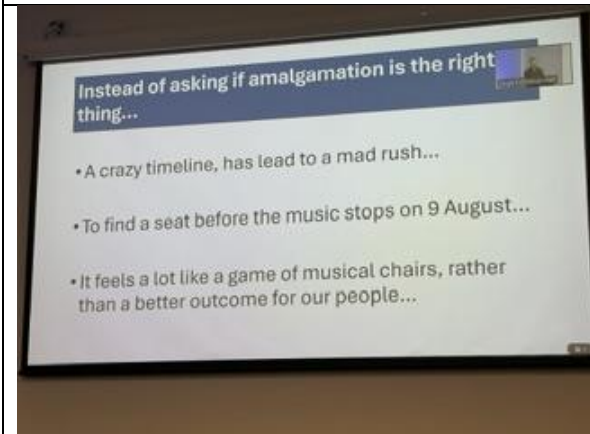
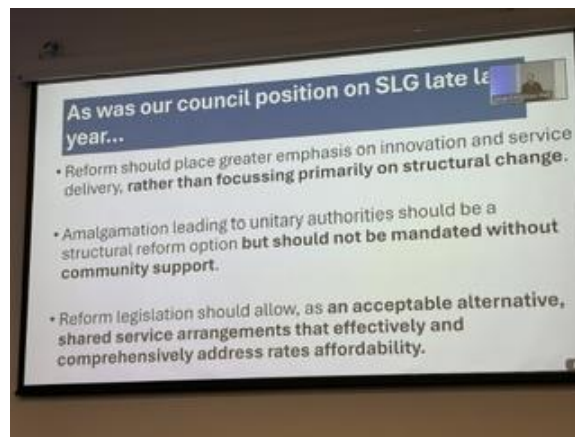
The Zone 3 forum provided valuable insight into the diverse perspectives of councils across the region. While views differed on amalgamation and governance structures, there was broad agreement that local government reform is needed and that communities must retain meaningful representation and influence in future arrangements.

On a personal note, it was a great information-sharing forum, and I would like to thank Rangitikei District Council for its support and hospitality throughout the event.

Councillor O'Fee



Tararua



As part of that, we need to consider some myths.

- **New Zealand has too many councils for its size...**
 - This is not true, compared to countries we usually compare ourselves to, we are already highly centralised.
- **That larger councils are automatically more efficient or will save money**
 - There is no evidence this is true.

Our Bottom Line

- **Reform** that improves outcomes
- **Collaborate** where it adds value
- **Keep** decision-making connected to communities
- **Build** a system that is financially sustainable and fit for the future

"The question is not whether local government will change. The question is how we make sure those changes leave our communities stronger"

Gisborne

Proudly Rangitikei

- Home to about 16,000 people
- Rangitikei District is approx. 4,484sqkm
- Split across two regions with approx.
 - 88% within Horowhenua Region
 - 14% within Hawke's Bay Region
- Varied and varied landscape from the coast through to steep hill country
- SH 1 runs directly through our district connecting from Bulls through to Taihape. SH 3 runs across it
- Three significant river catchments - Rangitikei, Turakina and Whangapehu



RANGITIKEI DISTRICT COUNCIL

Rangitikei

What's Next?

- Knowledge**
 - Understanding the feedback from our community
 - Deeper exploration of our options
- Partnership/collaboration**
 - Talking to our neighbours and the wider Tāia in the region
 - Keeping our community involved in this journey
- Foundation**
 - Not losing sight of what matters along the way i.e. ensuring our communities have a voice, that important services are maintained and that the coffee stack up.



RANGITIKEI

Community Engagement

- Over 743 submissions.
- 86% said oppose amalgamation, propose a better model that ticks the government's boxes, addresses new regional functions, & retains local representation, decision making & accountability.



MANAWATU

Manawatu

If Forced to Amalgamate

Rangitikei	30%
Palmerston North	10%
Not Palmerston North	8% (we didn't offer this option)
Taranaki	6%
Horowhenua	4%
Whangarei	2%
Rangitikei	1%

Many people refused to name a council or councils



MANAWATU

Community Engagement

- Over 743 submissions.
- 86% said oppose amalgamation, propose a better model that ticks the government's boxes, addresses new regional functions, & retains local representation, decision making & accountability.



MANAWATU

Head Start

- Recognise the need for change and regional leadership
- Need to shape our own destiny
- Late May Council considered 4 options:
 1. Wait for further instruction from Government
 2. Prepare by investigating
 3. Prepare by investigating and lead a response
 4. Develop a proposal under the 'Head Start' process
- Council selected Option 3
- Communities of interest as catchment management functions will require careful consideration
- 3 August Council to consider response

MANAWATU



Our Basic Position

- We truly believe in localism.
- We are not broken, and don't need fixing.
- One size does not fit all.
- Having fewer councils is not better.



Federated Farmers Position

- We can stay on our own or work with other rural & provincial councils.
- They don't want city people telling them how to run their farms.




Where to from here?

- Our council of 12 and our Executive Leadership Team have workshopped.
- We are unanimous as to what to do next based on workshop.
- We formally adopt our official position on 22 July 2026.
- I have talked to Mayors in the region.
- I have talked to Mayors around the country wanting to oppose & offer a better alternative than amalgamation.



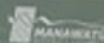

2 Preferred Options for Manawatū Community

- Become a small Manawatū Unitary Council.
- We would have to work with neighbours on some regional functions.
- This will be considered small as has real risk.
- We would argue small and near perfect.
- A lot of our people want this.
- Federation or Manchester Model or similar.



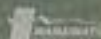
In Positive Discussions

- With 3 other Rural & Provincial Councils about a federation or Manchester Model or similar.
- Our community wants to retain Manawatū Council & Mayor.
- Board above with chair to govern regional functions.
- Work with neighbours with some functions such as Catchment & Regional Spatial Planning, Economic Development
- Retain local representation, decision making & accountability.
- Ability for other councils to join but cognisant of Federated Farmers view.



Not putting a Headstart Pathway Proposal Forward

- Not for councils wanting to offer an alternative model.
- We are not wanting to amalgamate into a unitary.



Will likely put an alternative Proposal forward outside of Headstart

If the group of councils is ready this proposal may go forward outside of Headstart but at a similar time.



Let's Work Together

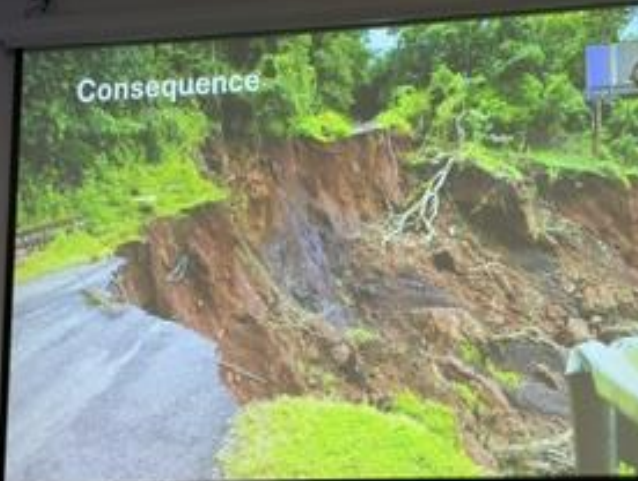
One size does not fit all.

If you're interested in opposing compulsory amalgamation and proposing an alternative model, please feel free to contact me.

Michael Ford



Consequence



What We Actually Do



- Slow water
- Hold soil
- Protect what's downstream

The Misunderstanding



Consents

Compliance

Prosecution

Future



Implications for LTP 2027/2037



- Purposes of the LGA relating to framework for local authorities to decide which activities to undertake and how, and accountability to communities, remain, and the purpose of authorities is still to provide democratic local decision-making by and on behalf of communities
- It is still about "now and for the future" and sustainability
- How to respond to the purpose change is matter for LTP consultation
- There are no transitional provisions relevant to LTP or change of purpose/core services
- A key focus must be efficient use of resources without waste and total cost and benefit

Governance "improvements"



- New responsibilities and entitlements
 - New CE responsibilities to provide (s. 4(1)) elected member entitlement to have access (s.6, 7), documents held by council and necessary to enable effective performance of their functions, duties and powers
 - With "right of appeal" to the governing body if CE decision (s.25A (2) and (5) for 7)
- Reinstated Code of Conduct and Standing Orders
 - To be issued in due course
- Prohibition on re-elected co-opted members voting
 - Reinstated 3 June 2020. Amendment Paper not released yet
- Second term of CE appointment (without advertising)
 - Increased from 2 to 5 years

SHAPES CAN GROW

Guidance for Head Start outline proposals



Key points taken from recent Guidance

- Initial assessment by MCERT
- Outline proposals are intended to be light touch, high-level and strategic
- No strict content requirements (guidance guide)
- No set thresholds for criteria
- Ministers prepared to make trade-offs criteria

LGA requirements continue to apply

- Decision to submit an outline proposal does not arise from any specific statutory obligation, power or function
- Decision to submit therefore relies on general power of competence
- Part 6 (LGA) requirements will apply
- Assessment of significance needed

Risks?



- Judicial review – not merits, process focussed
- Political, relationship and public relations risk
- Risk of inclusion in other councils' proposals
- Risk of exclusion altogether
- Risk arising from inclusion in the 'backstop' process
- Other process uncertainty – LTP processes, Water Reforms, impending RM reforms

Rates capping: the potential model



- 1. A target range within which councils can raise (includes a minimum, midpoint and maximum)
- 2. The target range to be anchored in long-run economic indicators
- 3. Applies to all sources of rates (excluding water charges, development contributions, fees-funded council services)
- 4. Variations to the target range will be allowed in certain circumstances
- 5. Regulatory oversight
- 6. Transition period between 2026 and mid-2029

Some thoughts

- Is CPI a robust method to measure Council inflation?
- Appears to assume that efficiency gains can meet lost revenue
- How does this sit with supporting economic growth and development?
- Doesn't this ensure that any "infrastructure deficit" increases?
- The regulator will get to determine local outcomes
- And what of the combined impact of reforms - additional costs significant to implement RMA reform, Simplifying Local Government, increased water costs (overall costs)?
- Encourages shift to user charges, which may be regressive

SHAPES CAN GROW

Observations

