

# Head Start Options

# Rangitikei District Council

July 2026

# Content

1. Recap

2. Head Start & Criteria

3. Options

4. Summary of assessment

5. Next Steps

# Where are we now?

- Agreed last time to look at directions:
  - East
  - West
  - Rural
  - Regional
- Then focus on the impacts of scale
- Community has been asked for their views
- Initial review has been largely using the Head Start criteria as that information is most easily accessible
- Next milestone from here is: 30 July Council meeting

# Head Start updates – what is new

- Different representation models can be part of the proposal
- ‘Region’ defined for purposes of Head Start and Spatial planning as existing regions
- If sub-regional then need to address
  - *How does the proposal benefit the region as a whole?*
  - *What is the impact on Councils not included in the proposal?*
- Today’s purpose is to identify the options that are credible and likely to meet the criteria, to keep analysing

# Purpose of today

- Focus on strategic direction, and scale
- Look at some indicative options

## What we are not doing:

- Not endorsing the submission of a proposal today
- Not choosing a preferred final option today
- Not choosing a preferred direction



# Assessment criteria

In the following slides we spend some time looking into the Head Start assessment criteria and what underpins key criteria regardless of the option being considered

Supports the new planning system

Simplifies local governance

Economies of scale

Maintains local voice

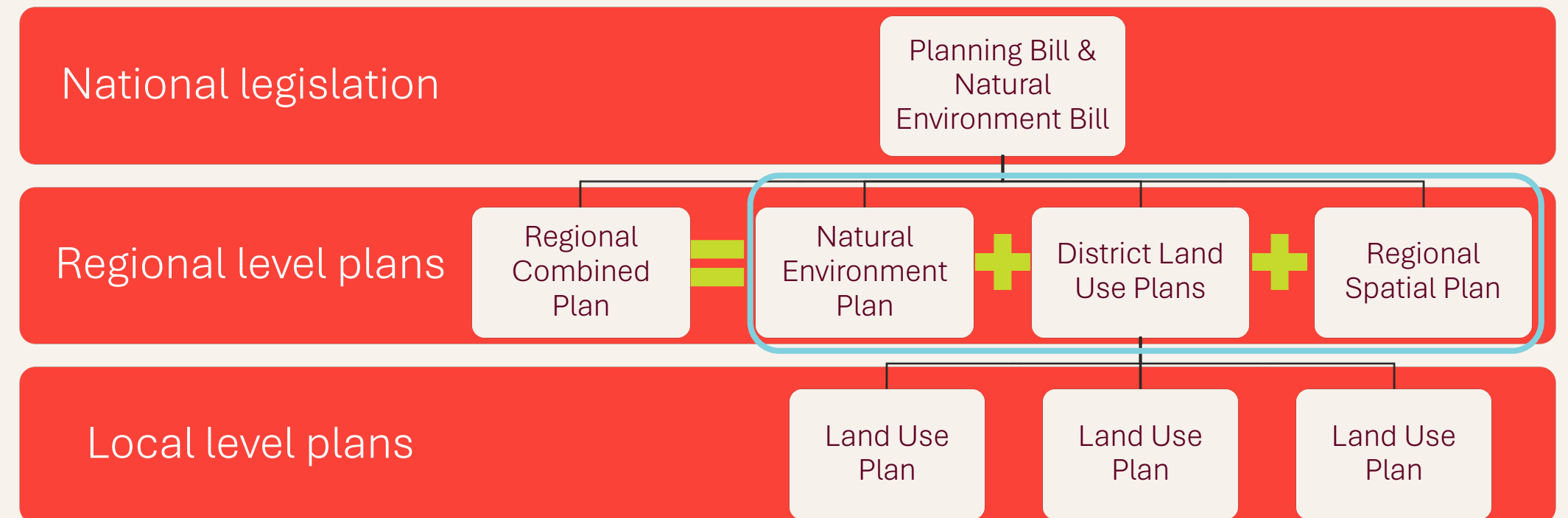
Deliverability

# New planning framework – Plans hierarchy

The new planning system has both regional and local plans depending on the local government structure.

The plan hierarchy alongside represents a region with a single Regional Authority and Local Authorities.

Under a Unitary Authority there would be no local Land Use Plans, only a District Land Use Plan.



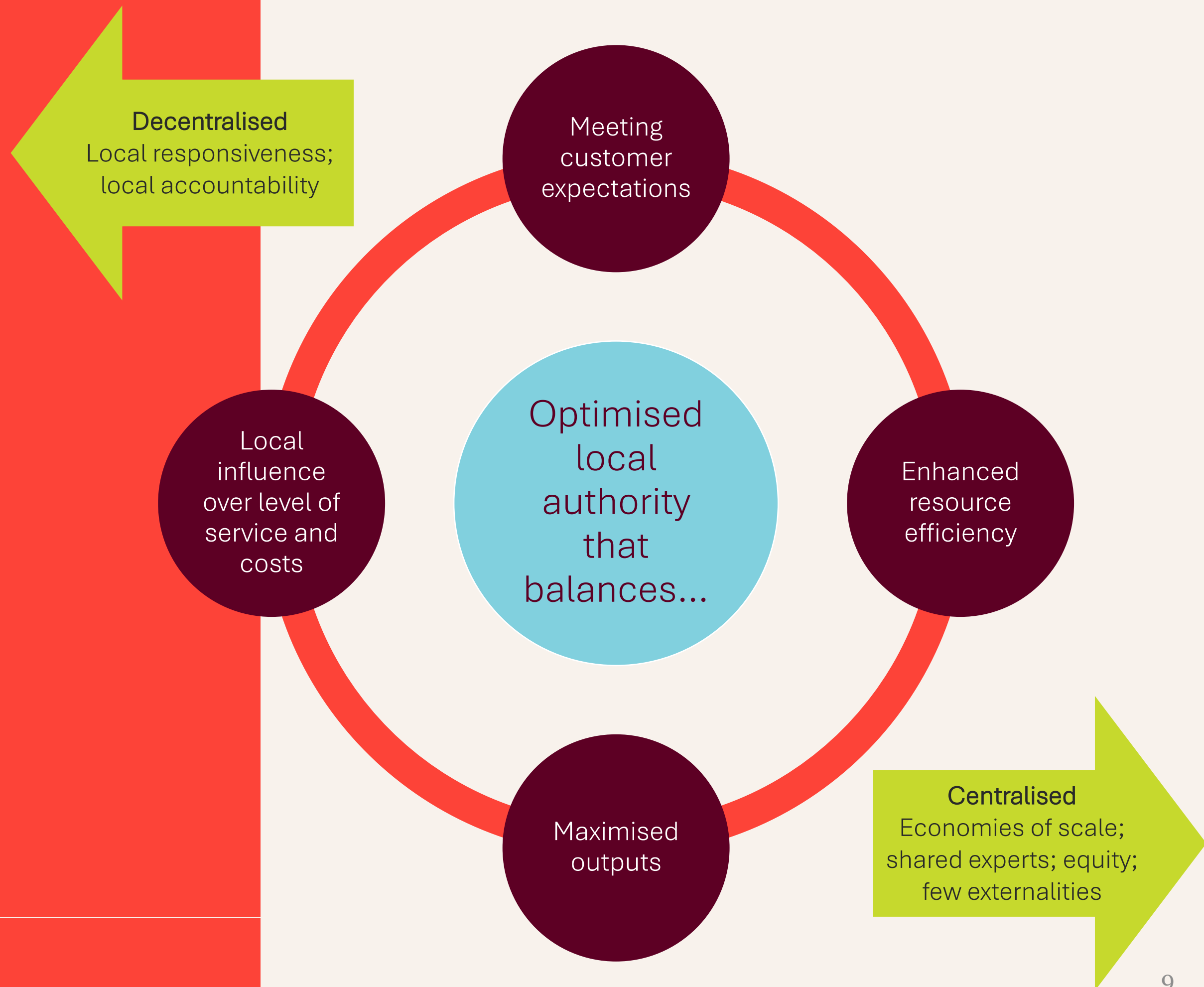
# Optimisation challenge

## Centralisation supports:

- Resource efficiency and maximised outputs

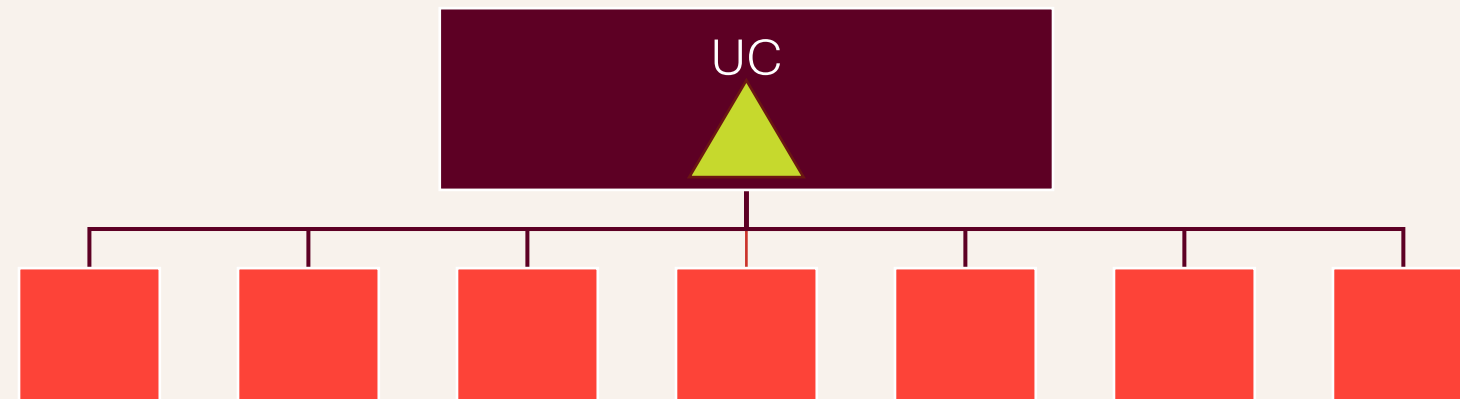
## Decentralisation supports:

- Meeting customer needs and enabling local influence over levels of service and costs



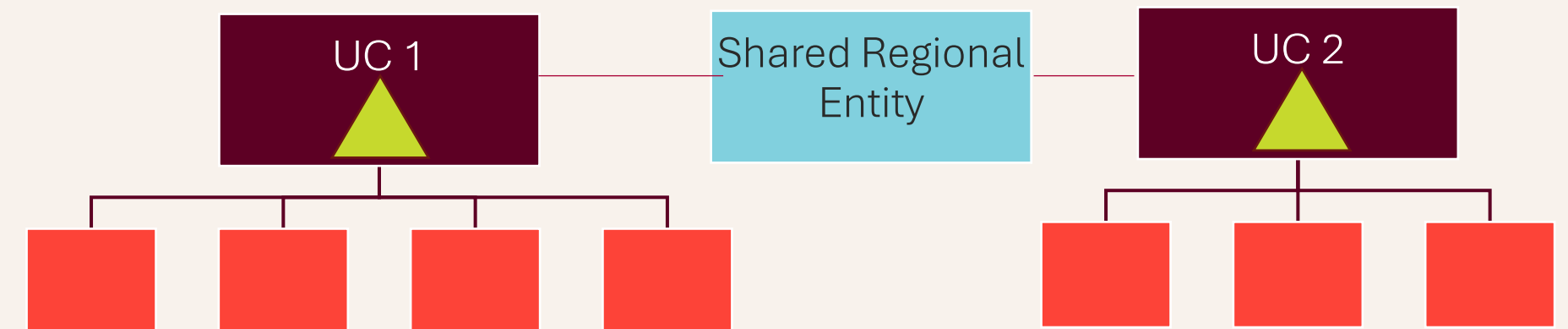
# Representation – Summary

## Single Unitary



- Simpler governance structure, but more needs to be agreed up front
- Determined **once** at the unitary council level:
  - Whether local bodies exist or not
  - The population each local body represents
  - Level and scope of delegation
  - Function defined in legislation or determined by unitary council
  - Governance only or governance plus service delivery
- Potentially, room to explore setting at the local body level:
  - Iwi involvement and/or representation on local bodies

## Two or more Unitaries



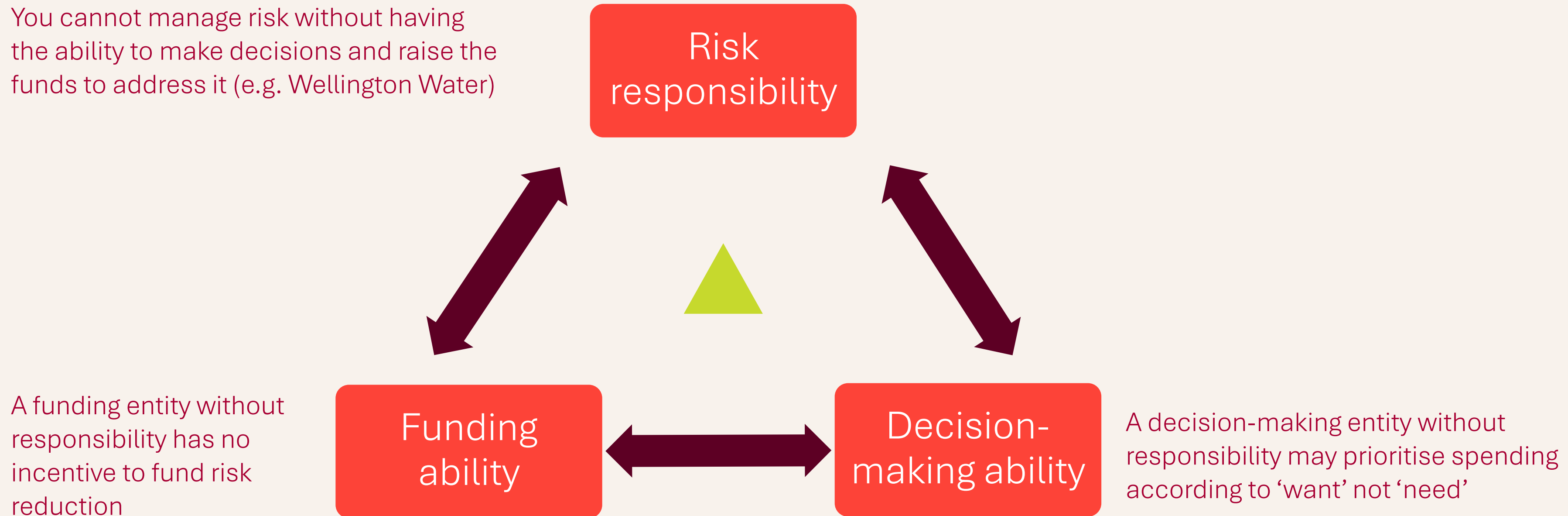
- More flexibility for governance to be defined by each unitary
- Determined **by each** unitary council:
  - Whether local bodies exist or not
  - The population each local body represents
  - Iwi involvement and/or representation on local bodies
  - Level and scope of delegation
  - Function defined in legislation or determined by respective UCs
  - Governance only or governance plus service delivery

# Clarity of accountability

Relevant when considering:

- How the regional functions are delivered
- The arrangement between a unitary council and any external entity
- What is delegated to local body level

You cannot manage risk without having the ability to make decisions and raise the funds to address it (e.g. Wellington Water)



# Council priorities

Consistent with Head Start criteria



## • Strategic priorities

- Working collaboratively to improve wellbeing
- Town centre revitalisation
- Enhancing our community hubs
- Facilitating growth
- Connecting with the Central North Island

# Horizon Councils' SLG submission

## Priorities:

- Local voice and democratic legitimacy
- Service quality and community outcomes
- Affordability and financial sustainability
- Fiscal transparency and accountability
- Partnership with Māori
- Long term, future fit thinking
- Align funding to mandate
- Alignment to national goals

# Head Start criteria

# Additional criteria

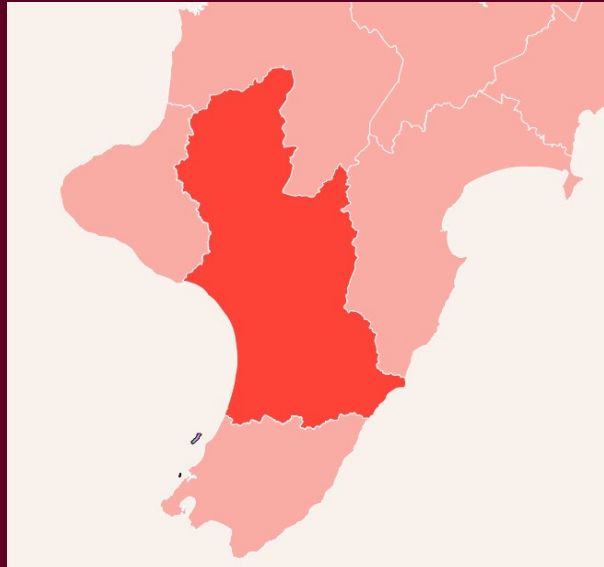
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## Criteria:

- Supports the new planning system
- Simplifies local governance
- Economies of scale
- Maintains local voice
- Deliverability

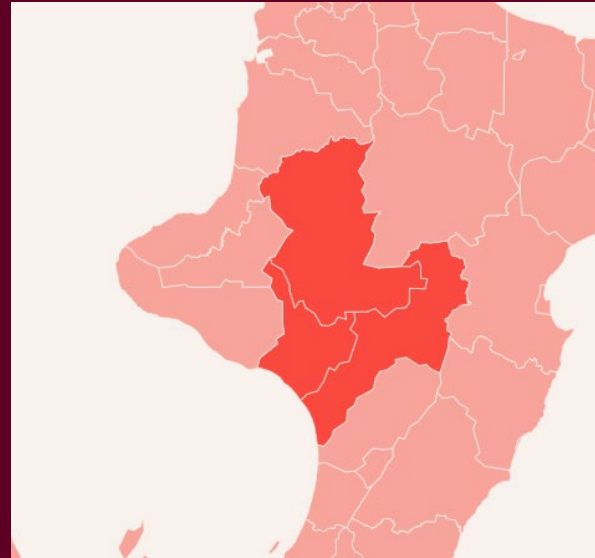
## Additional criteria:

- Working collaboratively to improve wellbeing
- Facilitating growth
- Connecting to Central North Island
- Affordability for community and Council sustainability



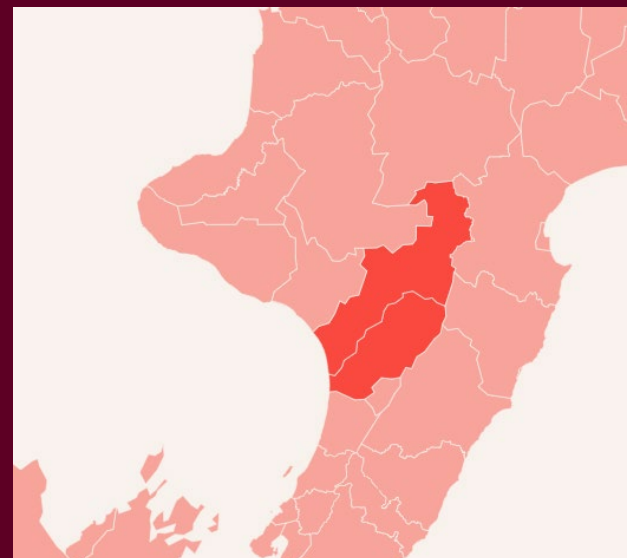
Option 1  
Horizons Region

- Rangitikei District +
- Ruapehu District
  - Palmerston North City
  - Manawatū District
  - Whanganui District
  - Tararua District
  - Horowhenua District



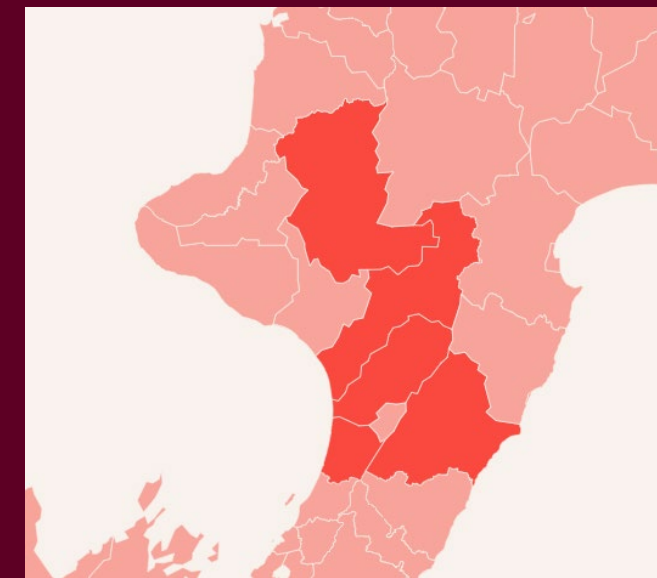
Option 2  
West

- Rangitikei District +
- Whanganui District
  - Ruapehu District



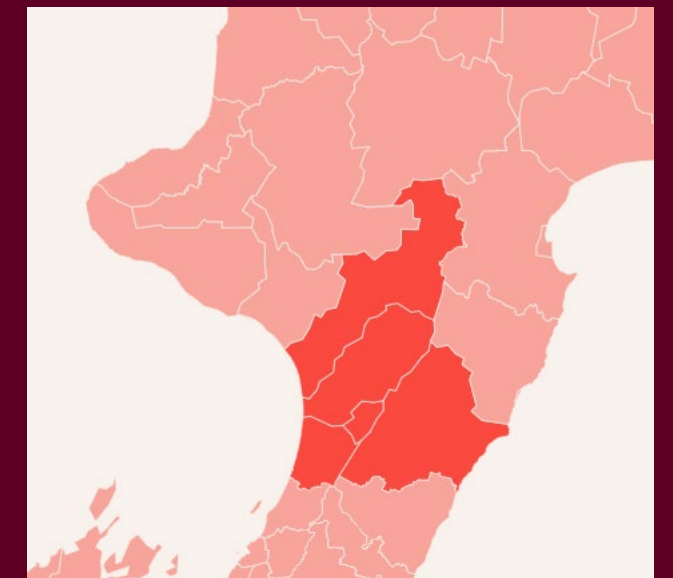
Option 3  
Rural - tight

- Rangitikei District +
- Manawatū District



Option 4  
Rural - wider

- Rangitikei District +
- Manawatū District
  - Ruapehu District
  - Horowhenua District
  - Tararua District

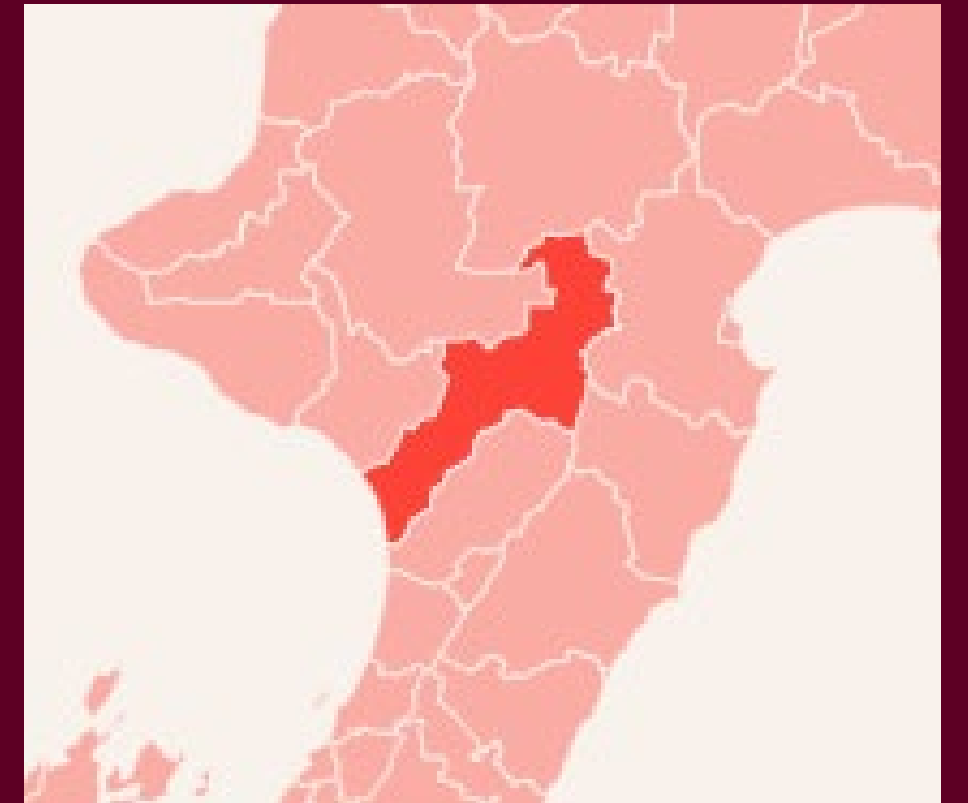


Option 5  
East

- Rangitikei District +
- Manawatū District
  - Palmerston North City
  - Tararua District
  - Horowhenua District

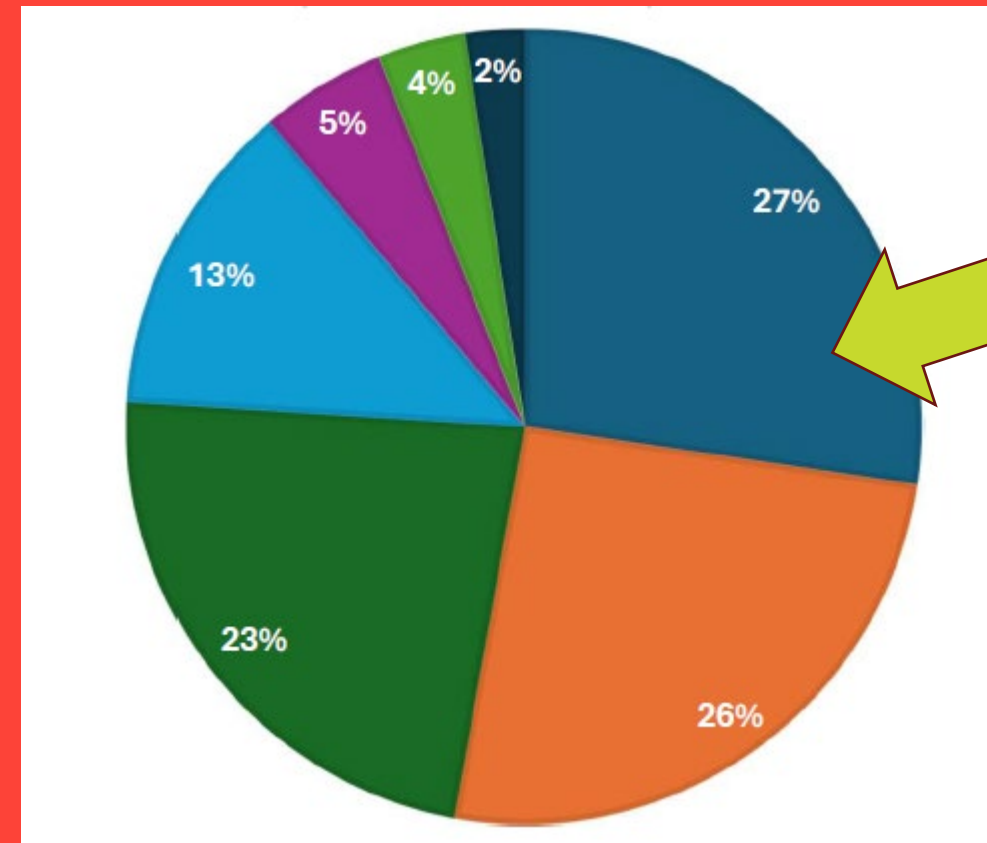
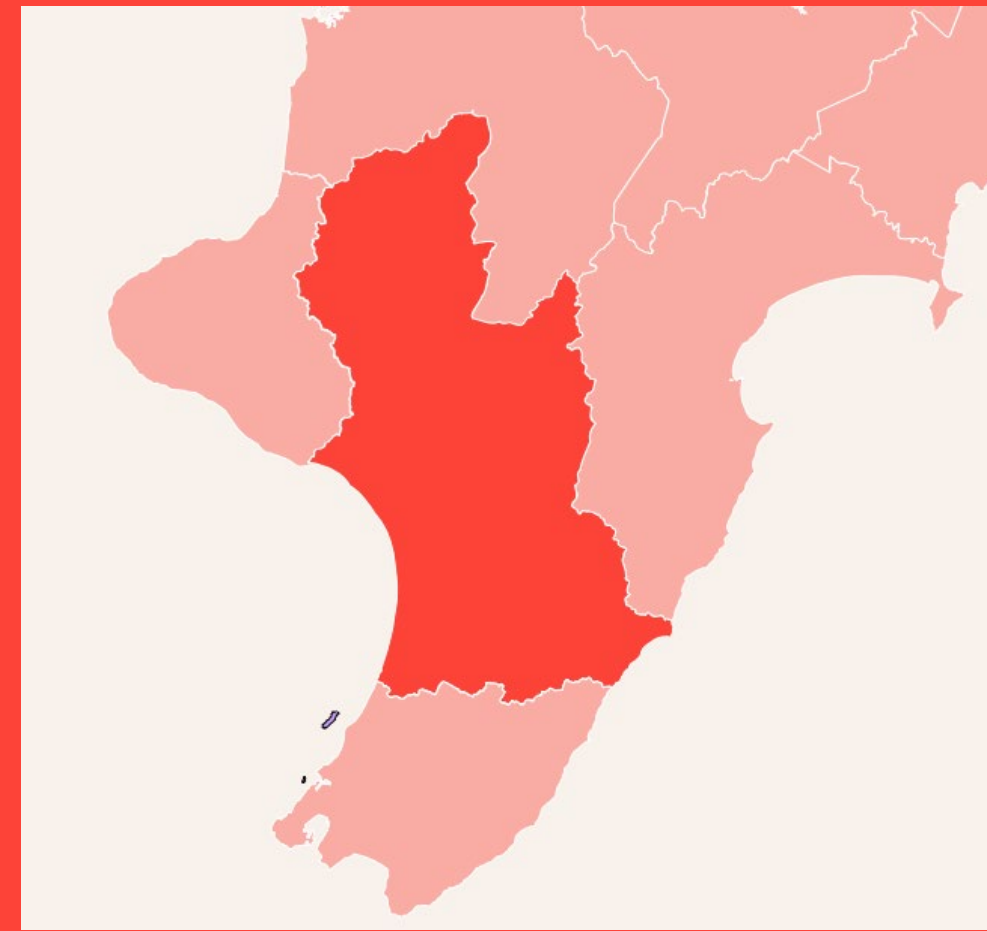
# Rangitīkei - A district defined by its land, its scale, and its communities

- Located right in the middle of the Horizons region
- Strong agricultural base, shaping both the economy and way of life
- Communities that are locally anchored, with high reliance on local networks and services
- Strategic location between major centres (Whanganui, Palmerston North, Taihape), without being dominated by them
- Identity shaped as much by place (the Rangitīkei River, farming landscapes) as by settlements
- Strong local character e.g. Taihape and Bulls



# Option 1

Rangitīkei District  
Ruapehu District  
Palmerston North City  
Manawatū District  
Whanganui District  
Tararua District  
Horowhenua District



“Whole  
region”

# Communities, connections and economic coherence

Q1. Does the option group together communities with aligned needs and expectations of council?

- Wider spread driven by diversity and extreme urban/rural split
- Shared rural character across most of the footprint, only Palmerston North is predominantly urban
- High Māori population share across footprint -> Comparable baseline expectations around iwi/hapū partnership, Te Tiriti commitments, and cultural service design
- Comparable age profiles, only Palmerston North skews materially younger
- Comparable wealth and income profile
  - Household income range: \$93,955 (Ruapehu) to \$125,512 (Palmerston North) – 33% gap
- Broad range of deprivation profiles indicating potentially different priorities
- Growth rates are diverse across the group, indicating potentially different cost pressures

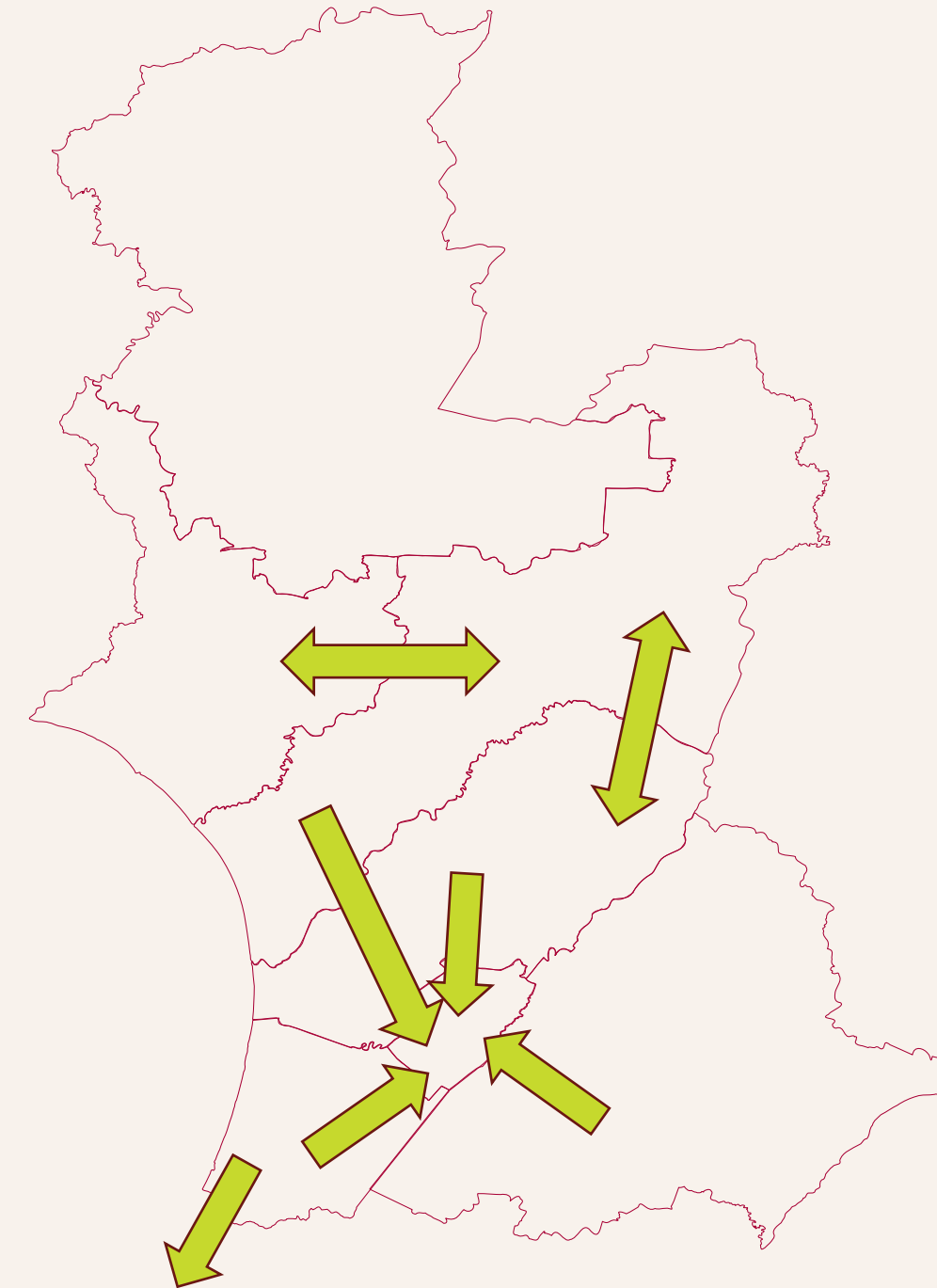
Q2. Will this council make sense economically and functionally?

- Complementary mixed economy and strong freight backbone
- Geographic contiguity and good transport links, North/South and East/West
- Economically complementary more than similar. Agriculturally aligned region, but with a diverse mix of industries.
- Balanced dual-hub structure, with Whanganui and Palmerston North providing services hubs
- Strong road and rail corridors
- Commuter flows are fairly self-contained, both inward and outwards, with slight outward leakage to the south towards Kāpiti and Wellington. Partially integrated labour movement, Palmerston North acts as a hub for the southern part of the region with the northern districts more self-contained
- Large geographic area can cause complexity with service delivery
- Political complexity of unifying seven councils

# Journey analysis

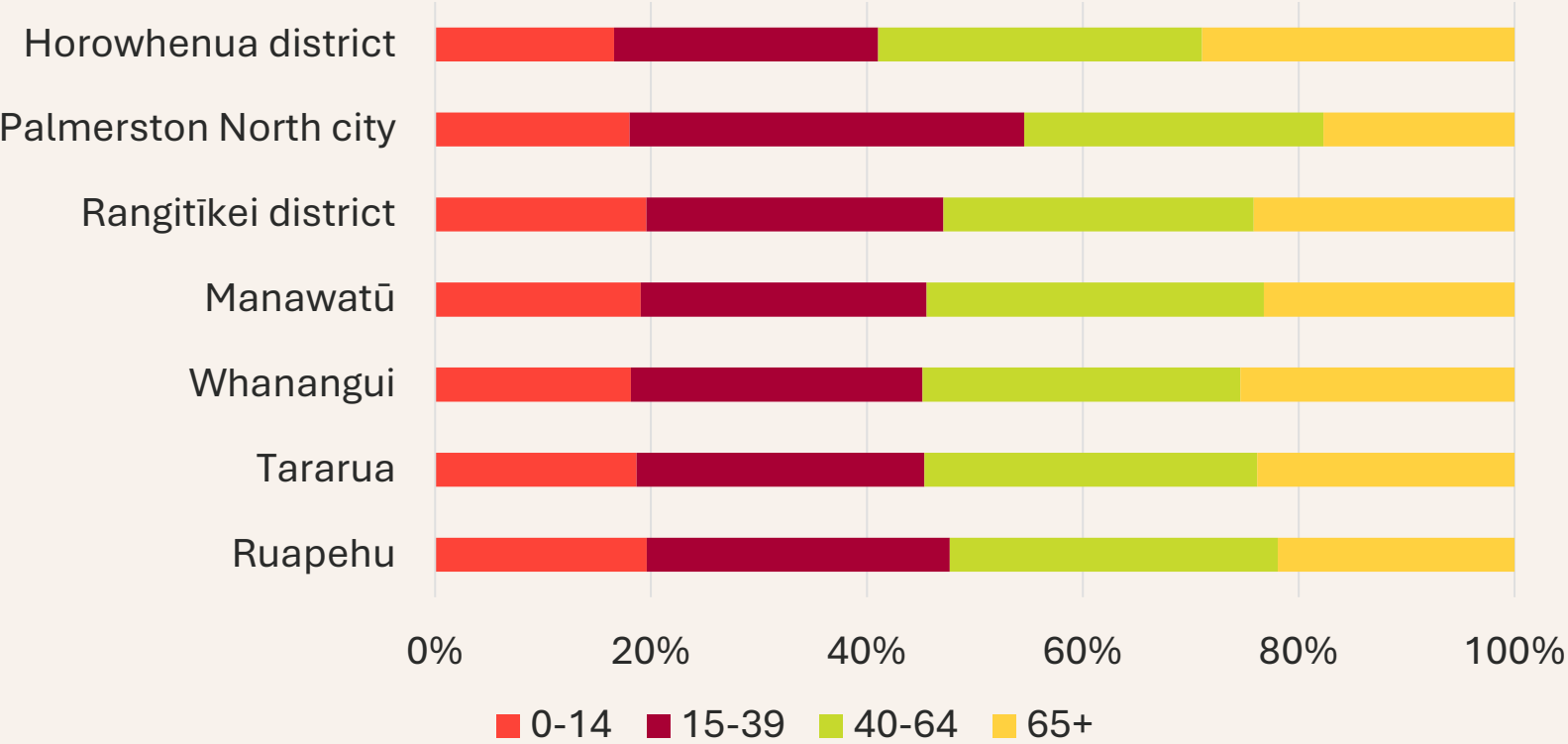
This option captures all major external linkages within a single area, particularly the consistent pull toward Palmerston North. However, most linkages are to Palmerston North rather than between districts, so cohesion is hub-based rather than evenly distributed.

- Multiple districts have meaningful flows to Palmerston North:
  - Rangitikei ~8%
  - Manawatū ~20–30%
  - Horowhenua ~15–25%
  - Tararua ~10–15% (more variable)
- Smaller but still material links:
  - Rangitikei ↔ Manawatū (~5–10%)
  - Rangitikei ↔ Whanganui (~5%)
  - Horowhenua to South (~5-10%)

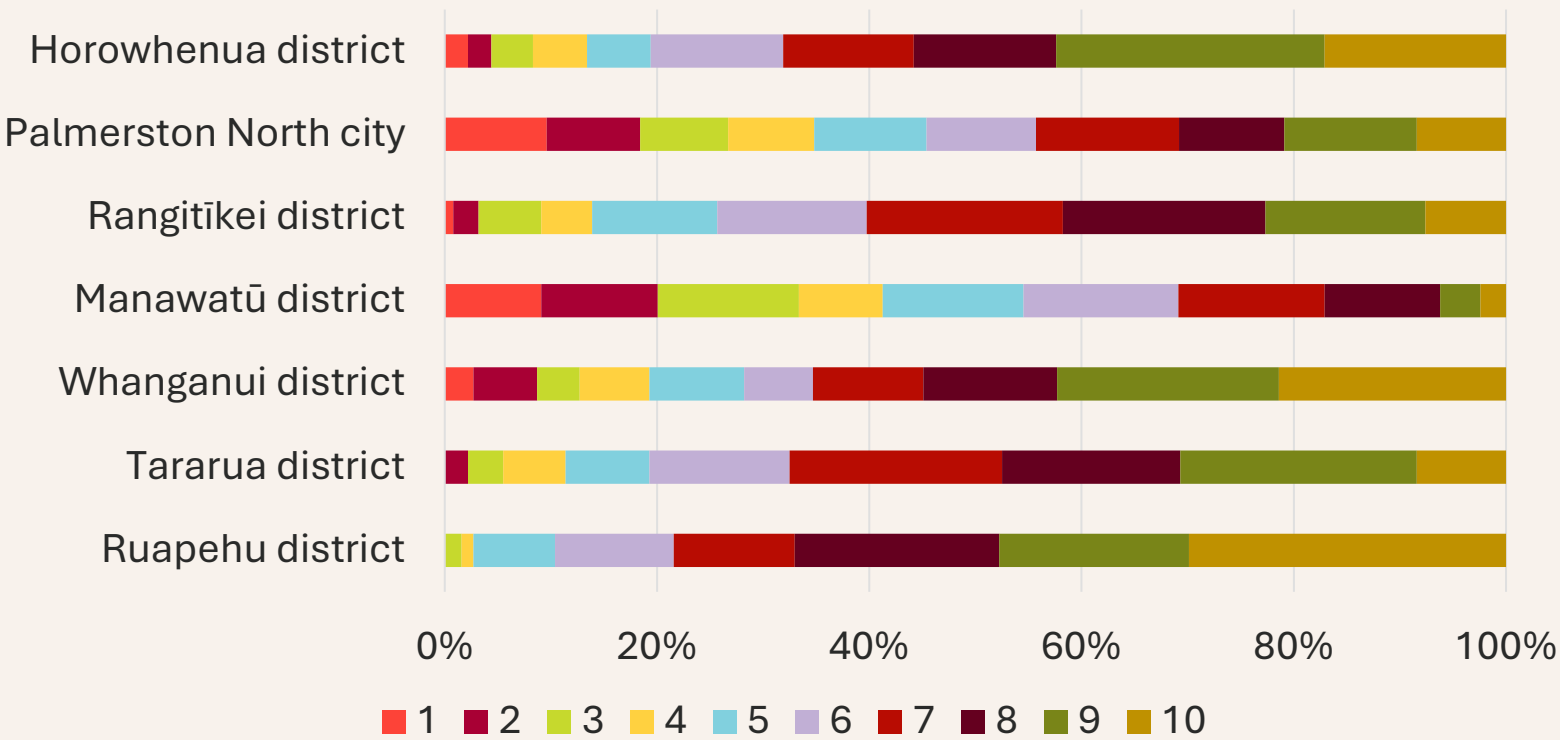


# Population Structure: Option 1

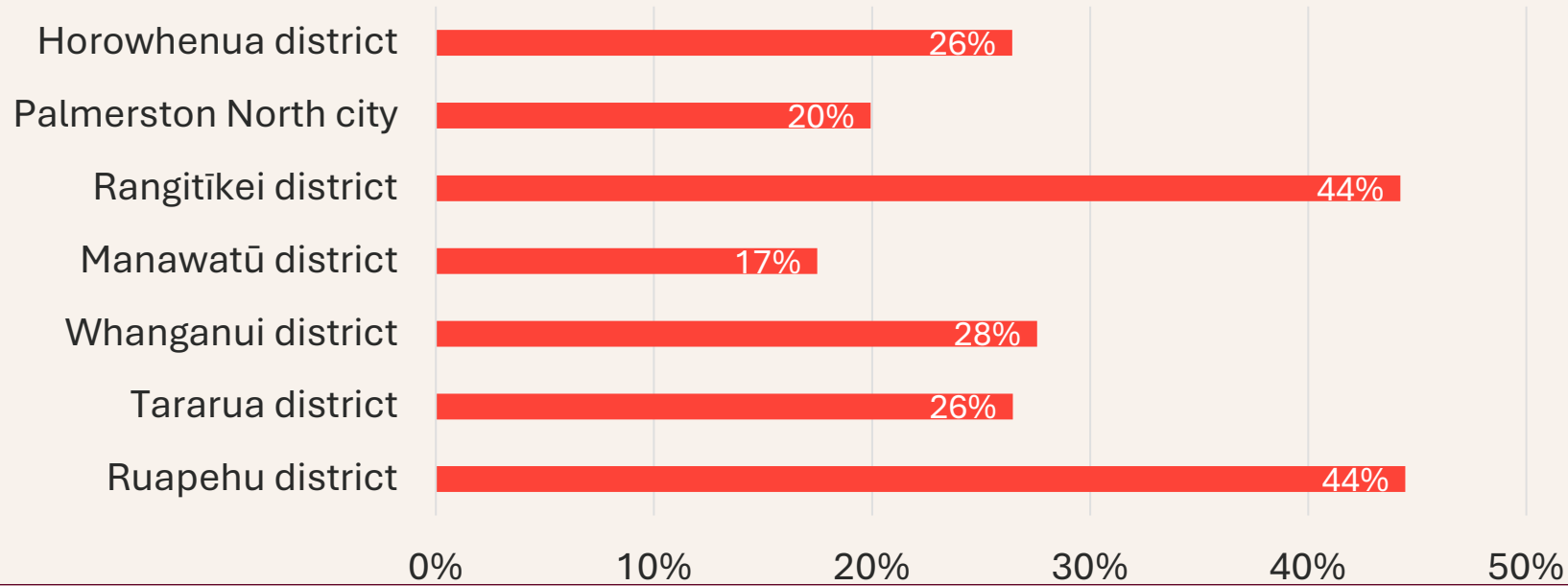
Age structure (2028 projections)



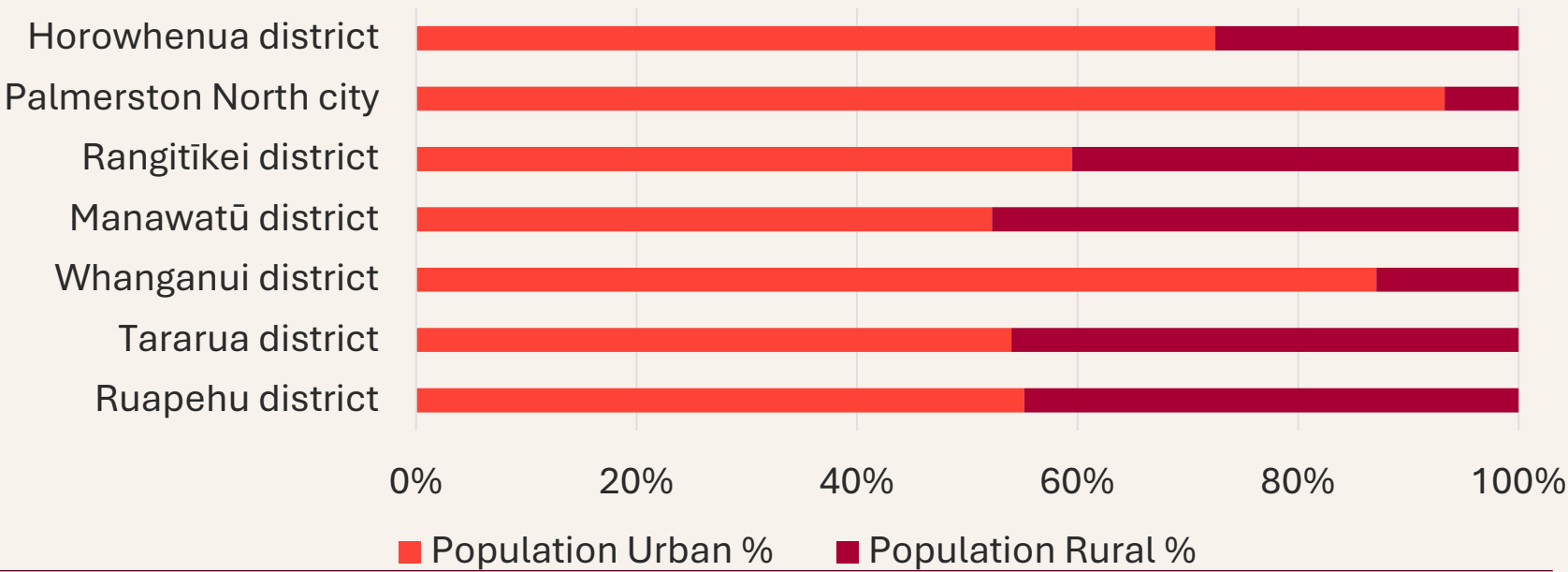
Deprivation profile



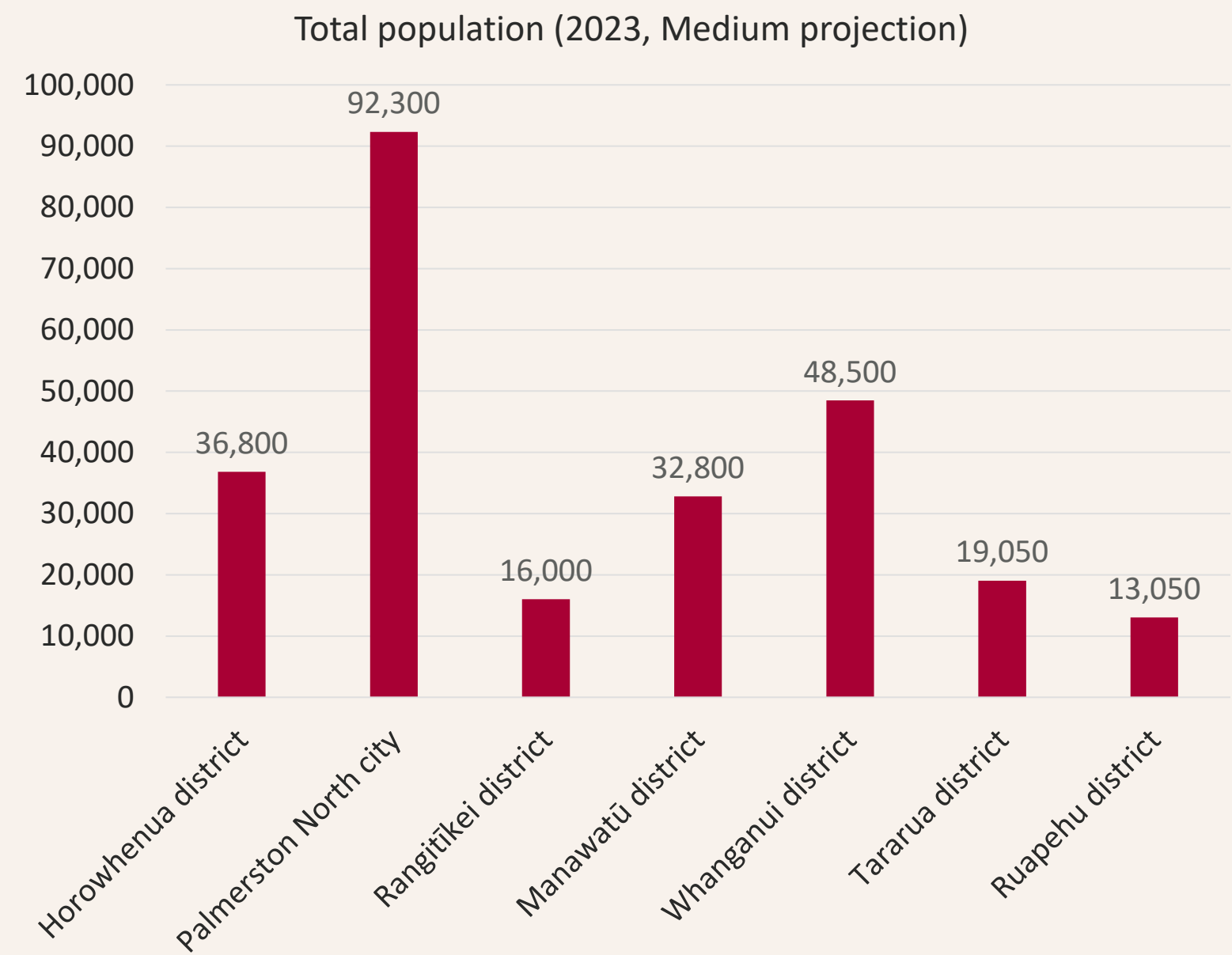
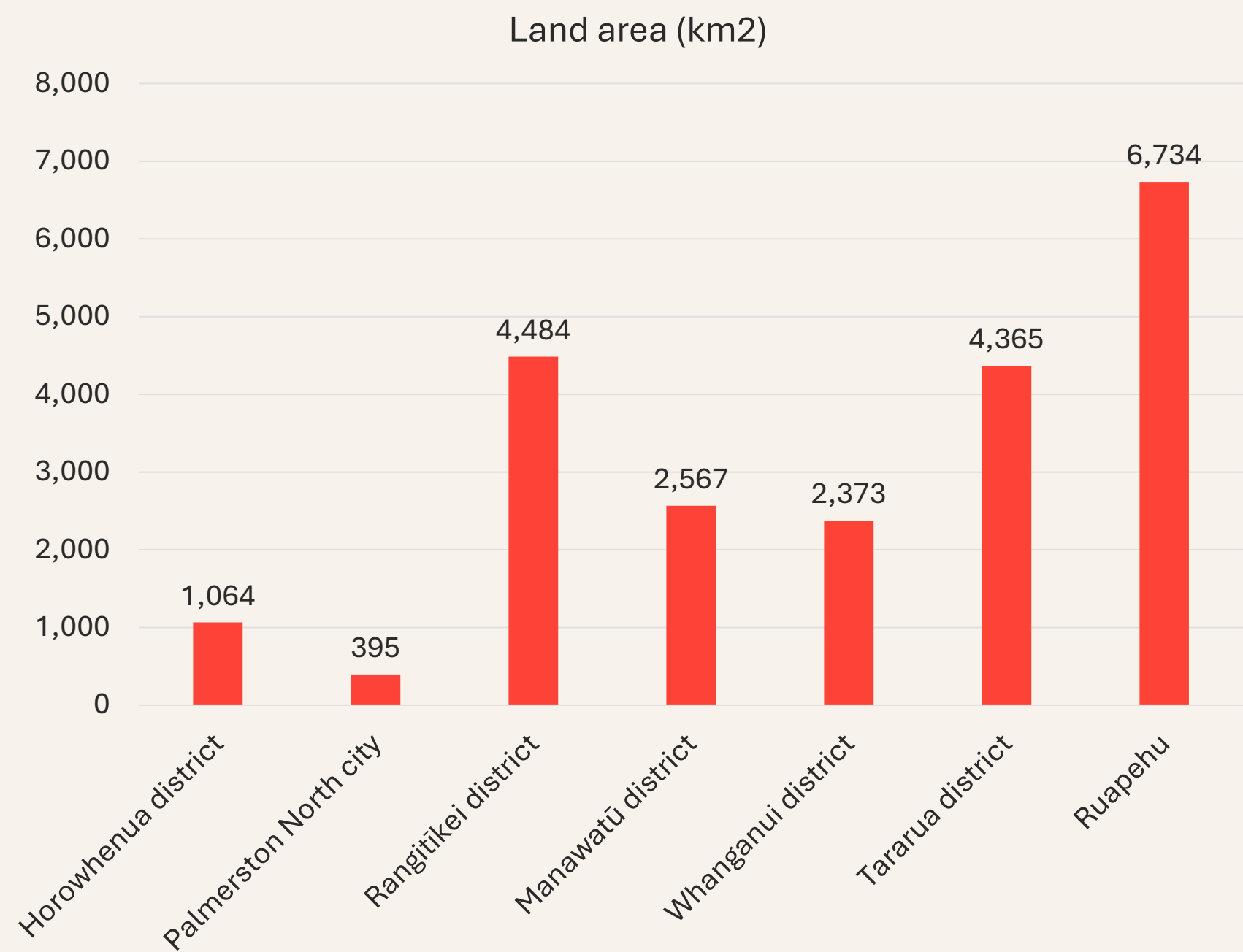
Māori population (%)



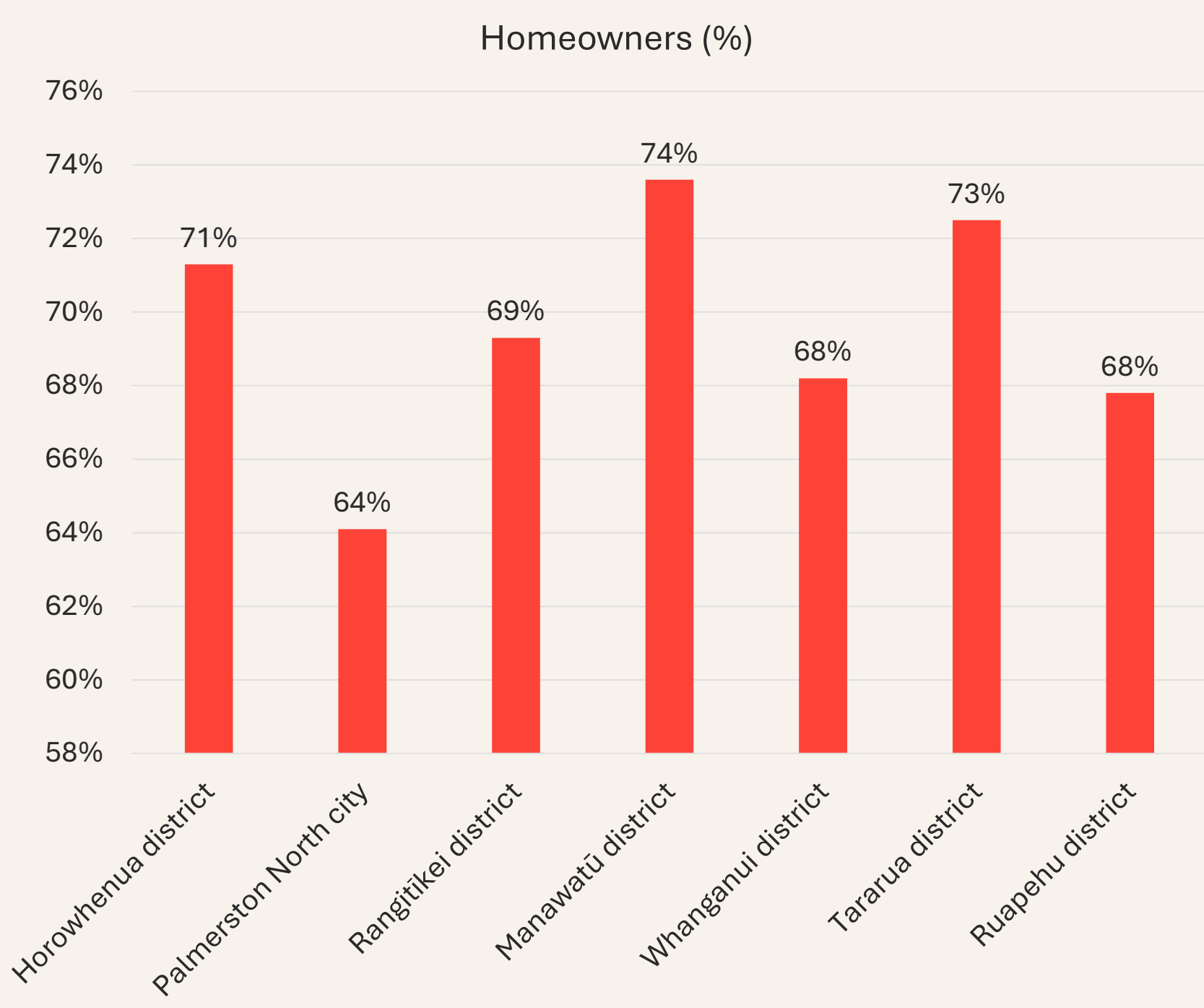
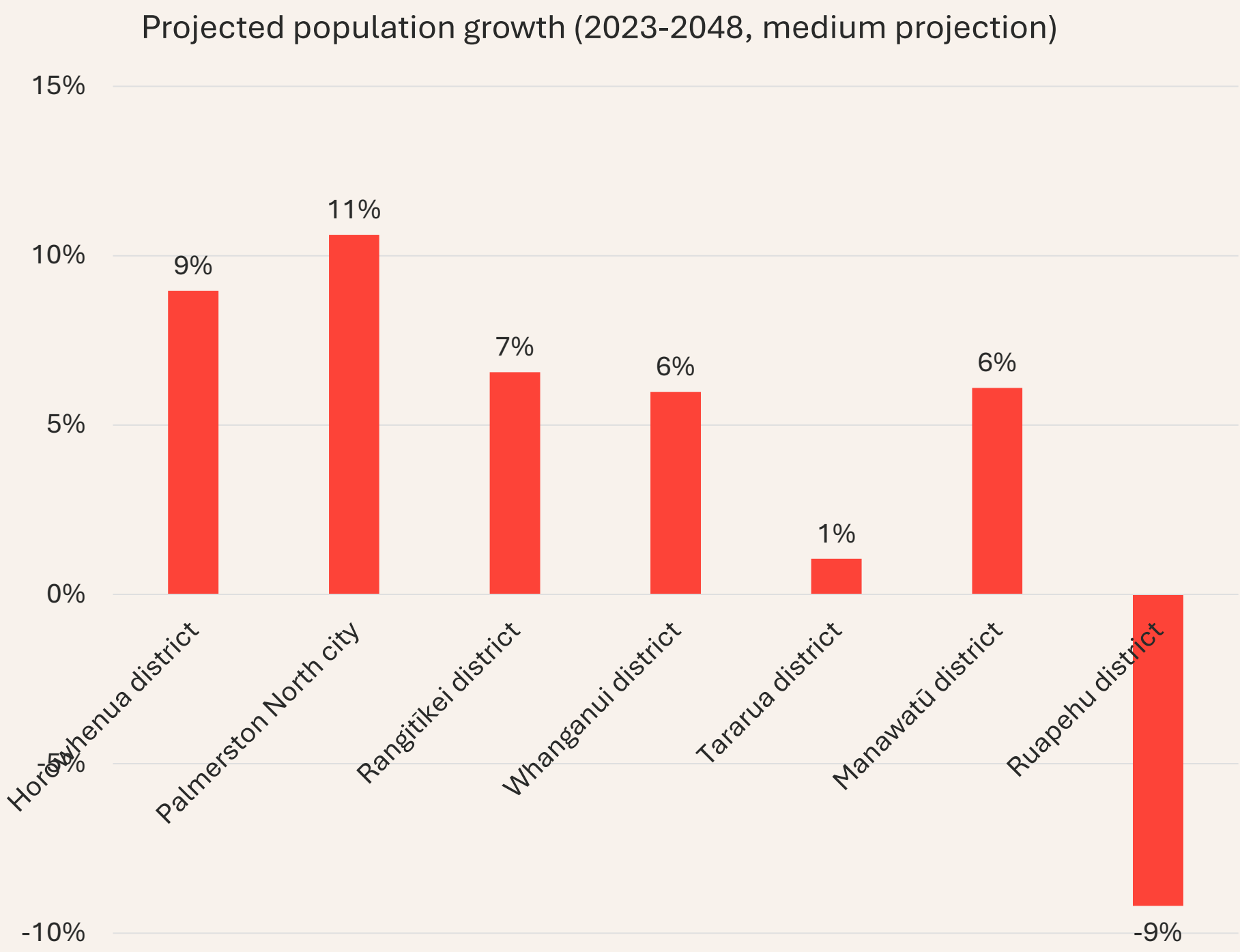
Urban/Rural split



# Area Profile: Option 1



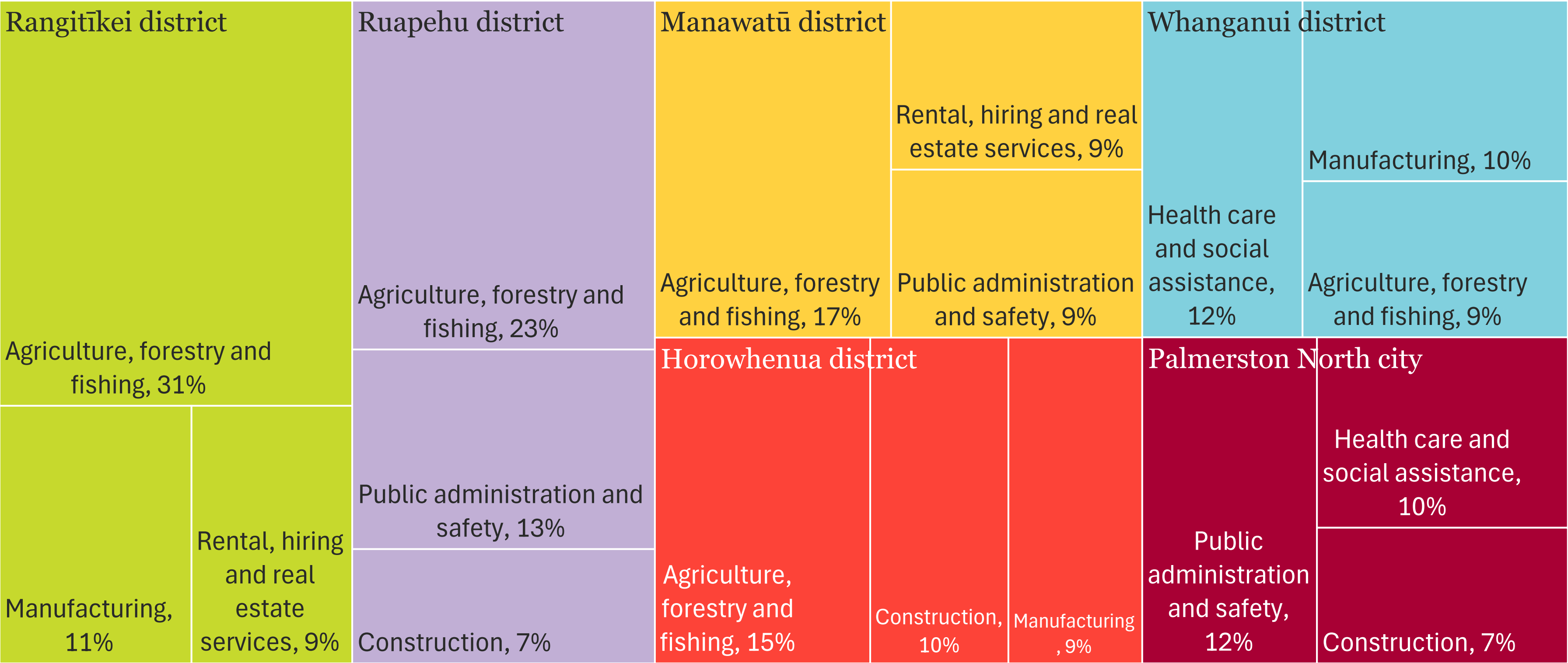
# Area Profile: Option 1



# Area Profile: Option 1



# Top three industries by GDP



# Catchment management

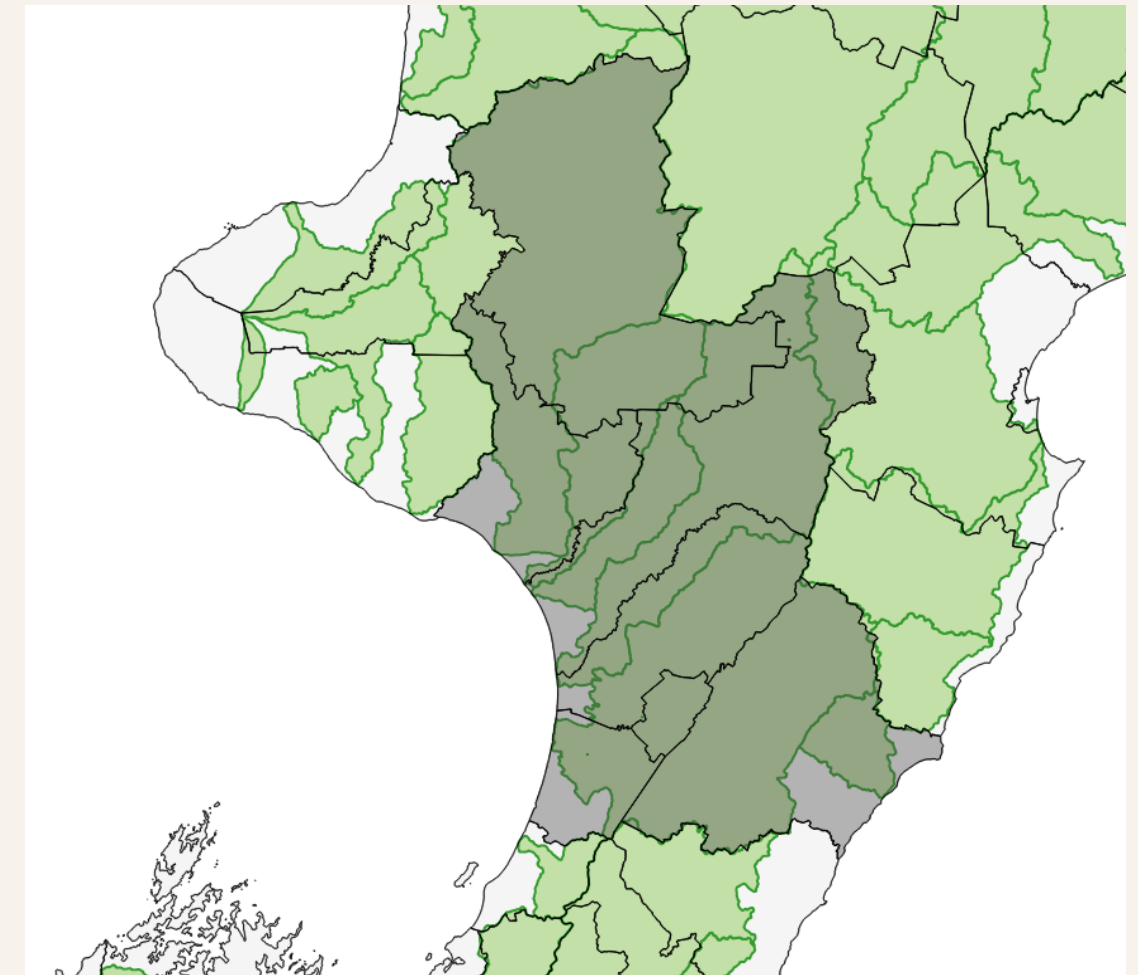
## Pros

- Keeps catchments largely intact → strongest basis for managing water quality, flooding, and environmental limits.
- Enables a single regional combined plan linking land use, environmental limits, and infrastructure.
- Supports more coherent long-term infrastructure and corridor planning at regional scale.
- Best fit with new planning system intent.

## Cons

- Needs strong internal capability to manage sub-catchment variation within one large system.
- Risk that large scale reduces focus on local catchment-specific issues unless structure is well designed.

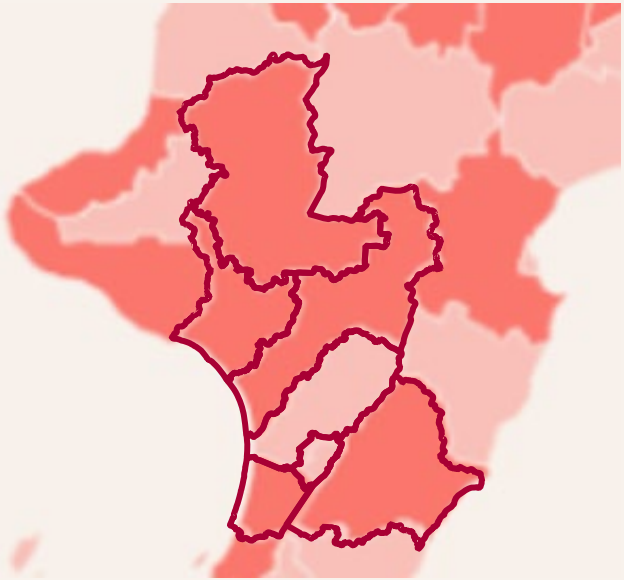
## Option 1: All Horizons councils



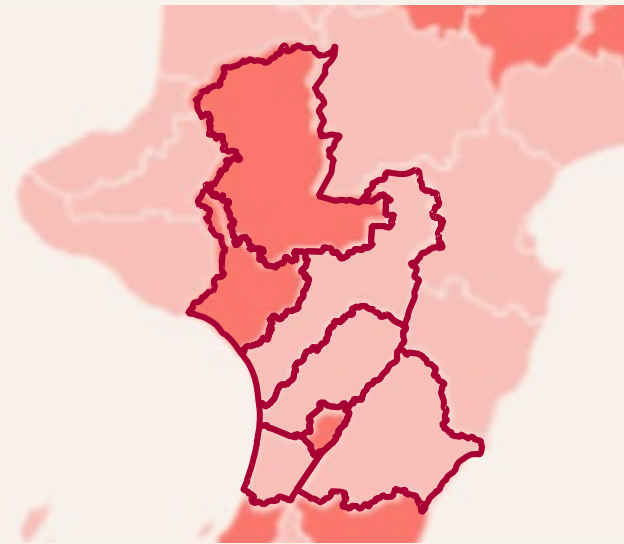
Best option for integrated environmental planning and catchment management but relies on the new authority being able to handle internal variation well.

# Representation

| District                    | Total Population | Total Members (Current) | Number of (including Māori wards) Wards | Population per Member |
|-----------------------------|------------------|-------------------------|-----------------------------------------|-----------------------|
| Rangitīkei District         | 16,030           | 11                      | 5                                       | 1,457                 |
| Ruapehu District            | 13,440           | 9                       | 2                                       | 1,493                 |
| Whanganui District          | 49,200           | 12                      | 2                                       | 4,100                 |
| Manawatu District           | 33,990           | 11                      | 3                                       | 3,090                 |
| Palmerston North City       | 90,550           | 15                      | 2                                       | 6,037                 |
| Tararua District            | 18,940           | 9                       | 3                                       | 2,104                 |
| Horowhenua District         | 38,390           | 12                      | 5                                       | 3,199                 |
| Horizons Total              | 260,540          | 79                      | 22                                      | -                     |
| Wellington City Council     | 209,800          | 15                      | 6                                       | 13,987                |
| Christchurch City Council   | 419,200          | 17                      | 16                                      | 24,659                |
| Indicative combined council | 260,540          | 15                      | -                                       | 17,369                |



Community boards



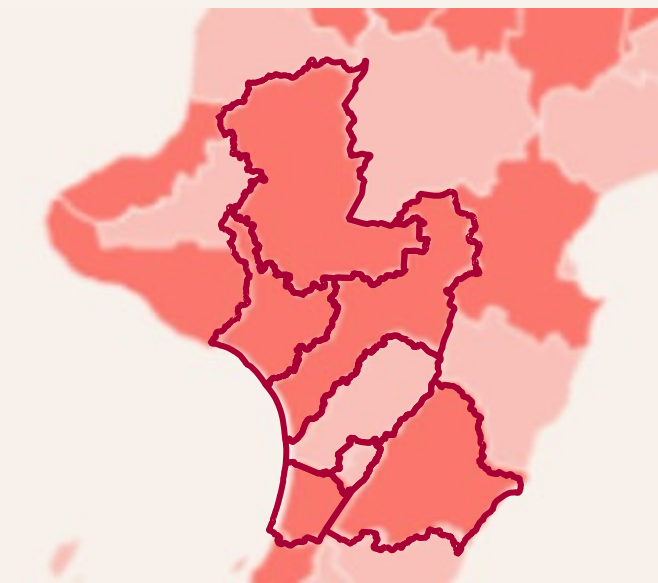
Māori ward referendum outcome

# Representation

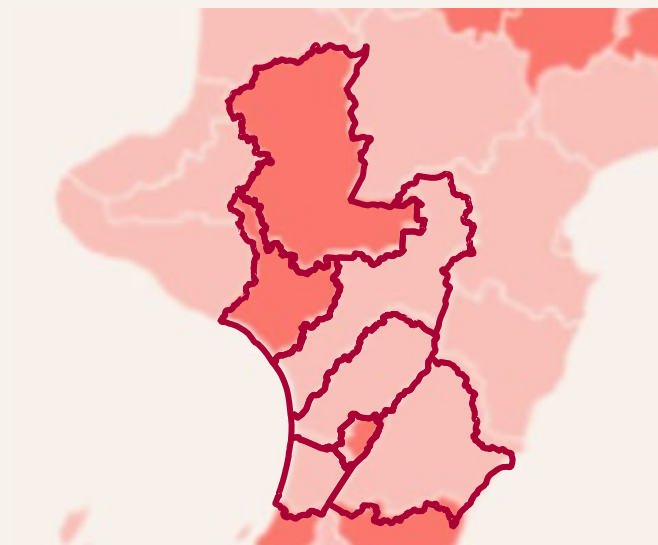
| District                    | Total Population | Population per Member |
|-----------------------------|------------------|-----------------------|
| Indicative combined council | 260,540          | 15                    |
| Rangitīkei District         | 16,030           | 1                     |
| Ruapehu District            | 13,440           | 1                     |
| Whanganui District          | 49,200           | 3                     |
| Manawatu District           | 33,990           | 2                     |
| Palmerston North City       | 90,550           | 5                     |
| Tararua District            | 18,940           | 1                     |
| Horowhenua District         | 38,390           | 2                     |

This is based on population only.

Noting that MCERT have said that alternative representation models can be included.



Community boards



Māori ward referendum outcome

# Summary of initial assessment

## Option 1: Horizons

Supports the new planning system

Simplifies local governance

Economies of scale

Maintains local voice

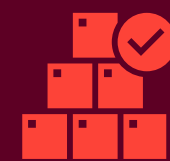
Deliverability

Working collaboratively to improve wellbeing\*

Facilitating growth\*

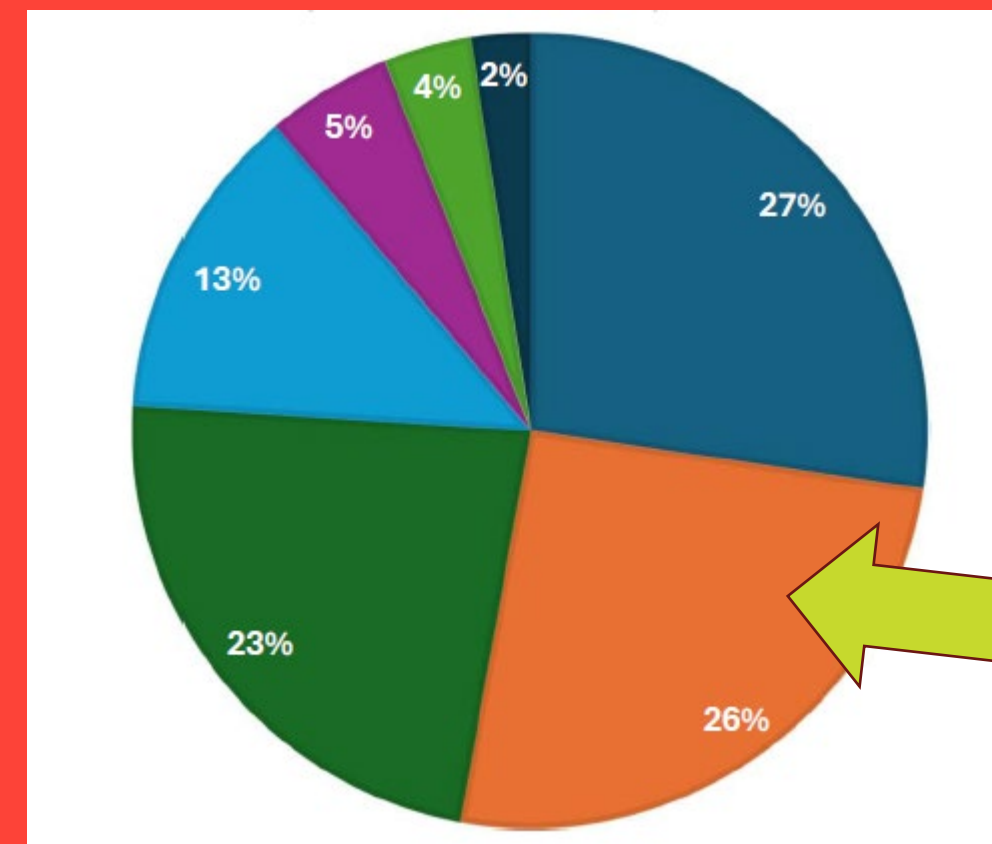
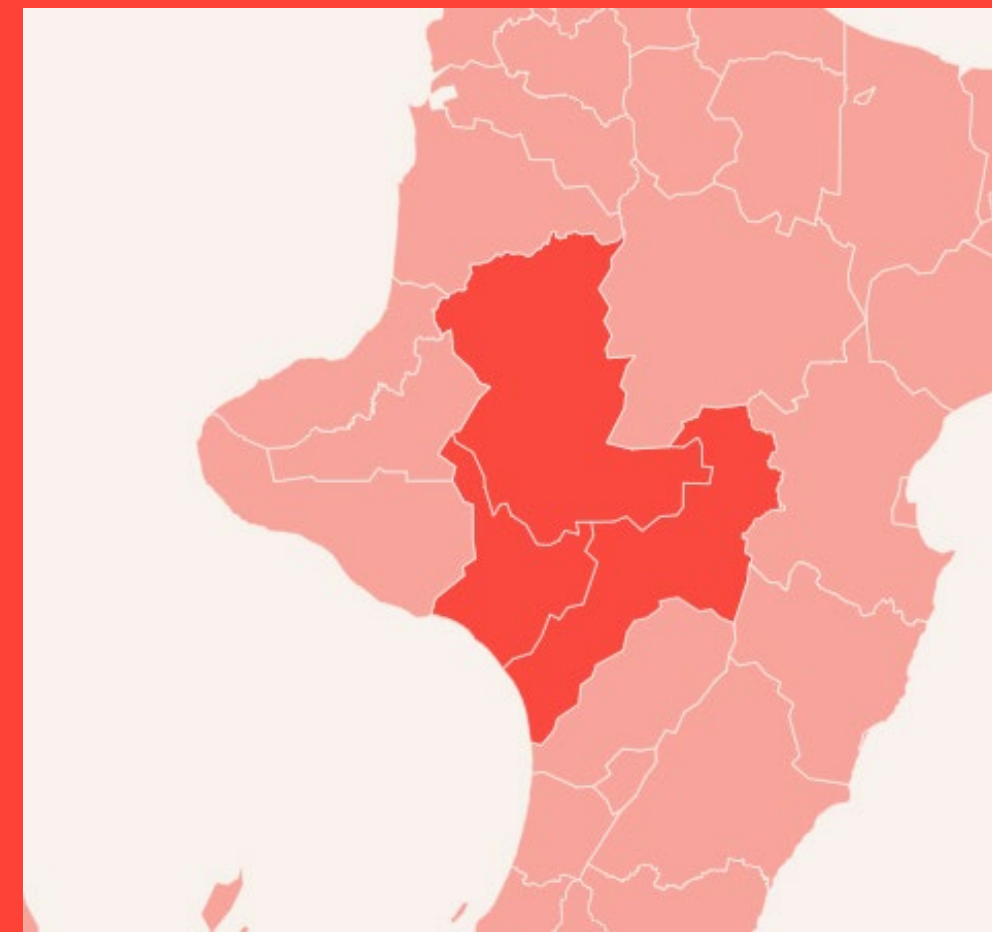
Connecting to Central North Island\*

Affordability for community and Council sustainability\*



# Option 2

Rangitikei District  
Whanganui District  
Ruapehu District



"Go West"

# Communities, connections and economic coherence

Q1. Does the option group together communities with aligned needs and expectations of council?

- Relatively high Māori population (28%-44%) share across footprint -> Comparable baseline expectations around iwi/hapū partnership, Te Tiriti commitments, and cultural service design
- Similar age structure across districts → comparable core service demand
- Agriculture is a top-three industry across the option, showing common rural/primary sector base
- Movement patterns suggest districts operate independently rather than as one system
- No strong shared hub → weaker alignment in day-to-day economic and service needs

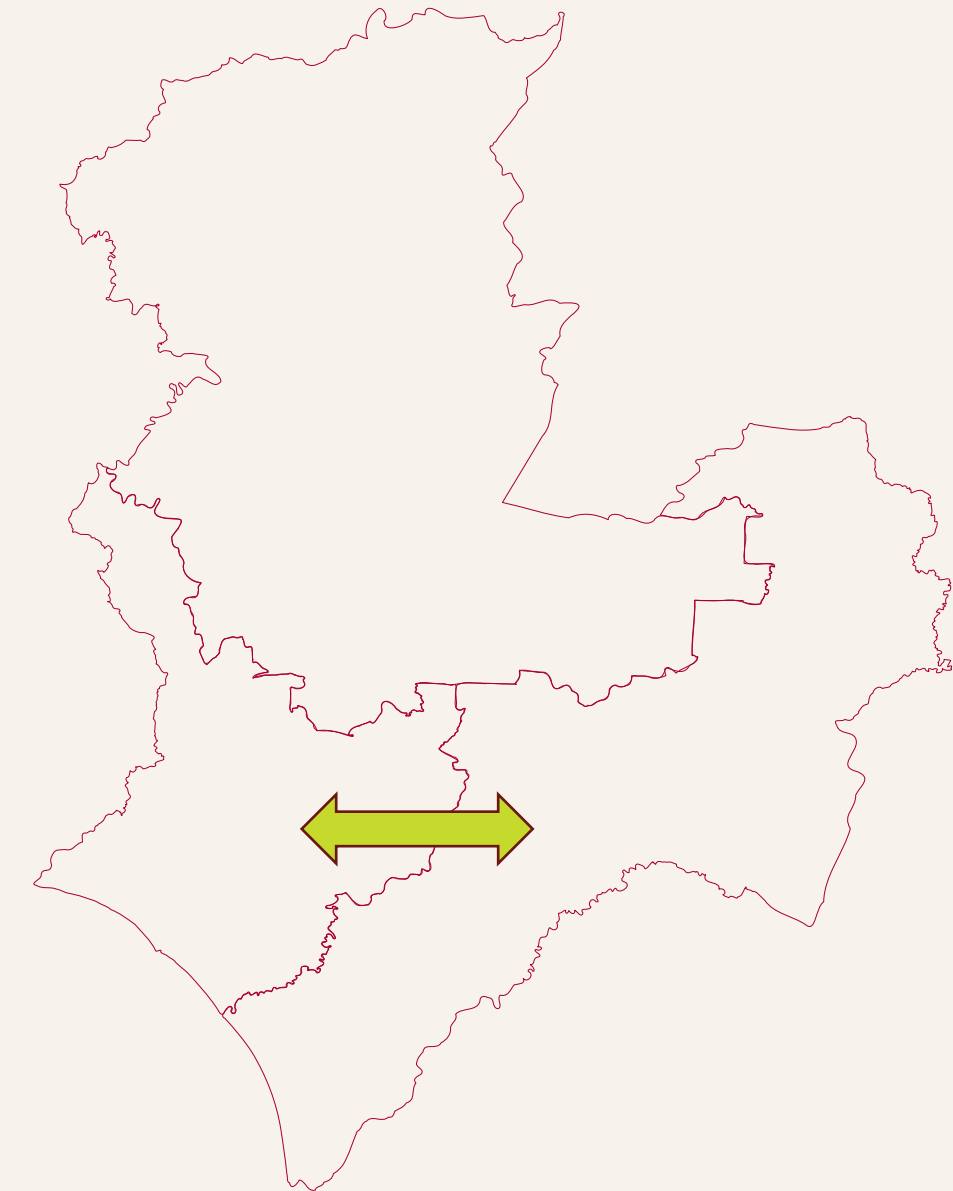
Q2. Will this council make sense economically and functionally?

- Ruapehu and Whanganui have similar deprivation levels, while Rangitikei has lower levels, meaning potentially different expectations around affordability, core service access, and community support.
- Whanganui provides the main economic and service centre
  - Whanganui provides the main scale: 49,200 people, 4,770 businesses, \$2.54b GDP
  - Rangitikei and Ruapehu share a stronger agriculture base
  - Whanganui has a more urban and diversified economy

# Journey analysis

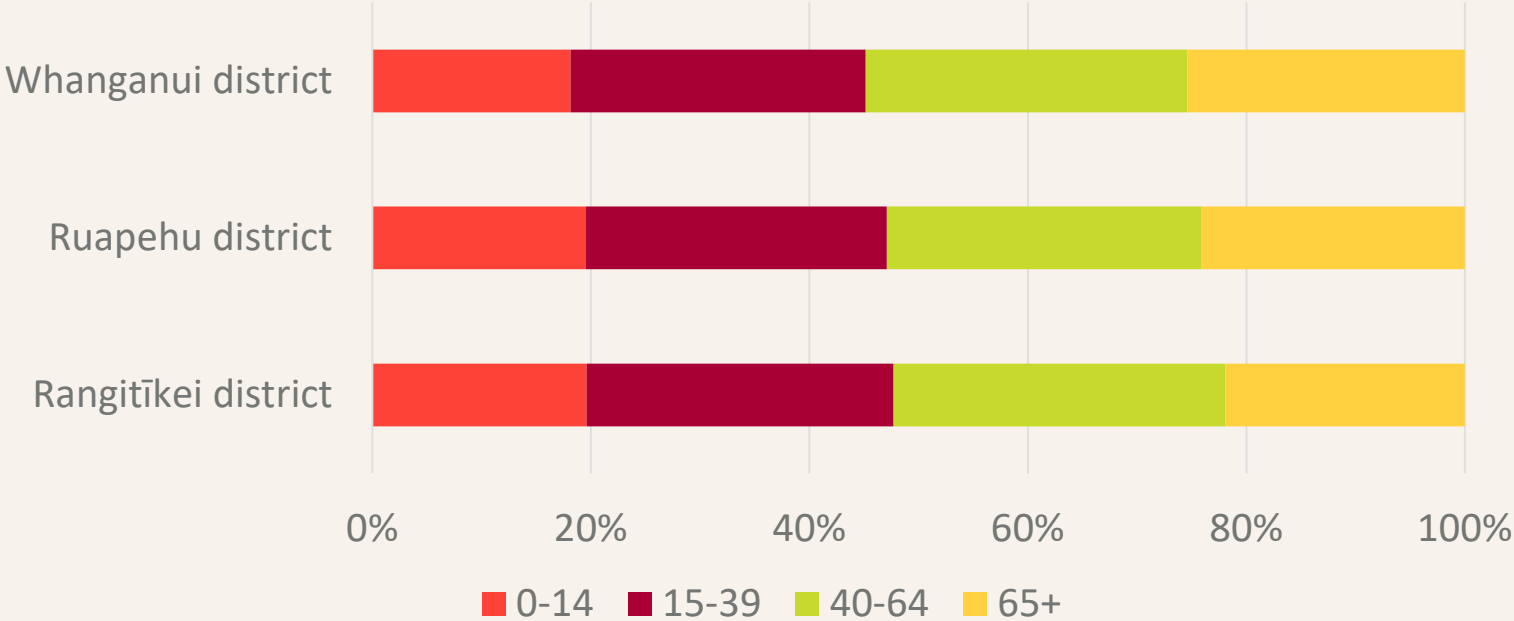
The largest external linkage from Rangitikei (to Palmerston North) sits outside the option, and there are few strong linkages within the grouping.

- Key linkages
  - Rangitikei → Palmerston North ~8% (excluded)
- Limited material flows between included districts:
  - Rangitikei ↔ Whanganui ~5% (borderline)
  - Other links generally <5%

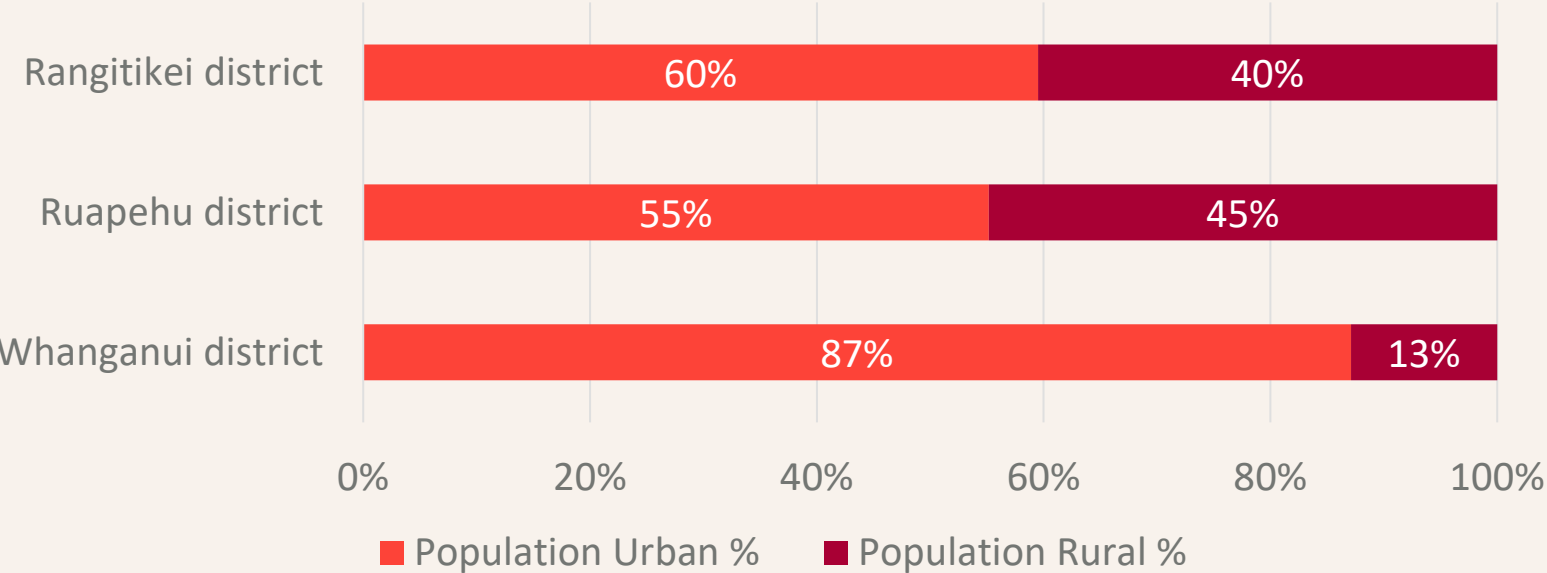


# Population Structure: Option 2

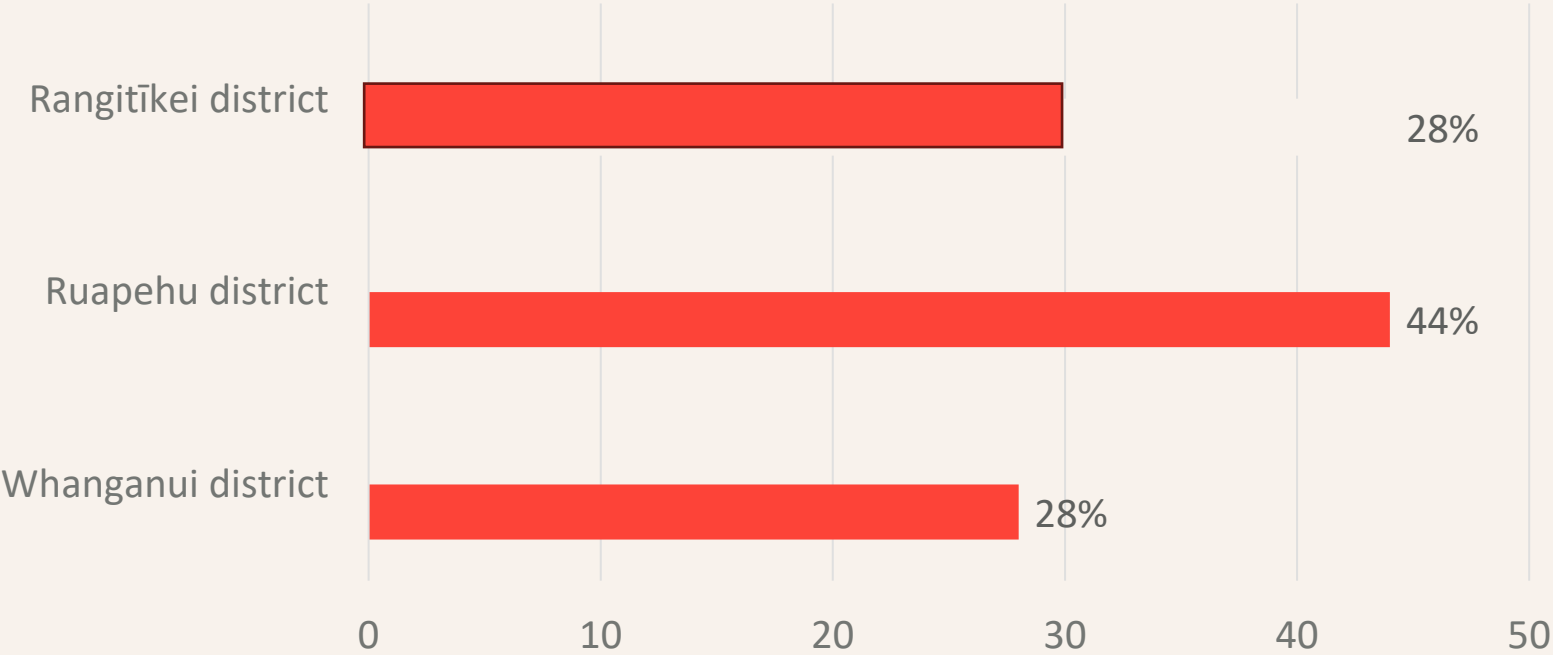
Age Structure Percentage - 2028 Projection



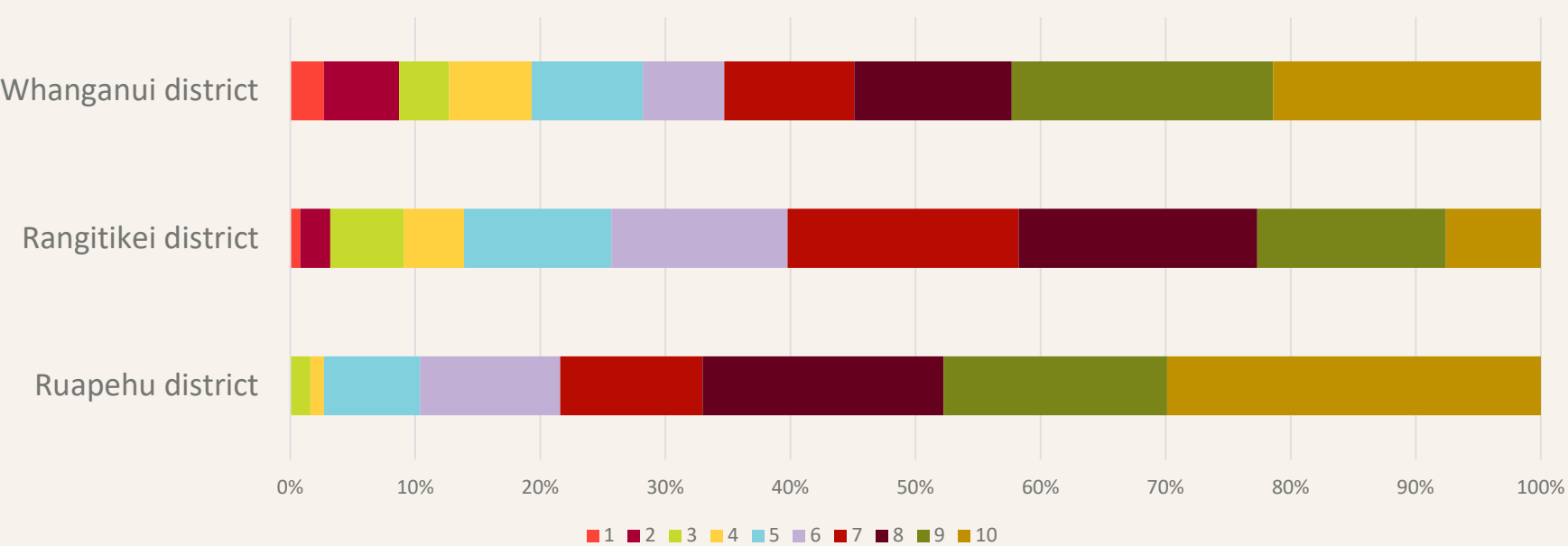
Urban/Rural split (population)



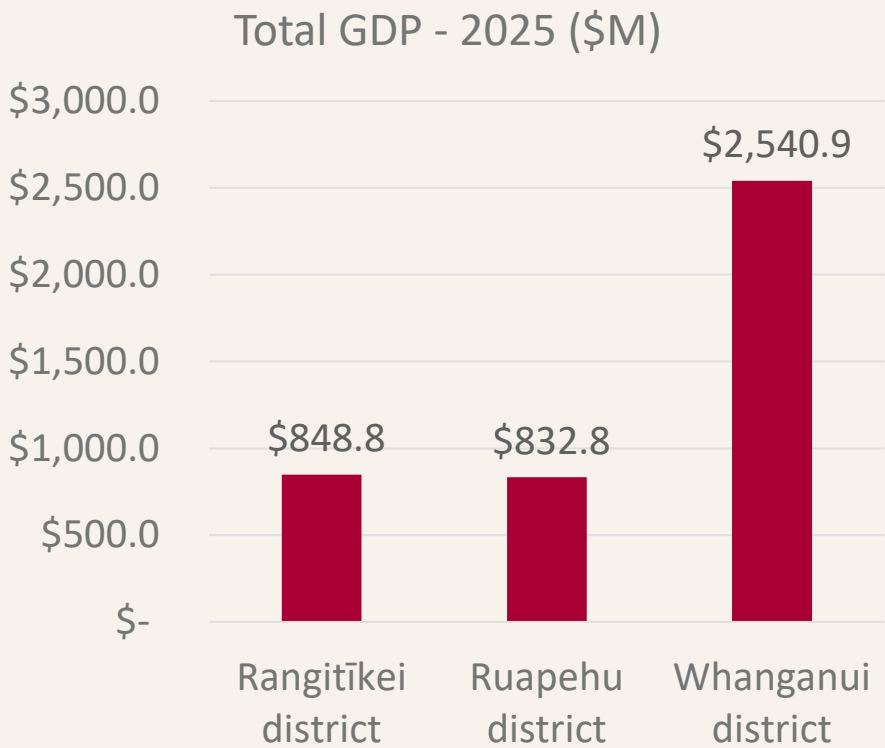
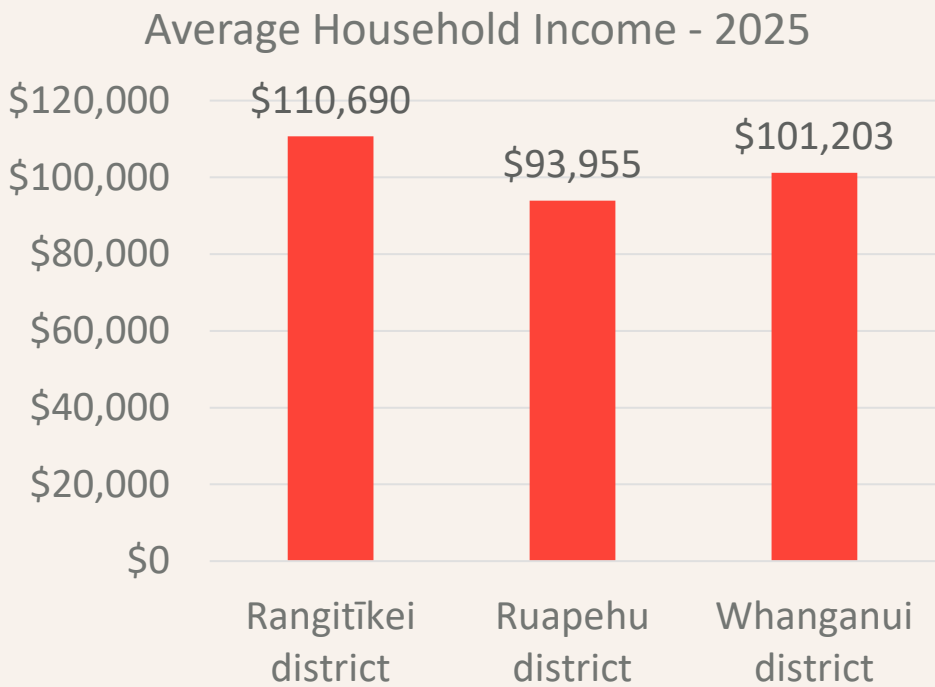
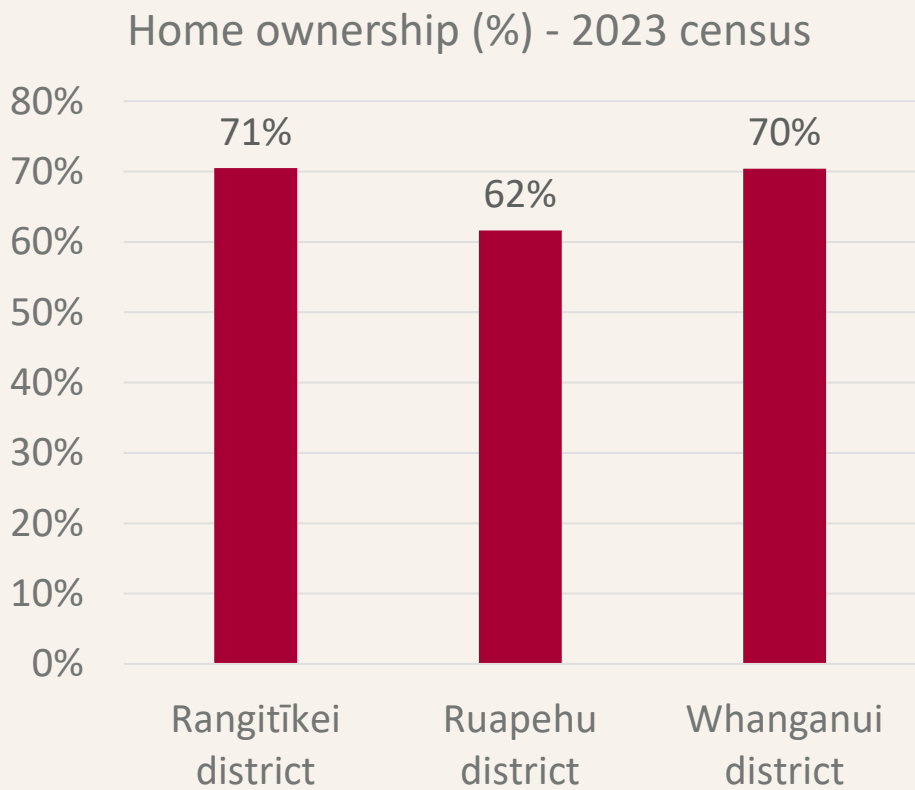
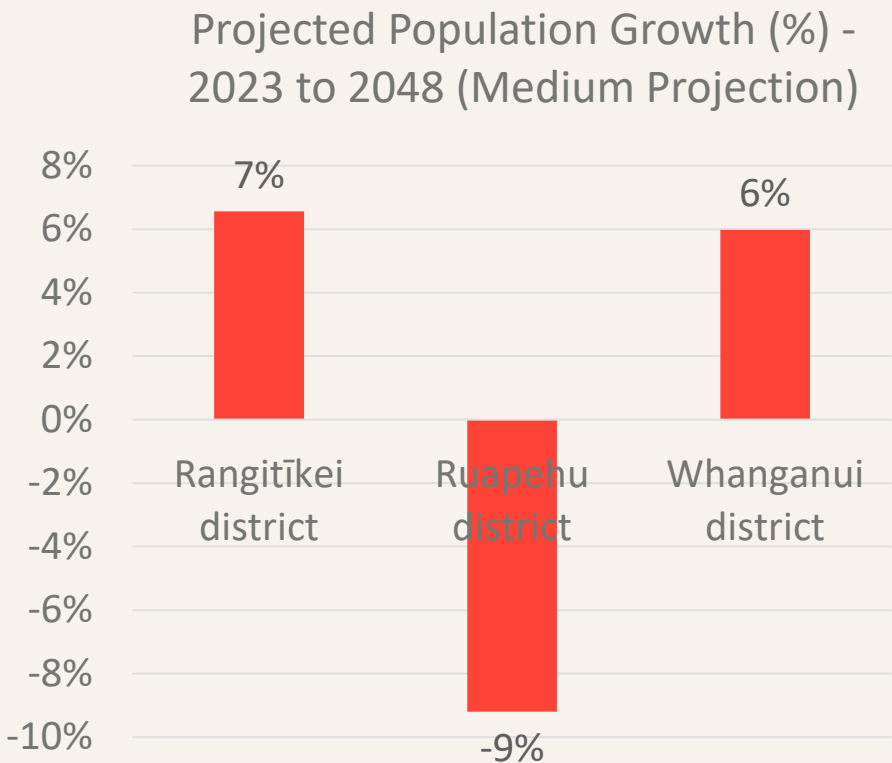
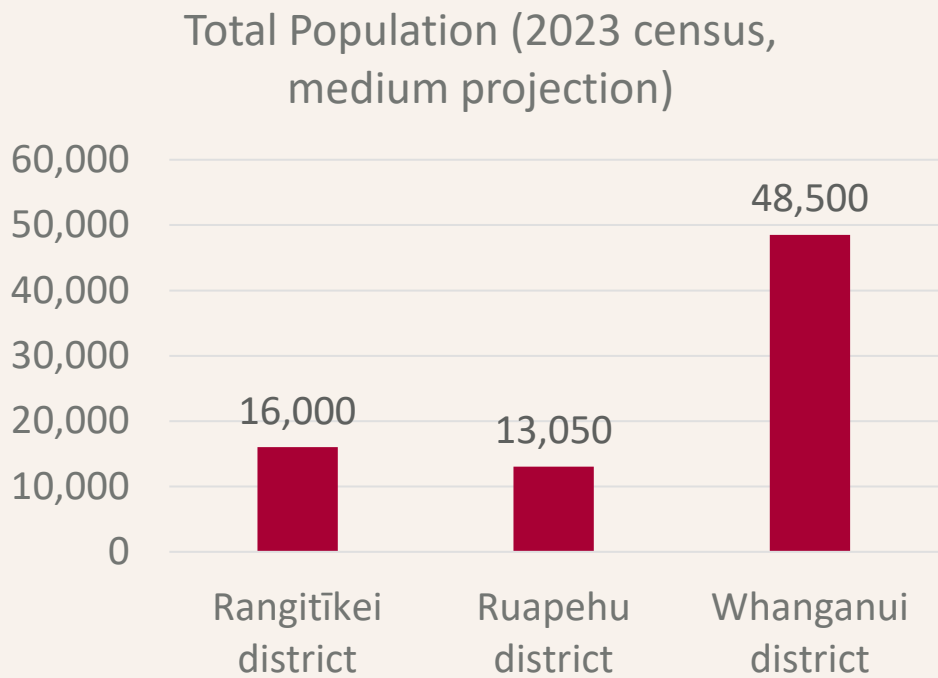
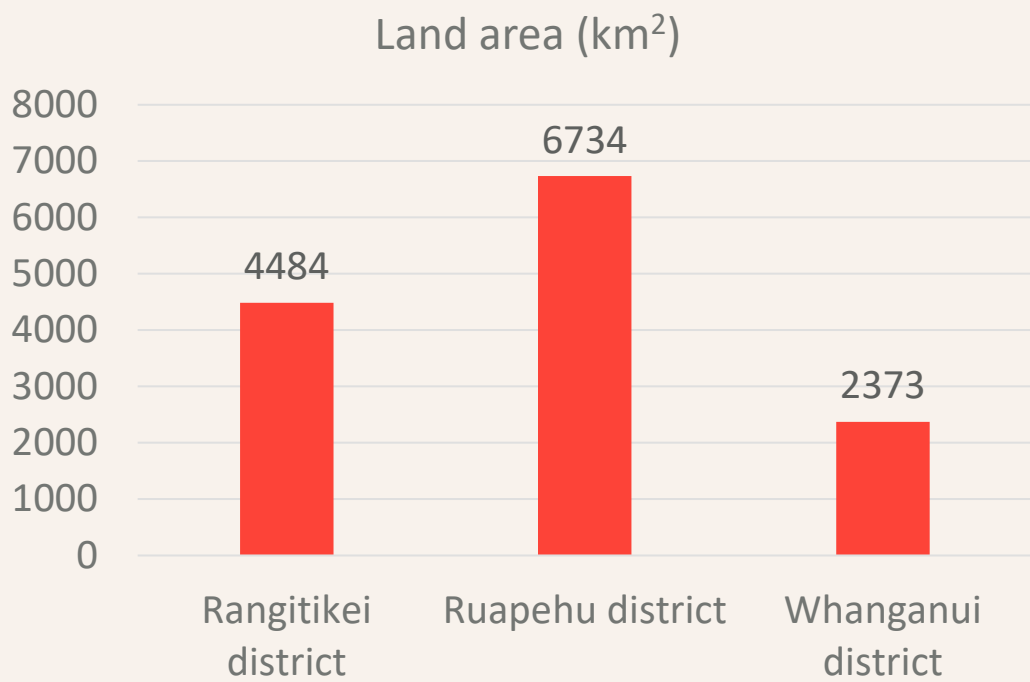
Māori Population Percentage - 2023 Census



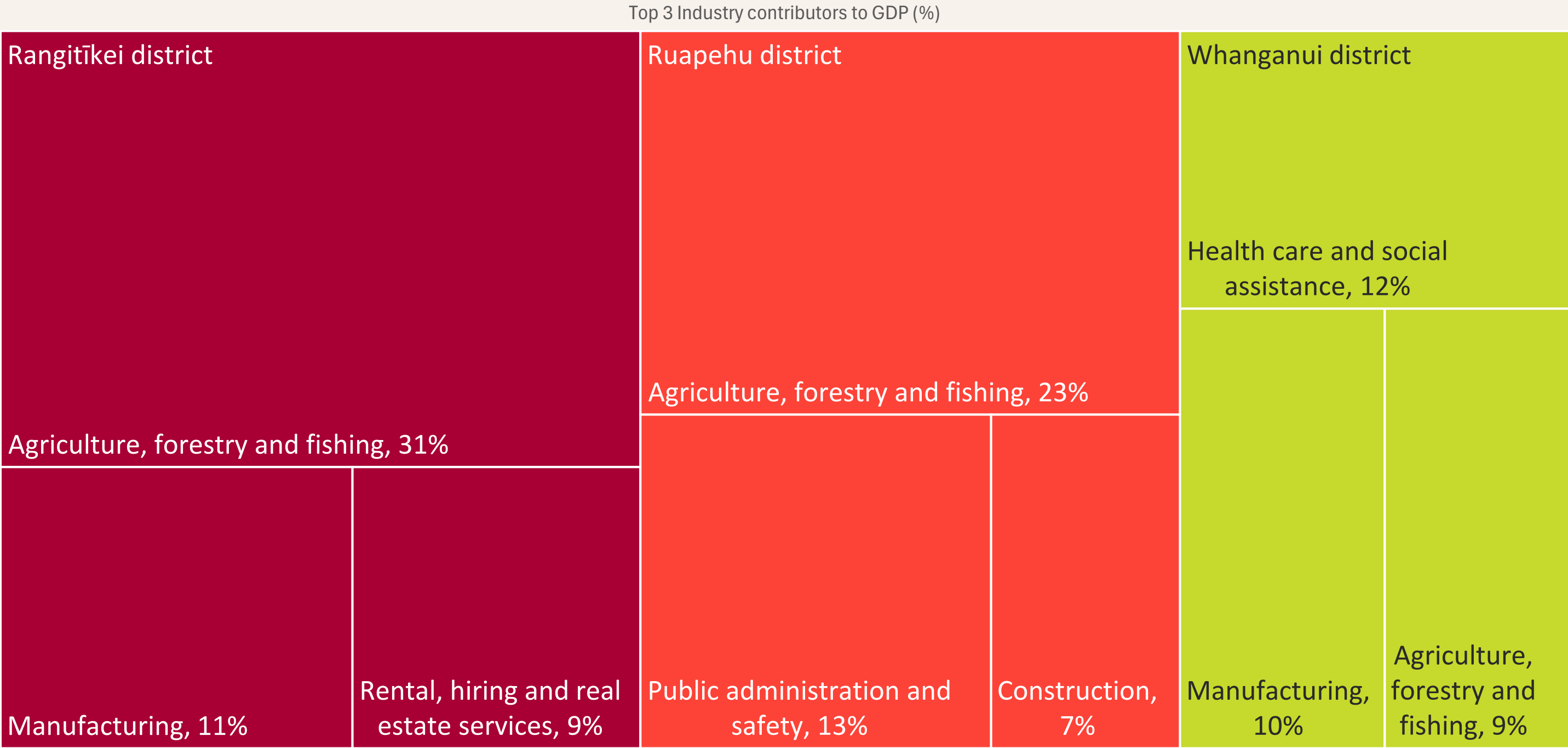
Deprivation profile (%)



# Area profile: Option 2



# Top three industries by GDP



# Catchment management

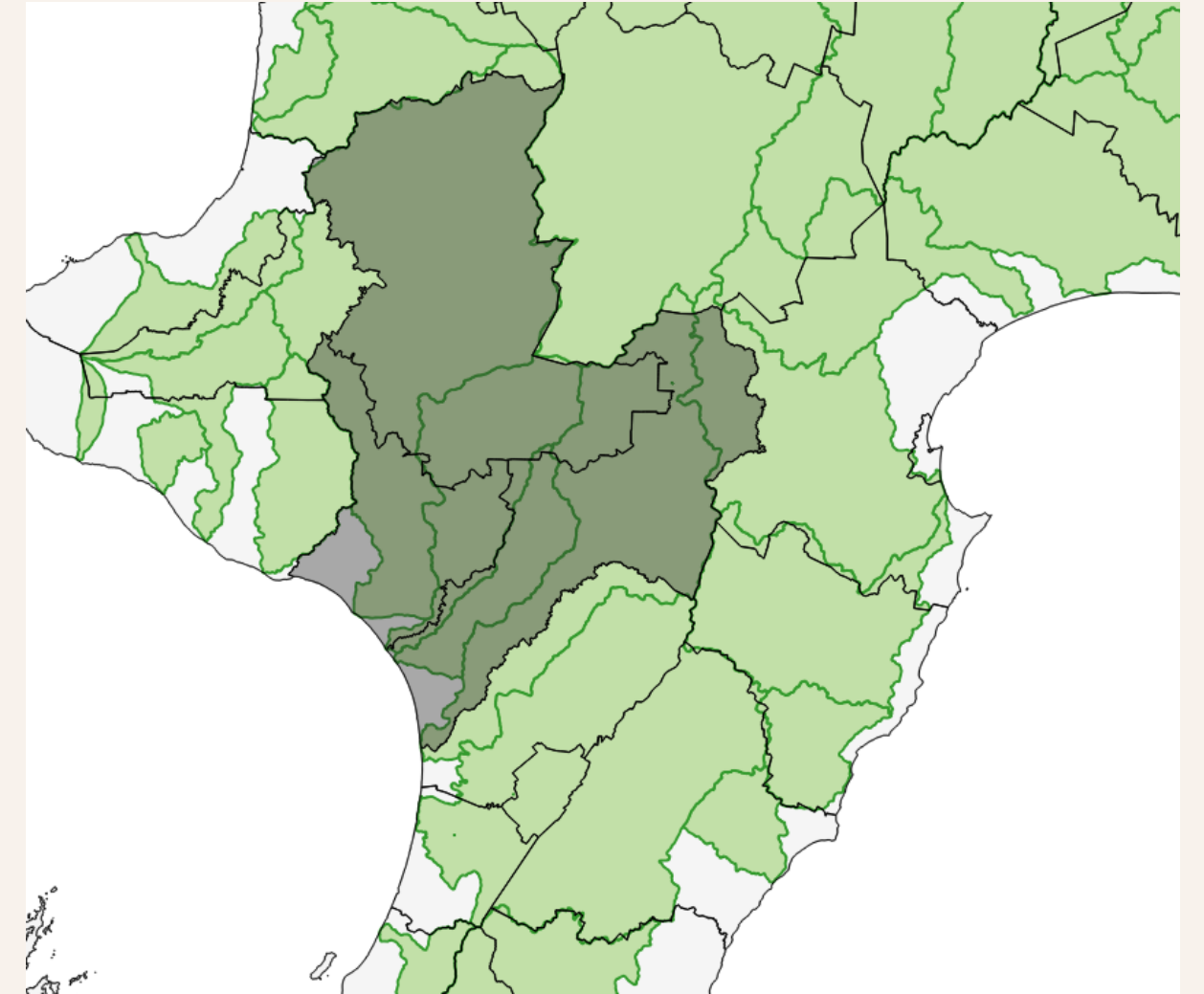
## Option 2: Ruapehu, Rangitīkei, Whanganui

### Pros

- Provides strong alignment across the western and northern river systems, particularly the Whanganui, Whangaehu and Turakina catchments.
- Captures significant portions of the upper catchments and headwaters originating on Mt Ruapehu.
- Supports integrated management from alpine source areas through to coastal receiving environments for several western catchments.
- Creates opportunities for coordinated management of volcanic, erosion-prone and hill-country environments.

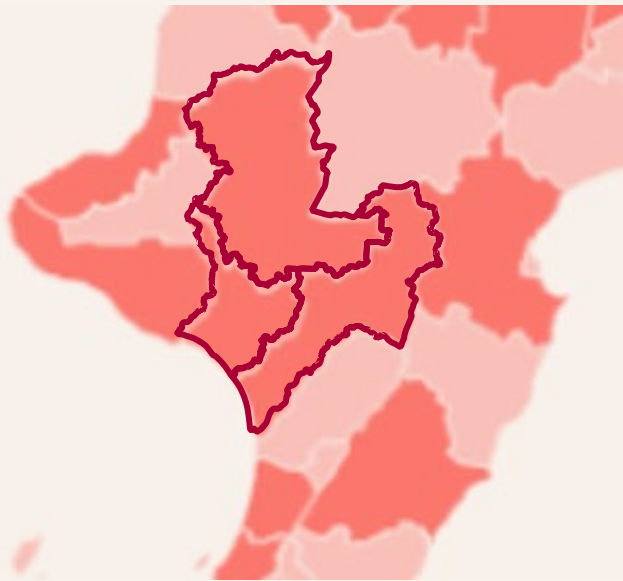
### Cons

- The Rangitīkei Catchment is split with Manawatū District Council creating a fragmented management framework for the Rangitīkei River system.
- Some headwaters of the Whanganui systems remain outside the proposed authority (Stratford District Council).
- Excludes major eastern and southern catchments, limiting region-wide ecosystem integration.

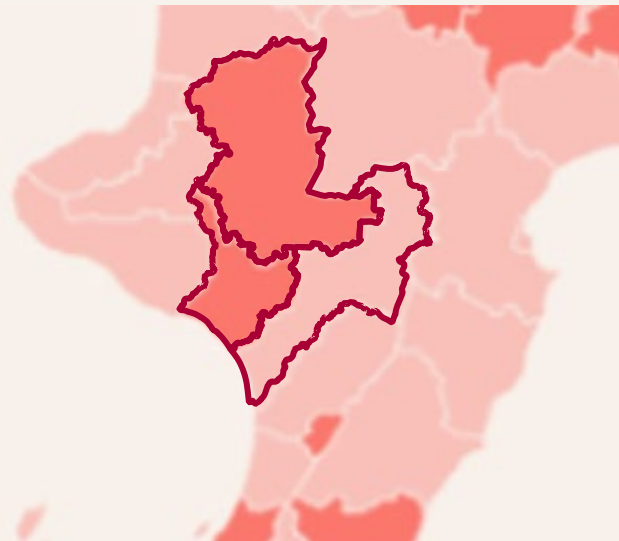


# Representation

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| Whanganui District          | 49,200           | 12                      | 2                                       | 4,100                 |
| Ruapehu District            | 13,440           | 9                       | 2                                       | 1,493                 |
| Total                       | 78,670           | 32                      | 9                                       | -                     |
| Rotorua Lakes Council       | 78,000           | 10                      | 10                                      | 7,800                 |
| Far North District          | 73,600           | 10                      | 4                                       | 7,360                 |
| Indicative combined council | 78,670           | 10                      | TBD                                     | 7,867                 |



Community boards



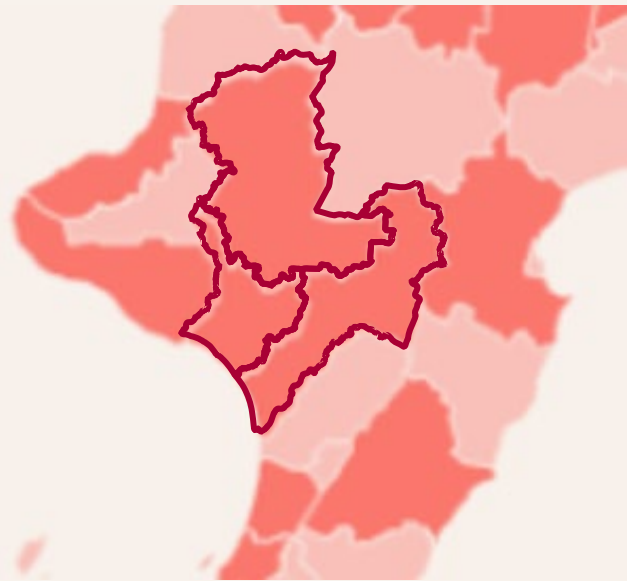
Māori ward referendum outcome

# Representation

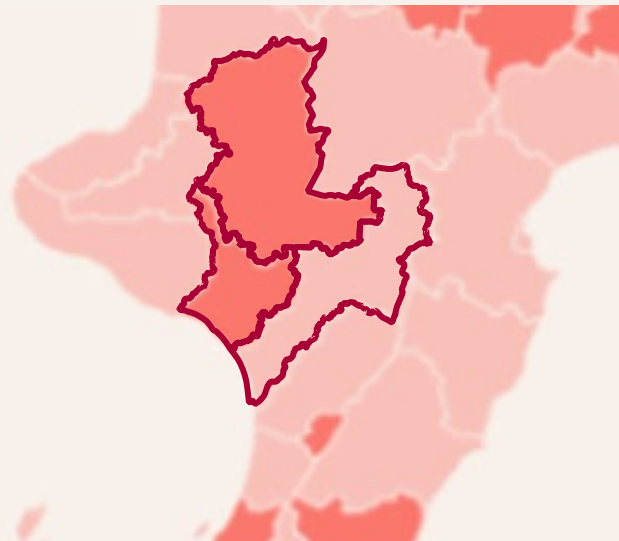
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Noting that MCERT have said that alternative representation models can be included.



Community boards



Māori ward referendum outcome

# Summary of initial assessment

## Option 2: RDC + RuDC WDC

Supports the new planning system

Simplifies local governance

Economies of scale

Maintains local voice

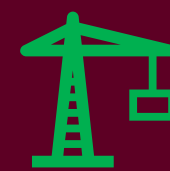
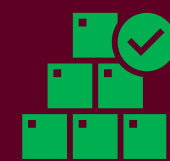
Deliverability

Working collaboratively to improve wellbeing\*

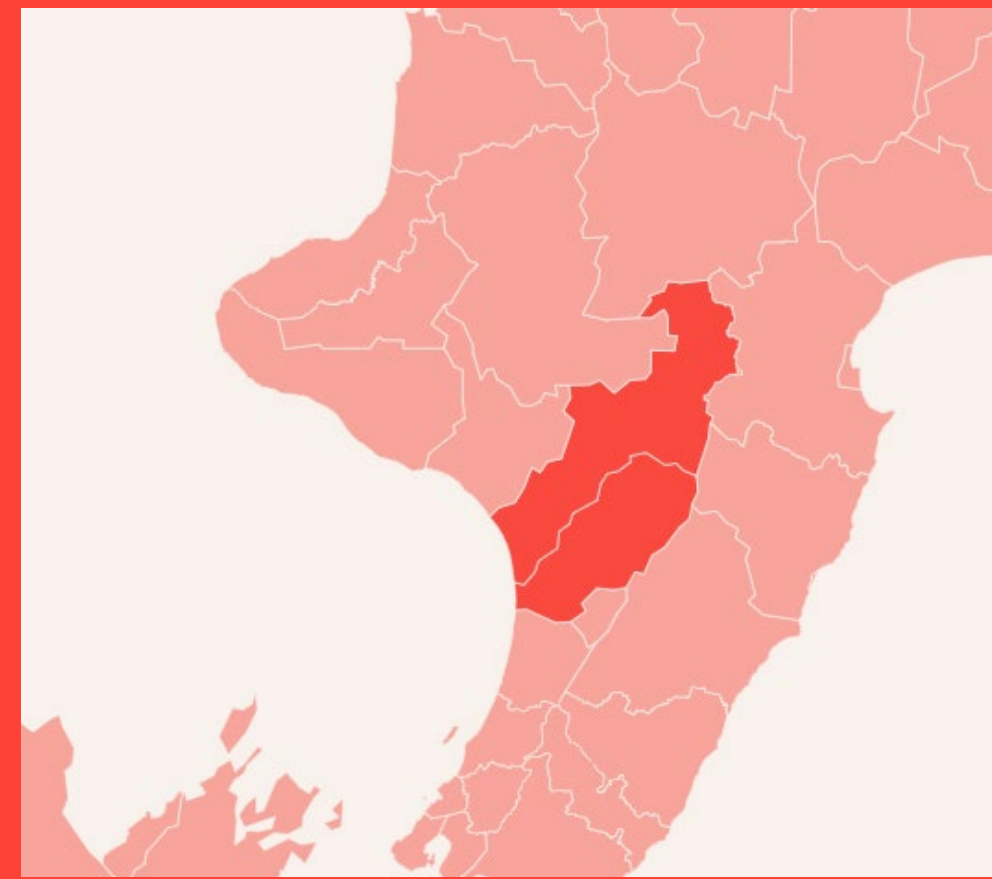
Facilitating growth\*

Connecting to Central North Island\*

Affordability for community and Council  
sustainability\*



# Option 3



Rangitikei District  
Manawatū District

# Communities, connections and economic coherence

Q1. Does the option group together communities with aligned needs and expectations of council?

- Strong alignment in structure
  - Both predominantly rural (91–93% rural roads)
  - Similar age profile (~41 years)
  - Shared growth trajectory (+10–12% to 2048)
  - Agriculture-led economies
  - Slightly higher income and ownership in Manawatū → Different expectations on affordability, service levels, and investment
- Key difference in need and expectations
  - Deprivation gap: Rangitikei 60% vs Manawatū 30.9% (deciles 7–10)
  - Māori population: 28% vs 17%

Q2. Will this council make sense economically and functionally?

- Complementary economic structure. Both agriculture-based, but:
  - Rangitikei more intensive (30.6% agriculture)
  - Manawatū more diversified (public admin and real estate)
- Scale imbalance introduces the risk that Manawatū is more than twice the population and ~3 to 4x the development scale
- Risk that Rangitikei becomes a peripheral district rather than an equal partner

# Journey analysis

There is a real, two-way linkage between Rangitikei and Manawatū, but significant travel from both districts extends to Palmerston North, which sits outside the option.

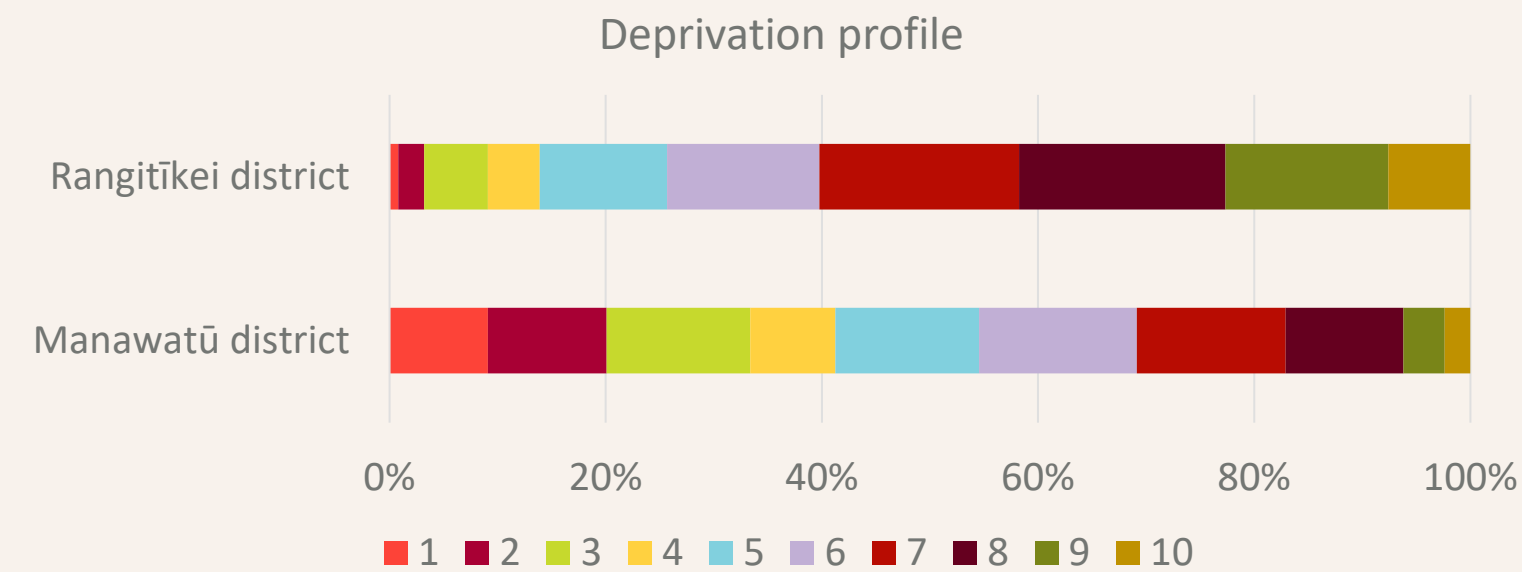
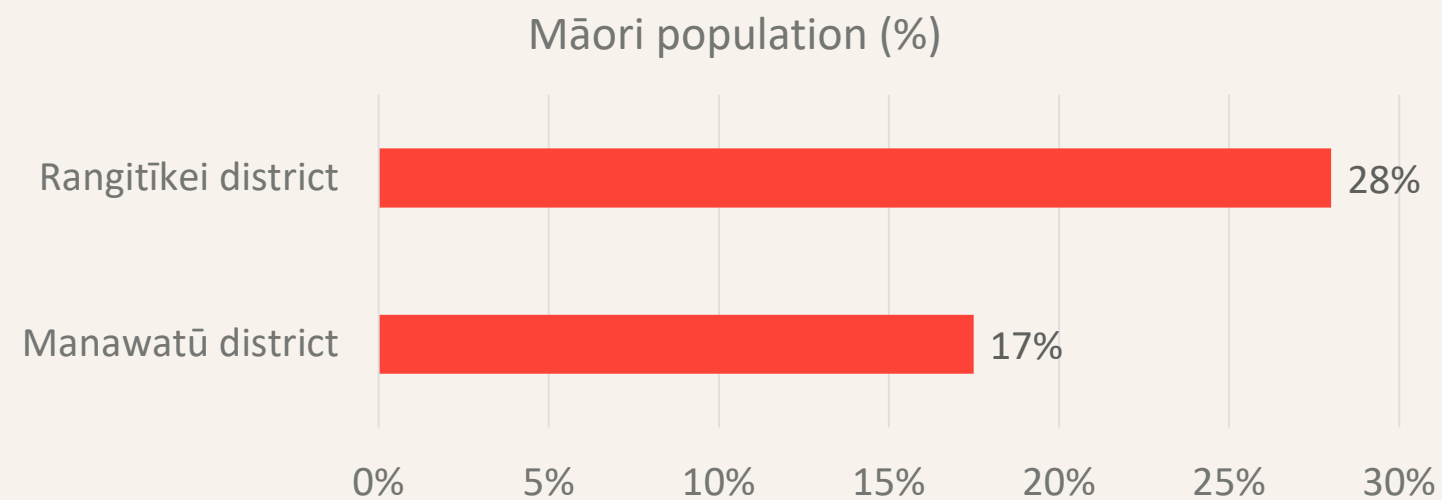
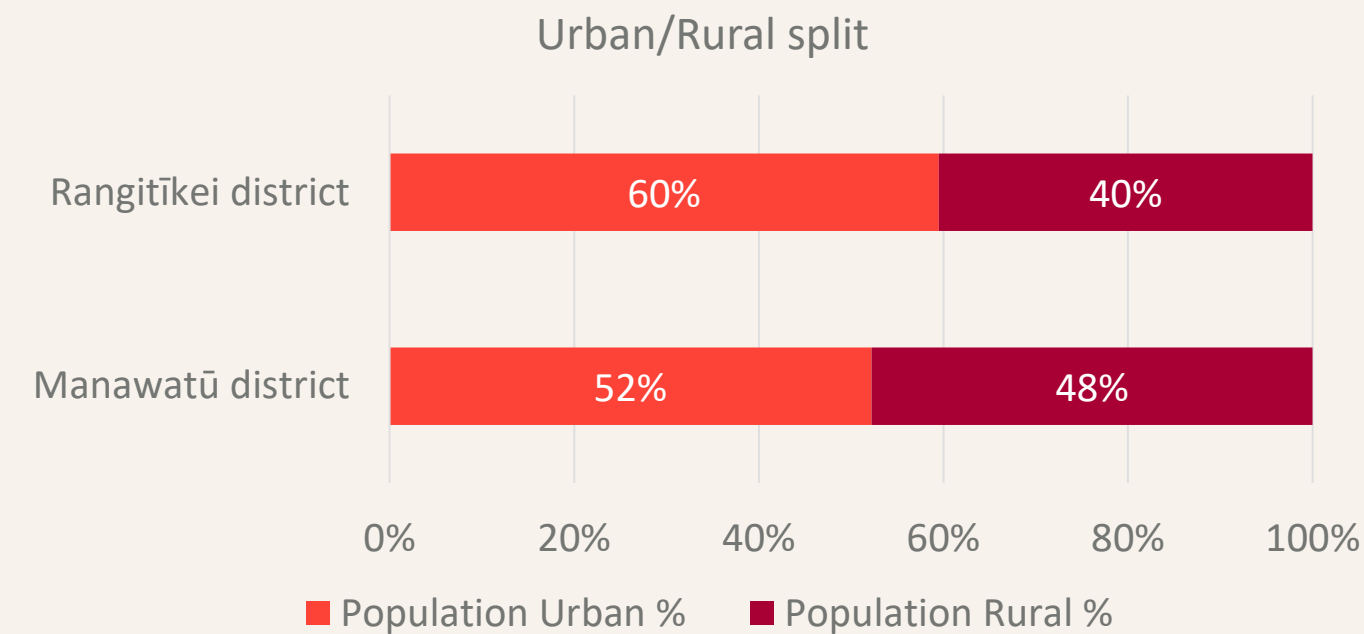
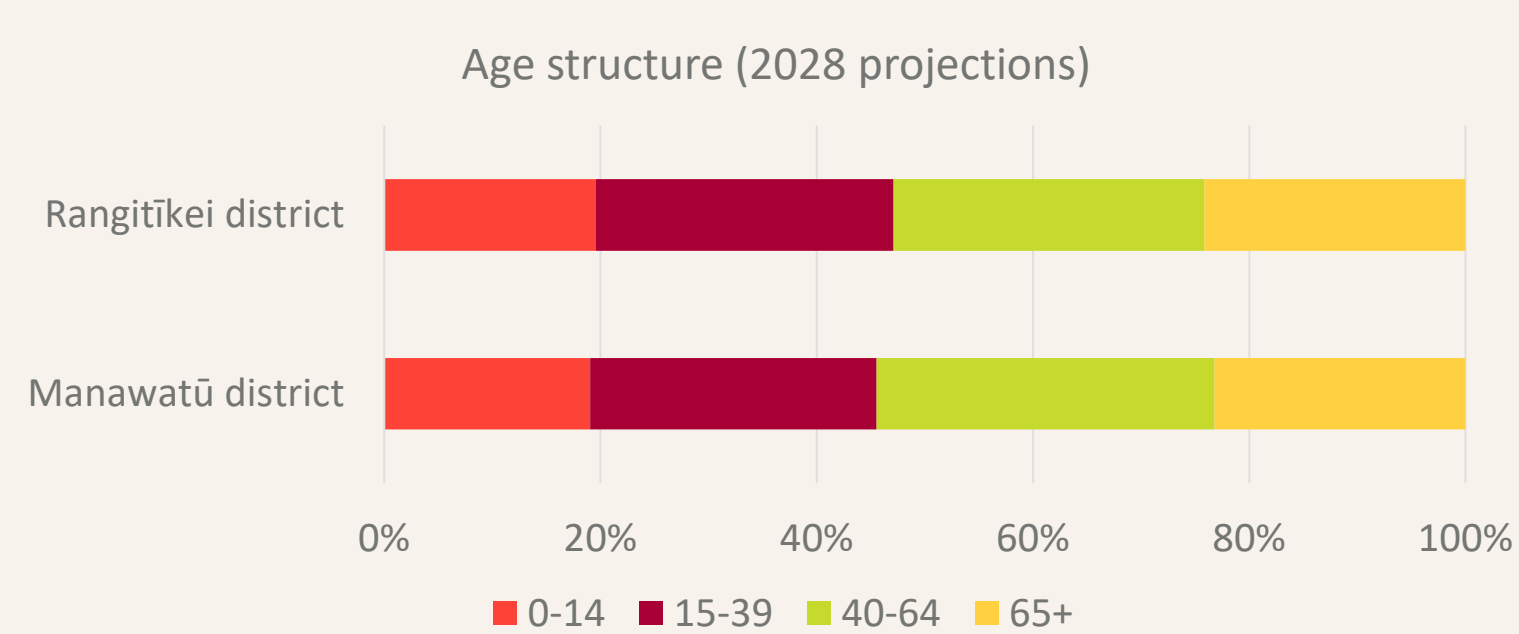
The option partially reflects travel patterns, but omits the main external destination.

- Key linkages

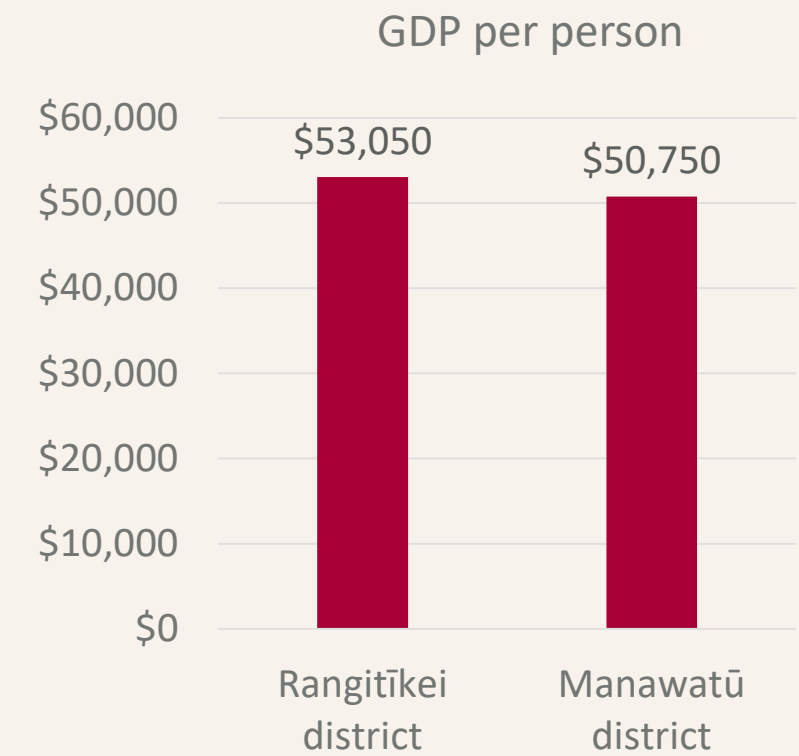
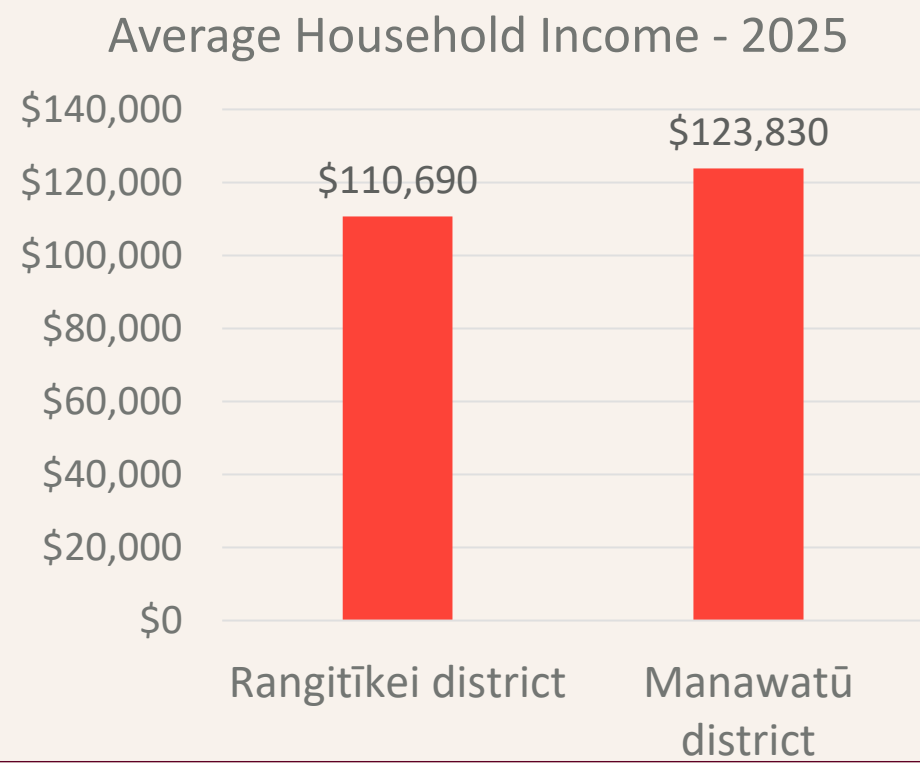
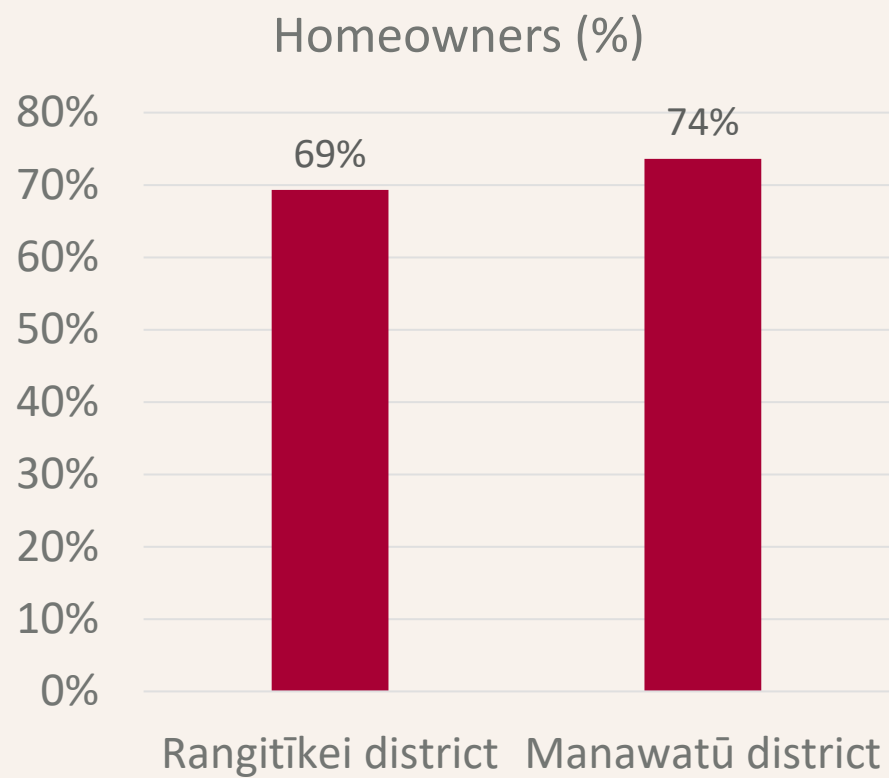
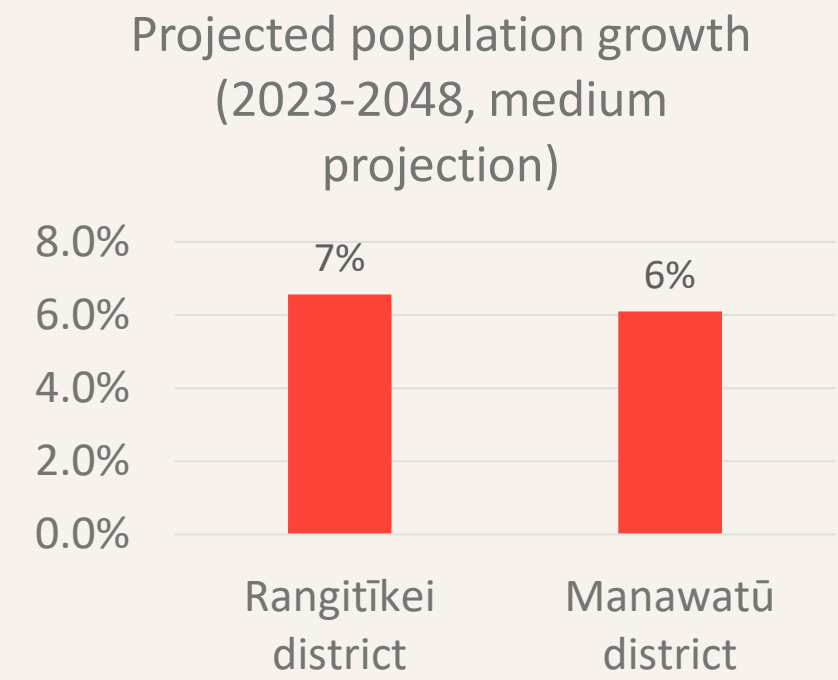
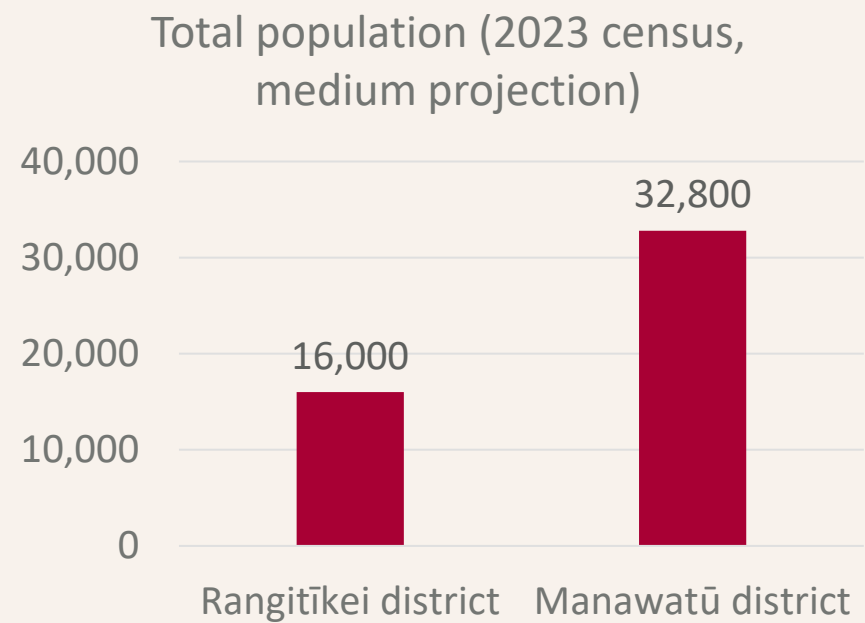
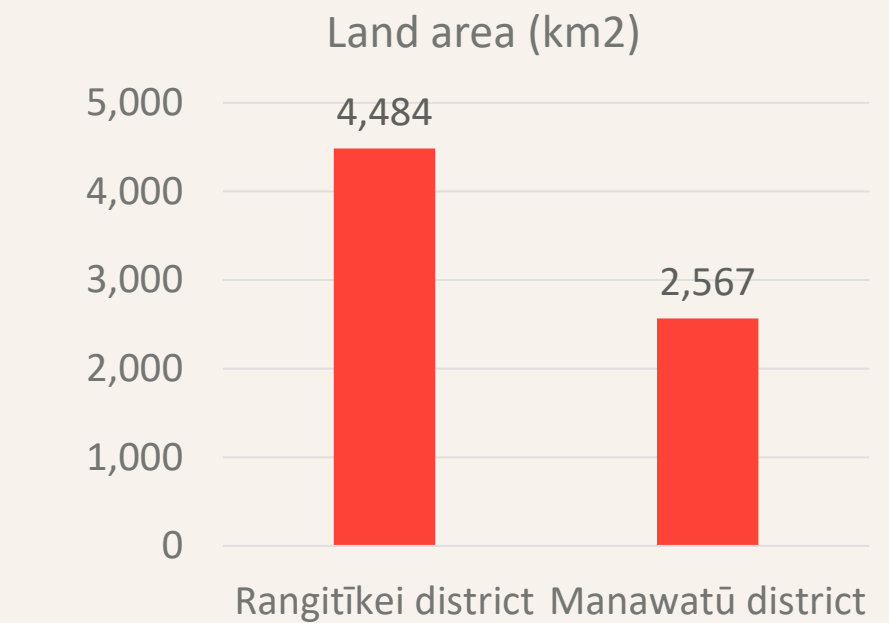
- Rangitikei ↔ Manawatū ~5–10%
- Rangitikei → Palmerston North ~8% (excluded)
- Manawatū → Palmerston North ~20–30% (excluded)



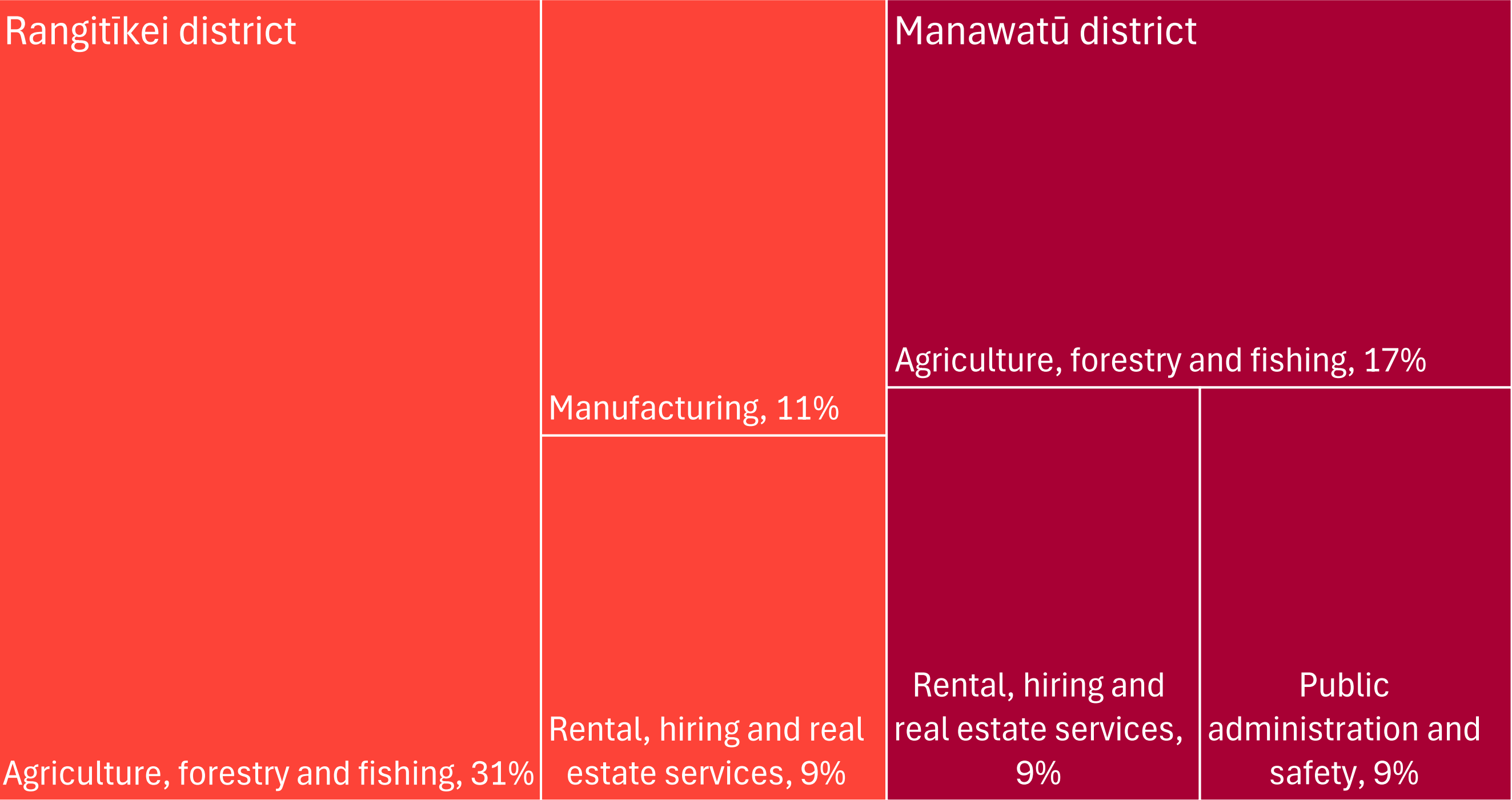
# Population Structure: Option 3



# Area profile: Option 3



# Top three industries by GDP



# Catchment management

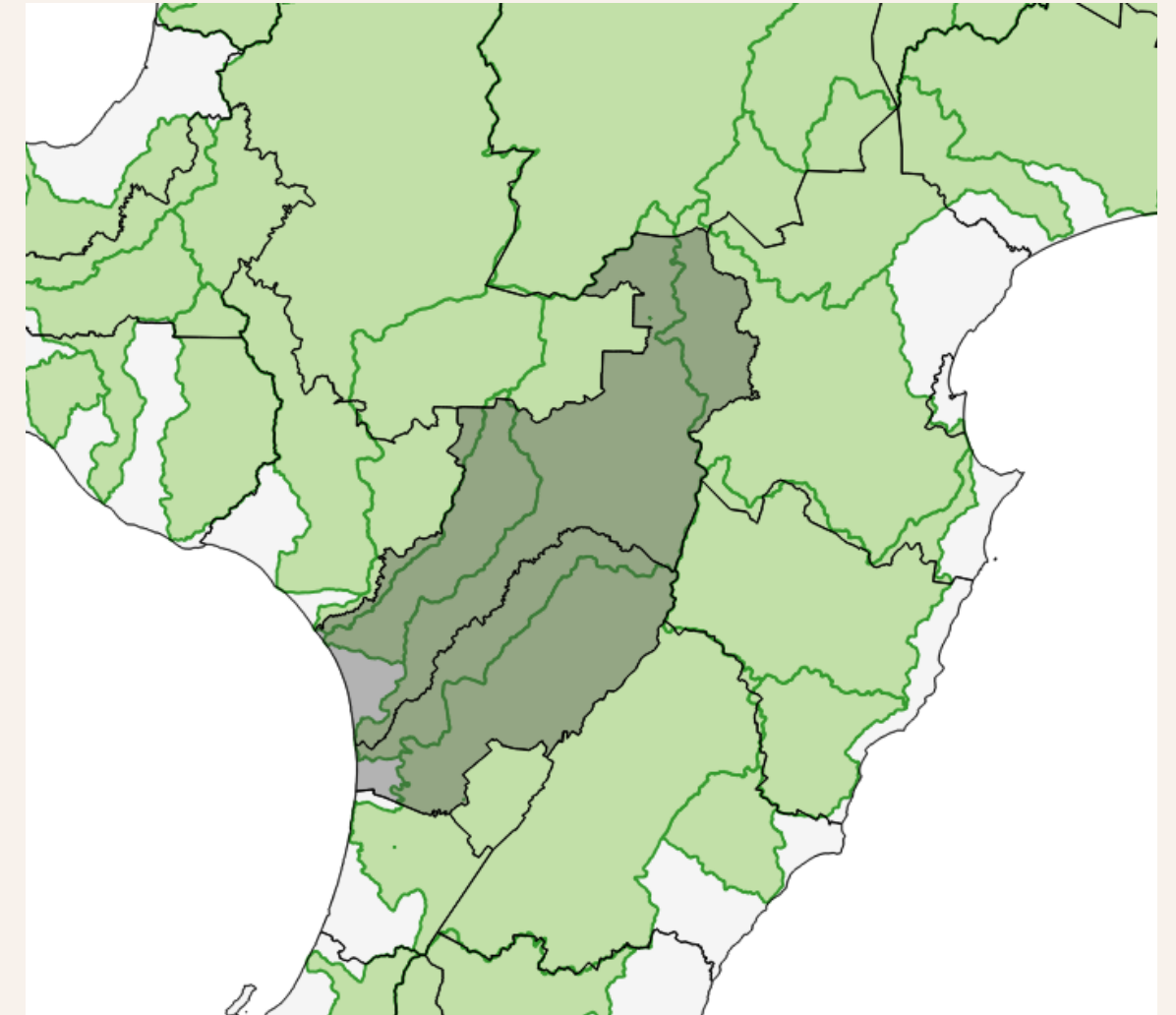
## Option 3: Rangitīkei, Manawatū

### Pros

- Provides relatively strong integration across the lower and middle reaches of the Rangitīkei and Manawatū systems.
- Aligns closely with existing economic and land-use patterns in the southern part of the region.
- Simplifies management of lower river reaches and productive lowland environments.

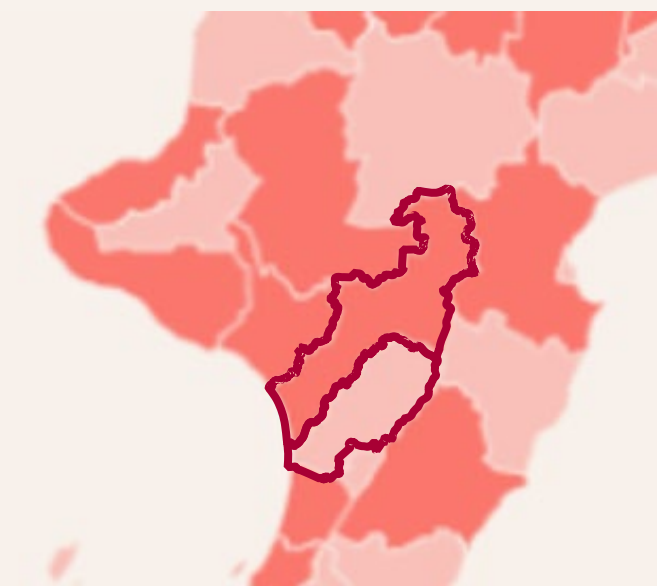
### Cons

- Excludes the majority of key headwater areas for both the Rangitīkei and Manawatū systems.
- Leaves significant upstream environmental drivers outside the authority boundary.
- Requires extensive cross-boundary governance arrangements with Ruapehu, Tararua and other neighbouring authorities.
- Does not capture Whanganui, Whangaehu or Turakina catchments.

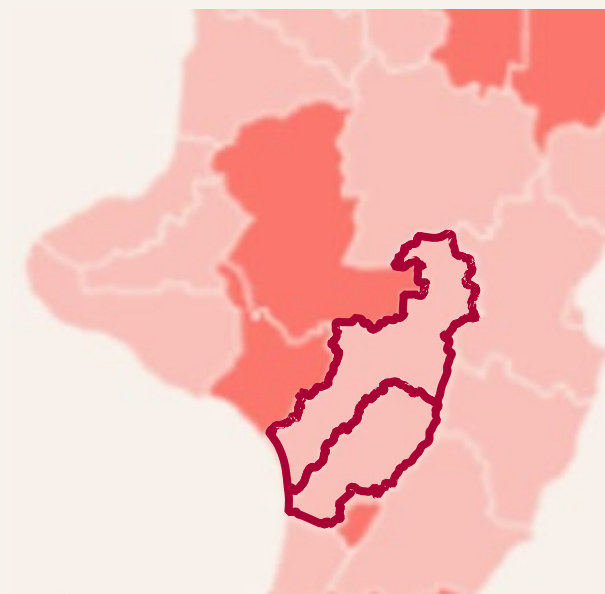


# Representation

| District                    | Total Population | Total Members (Current) | Number of (including Māori wards) Wards | Population per Member |
|-----------------------------|------------------|-------------------------|-----------------------------------------|-----------------------|
| Rangitīkei District         | 16,030           | 11                      | 5                                       | 1,457                 |
| Manawatu District           | 33,990           | 11                      | 3                                       | 3,090                 |
| Total                       | 50,020           | 22                      | 8                                       | -                     |
| Whanganui District          | 49,200           | 12                      | 2                                       | 4,100                 |
| Invercargill City           | 58,000           | 13                      | None                                    | 4,461                 |
| Indicative combined council | 50,020           | 12                      | TBD                                     | 4,168                 |



Community boards



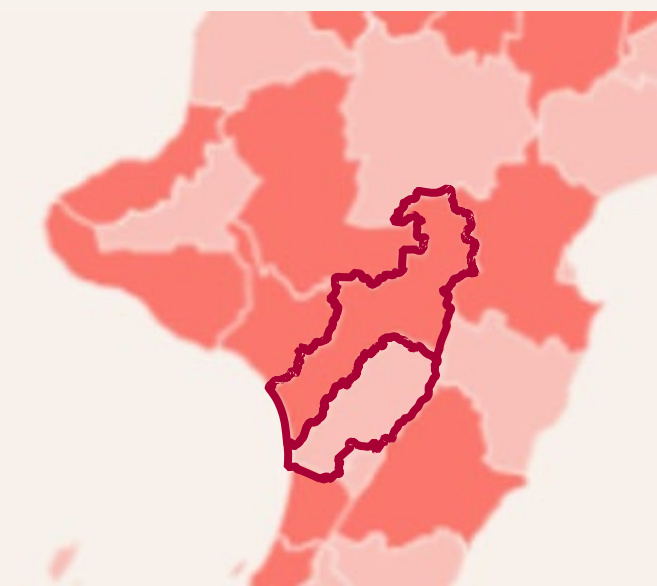
Māori ward referendum outcome

# Representation

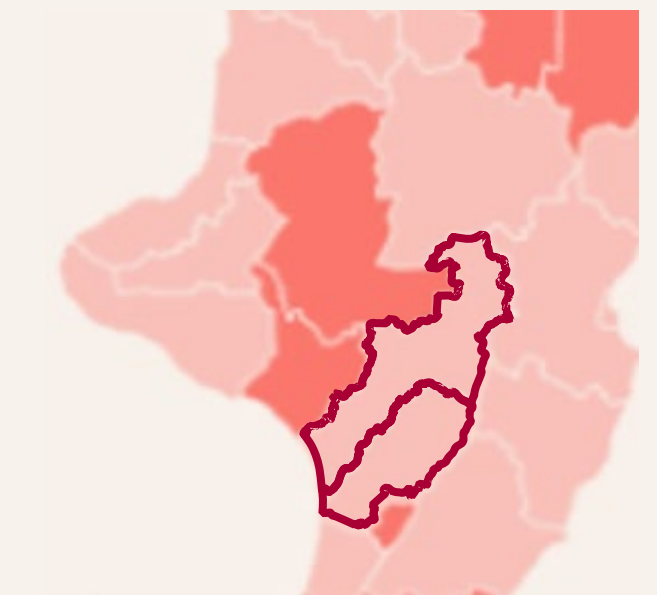
| District                    | Total Population | Population per Member |
|-----------------------------|------------------|-----------------------|
| Indicative combined council | 50,020           | 12                    |
| Rangitīkei District         | 16,030           | 4                     |
| Manawatu District           | 33,990           | 8                     |

This is based on population only.

Noting that MCERT have said that alternative representation models can be included.



Community boards



Māori ward referendum outcome

# Summary of initial assessment

## Option 3: RDC+ MDC

Supports the new planning system

Simplifies local governance

Economies of scale

Maintains local voice

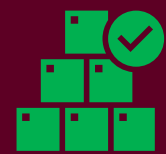
Deliverability

Working collaboratively to improve wellbeing\*

Facilitating growth\*

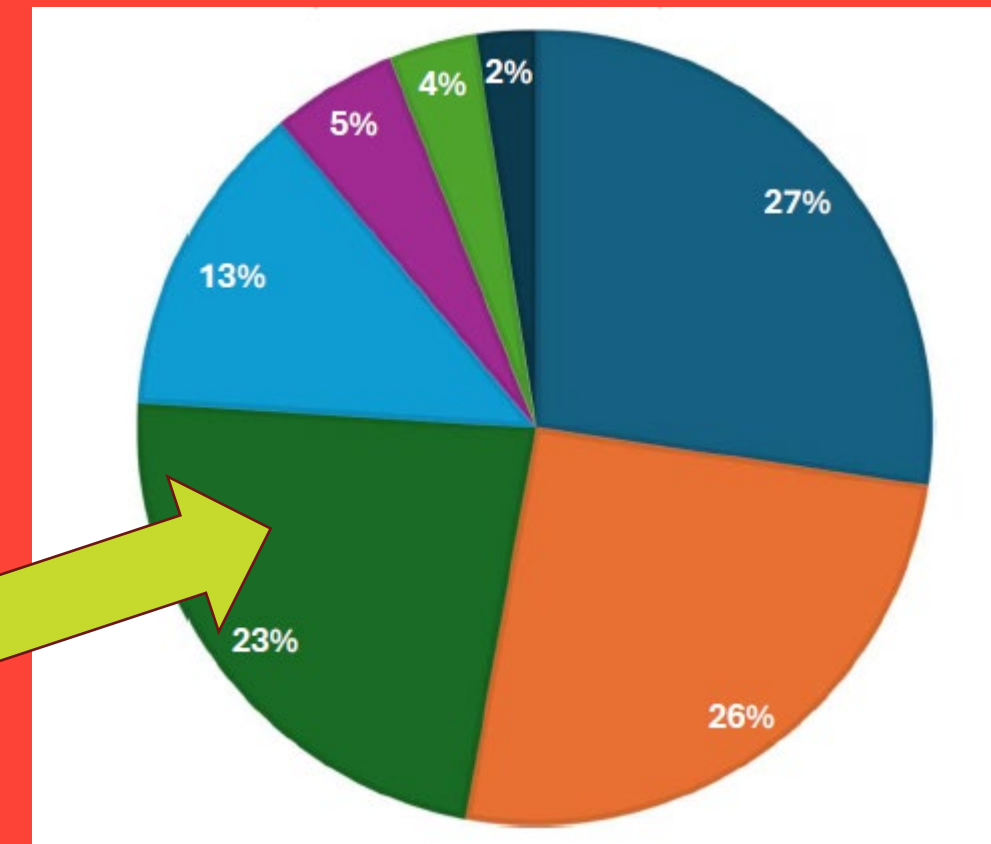
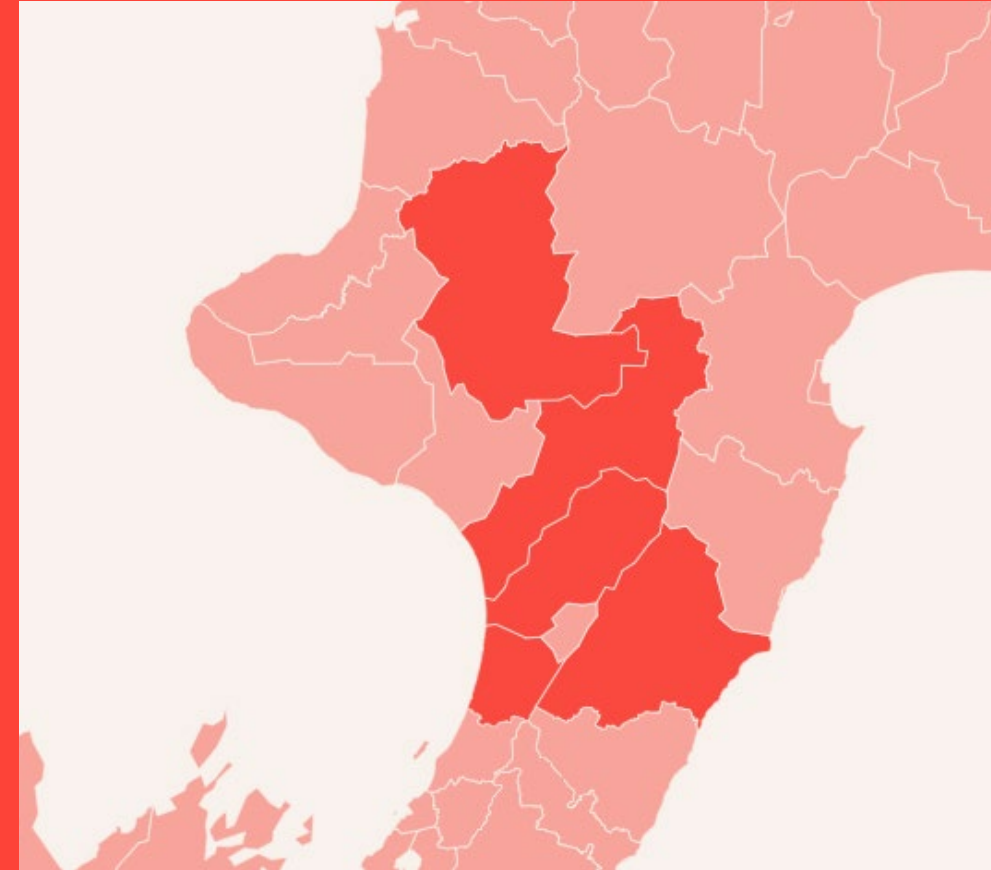
Connecting to Central North Island\*

Affordability for community and Council  
sustainability\*



# Option 4

Rangitīkei District  
Manawatū District  
Ruapehu District  
Horowhenua District  
Tararua District



# Communities, connections and economic coherence

Q1. Does the option group together communities with aligned needs and expectations of council?

- Shared foundations:
  - Rural districts with common service challenges
  - Agriculture-led economies across all five districts
  - Similar aging population profile (median ~40–47 years)
- Very different population growth pressures:
  - Horowhenua 9.0% vs Ruapehu -9.1%
- Potential for difference in need and expectations:
  - Deprivation gap: Ruapehu 67%, Rangitikei 56% vs Manawatū 17% (levels, 8-10)
  - Māori :~44% Ruapehu, 28% Rangitikei vs ~17% Manawatū
  - Higher income and ownership (slightly) in Manawatū→ Different expectations on affordability, service levels and investment

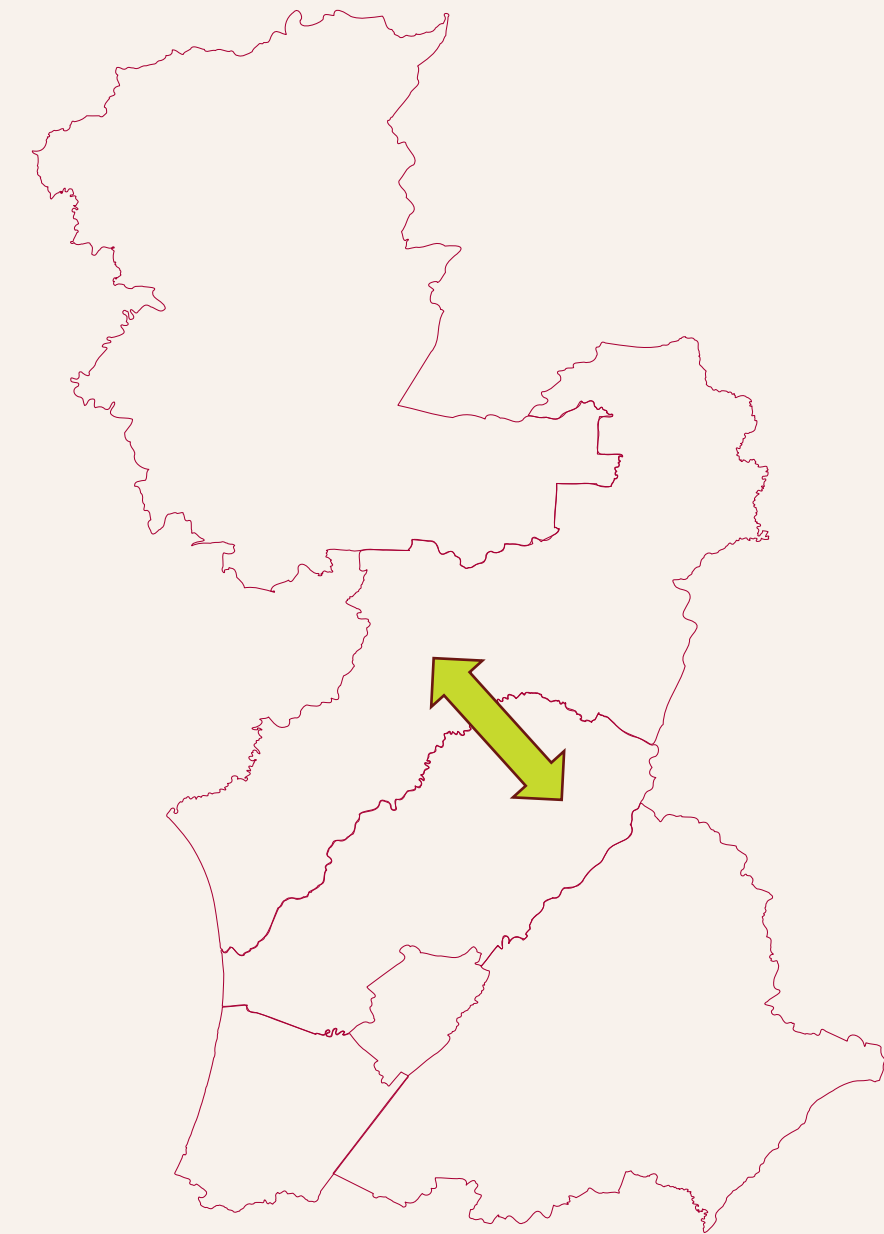
Q2. Will this council make sense economically and functionally?

- Agriculture is a top sector across all districts (17–31% of GDP)
  - Manufacturing in Rangitikei and Manawatū supports value-add processing
  - Combined GDP of ~\$5 billion → viable economic scale→ Creates a coherent primary-sector regional economy
- Clear functional geography
  - Forms a north to south corridor (Ruapehu → Rangitikei)
  - Connected via state highways and rail networks
  - Shared infrastructure and supply chain connections
- Palmerston North provides a strong centre
  - Serves as regional service hub for all five districts

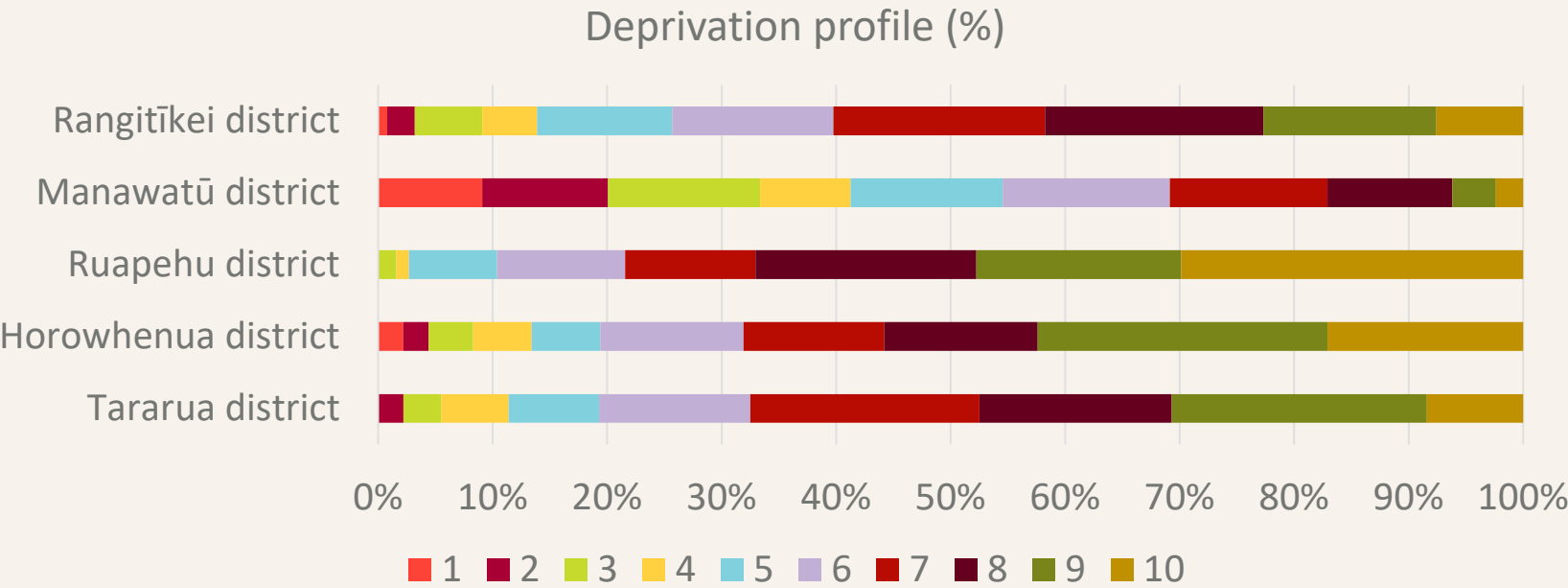
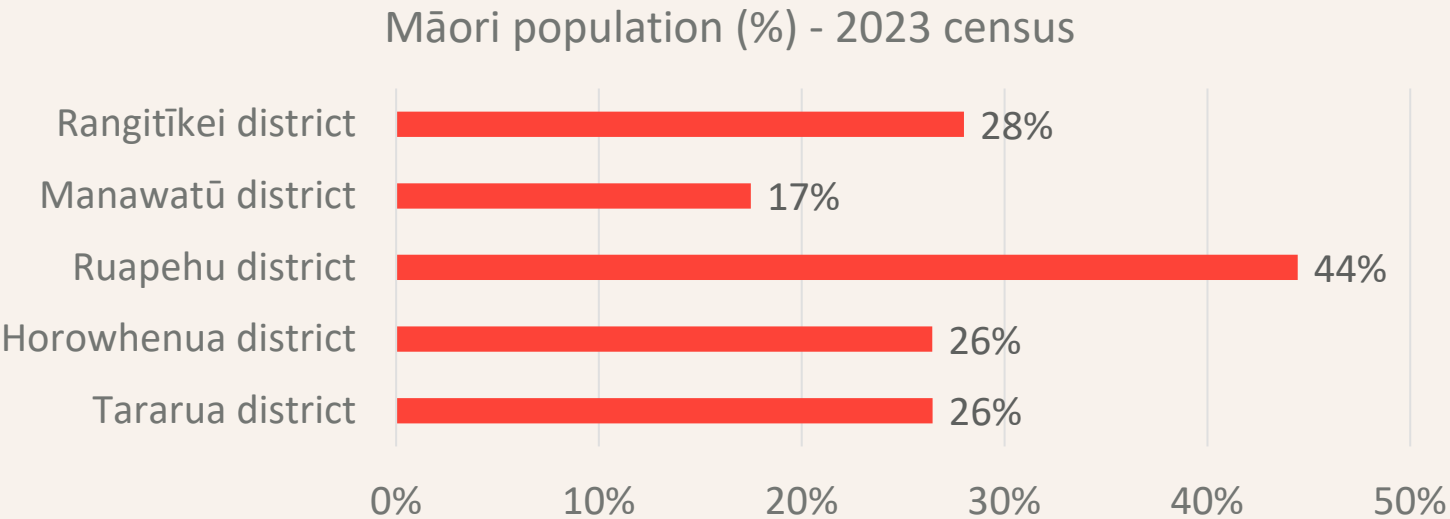
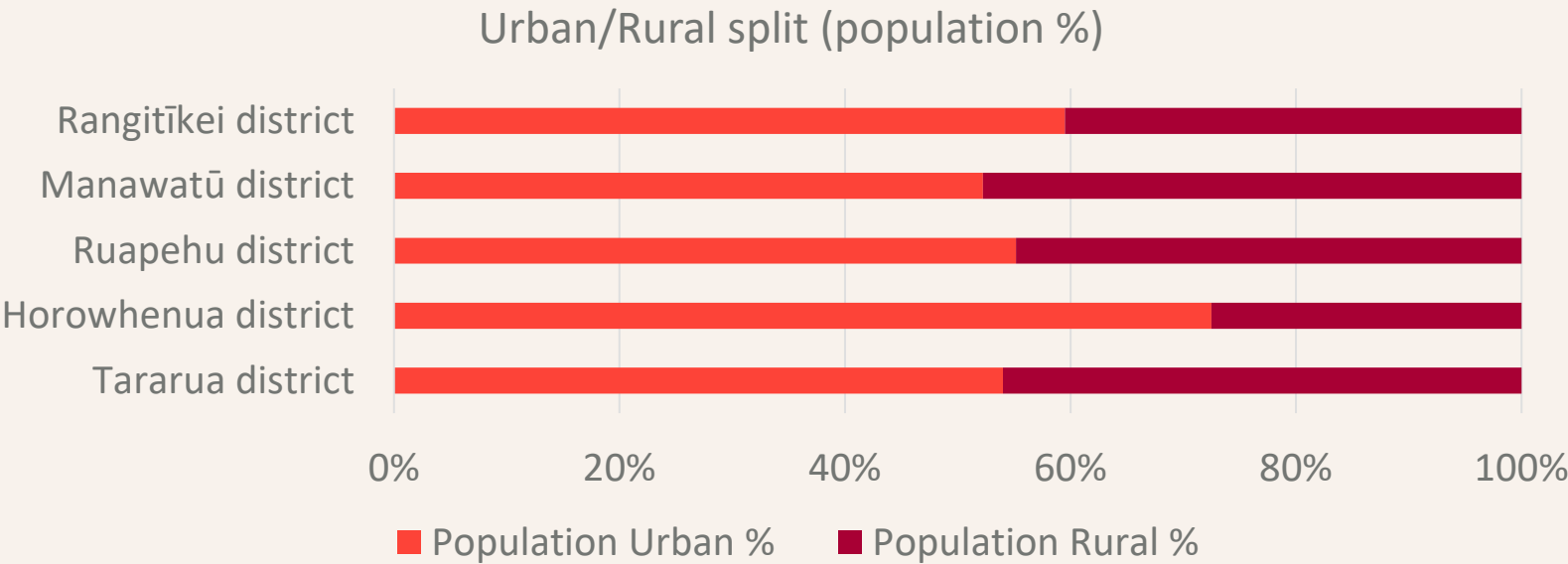
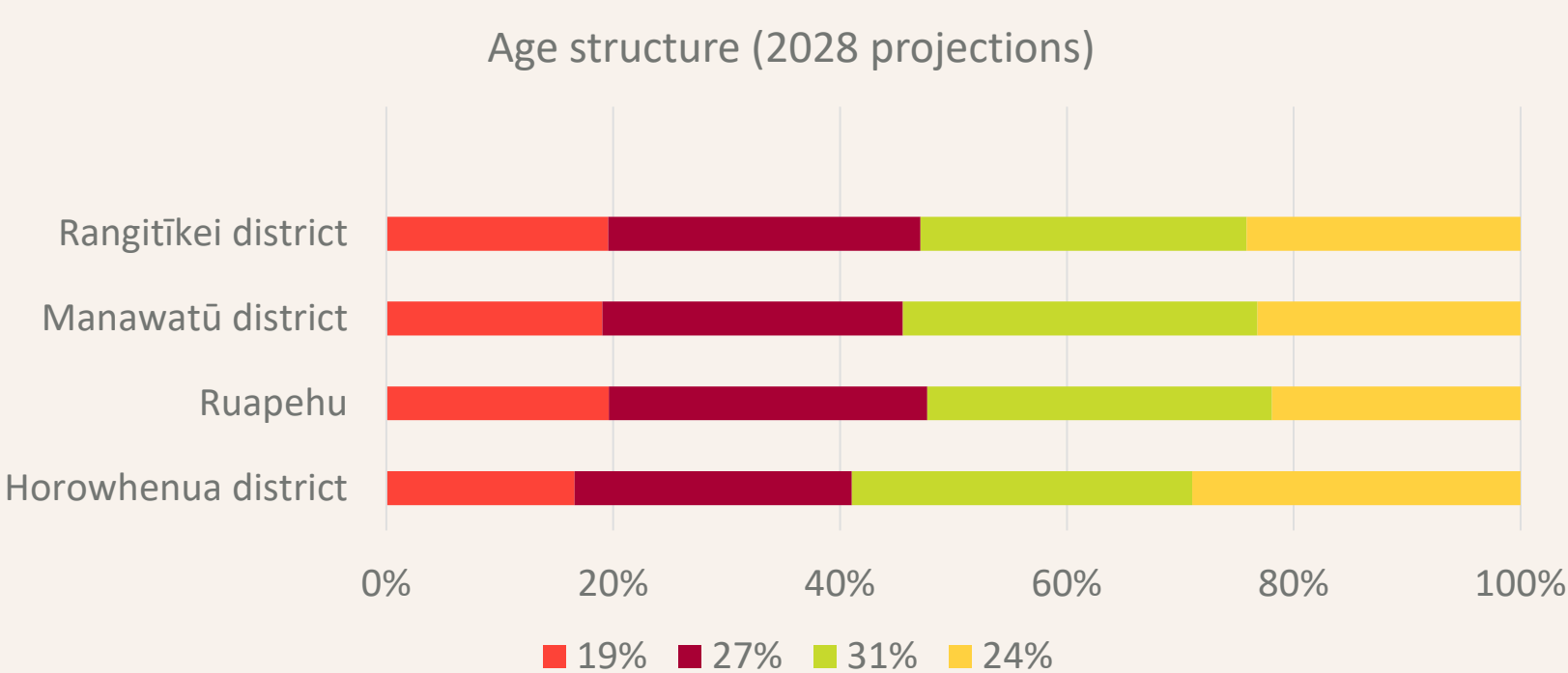
# Journey analysis

While some internal connections exist, most districts have their largest external linkage to Palmerston North, which is not included.

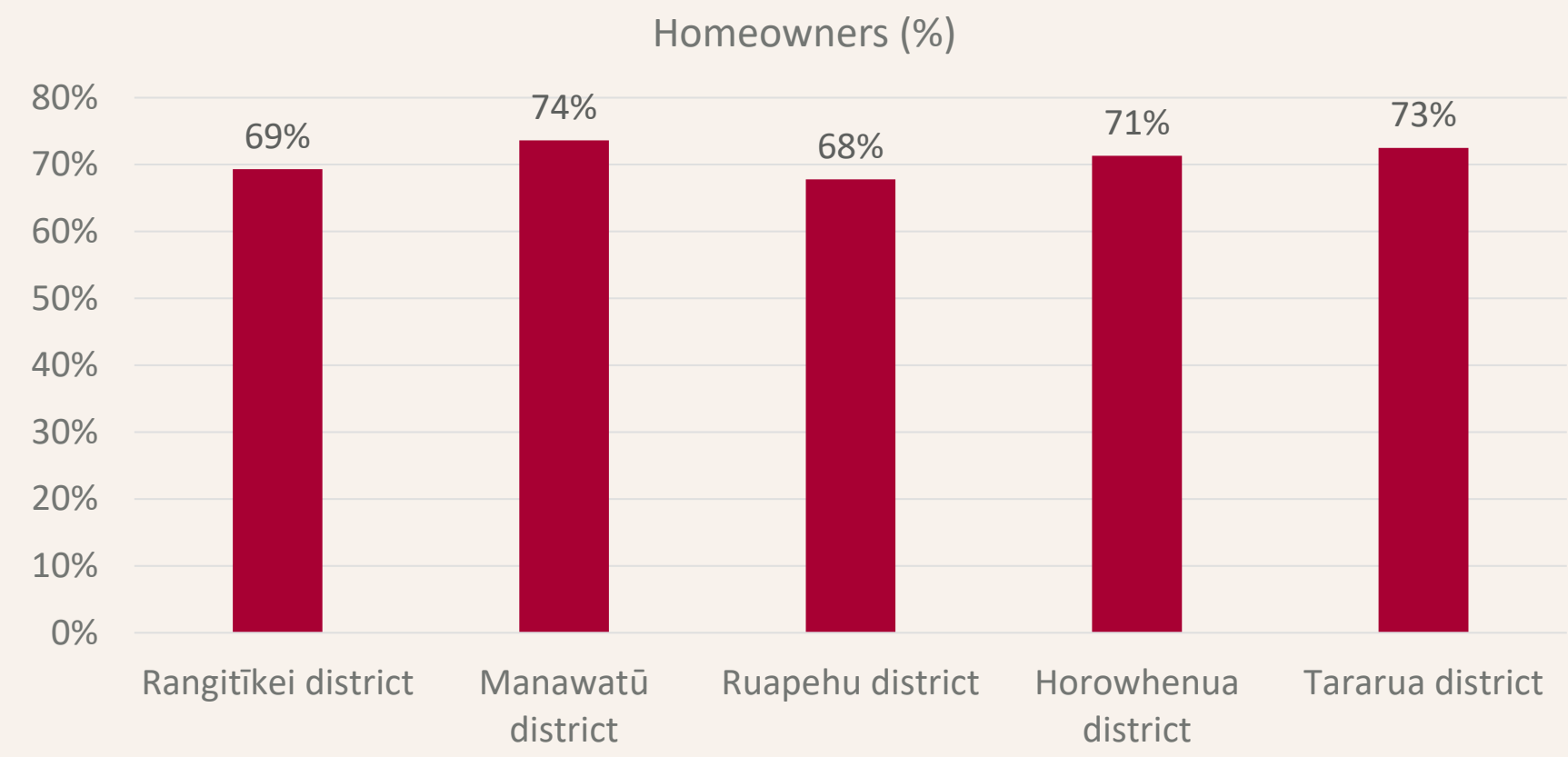
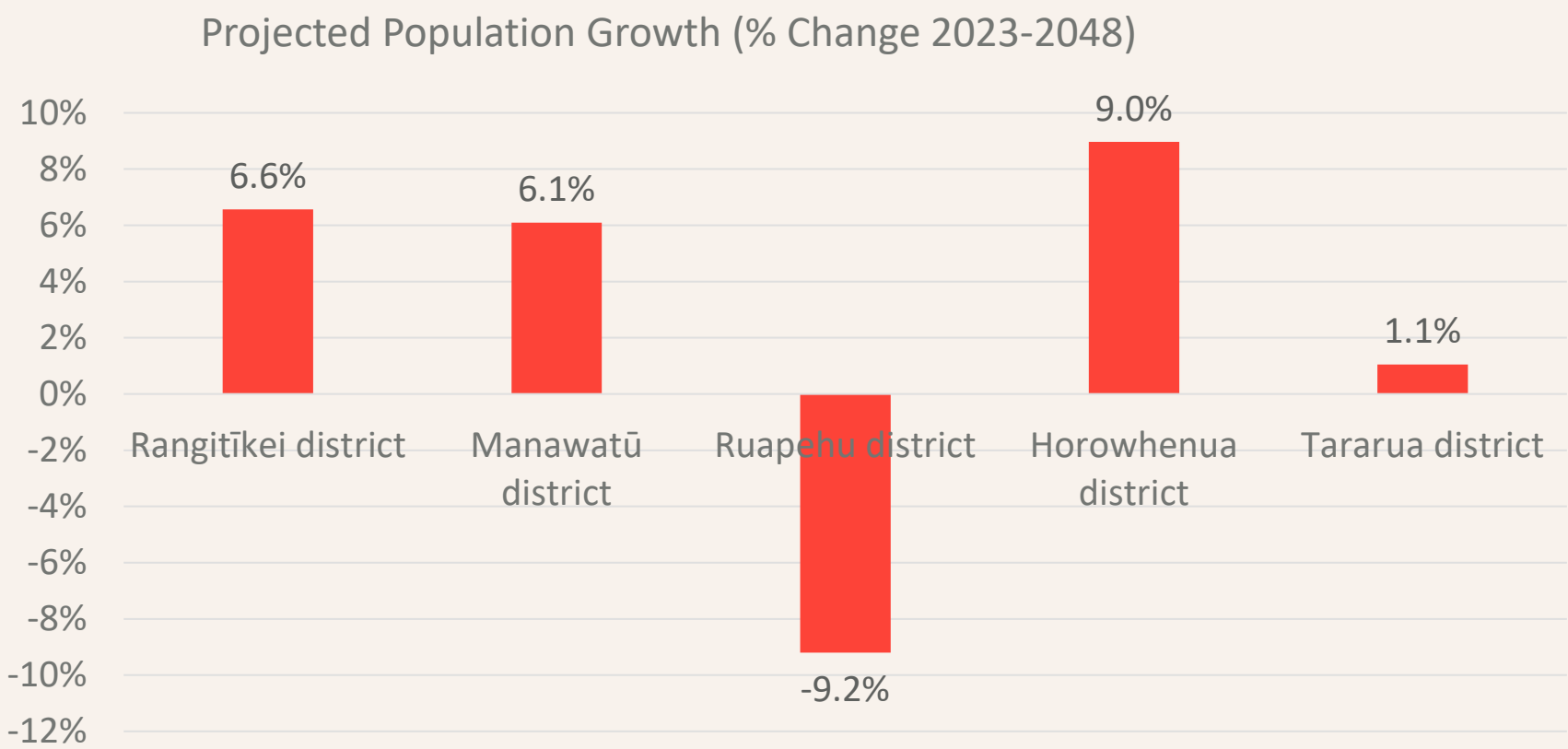
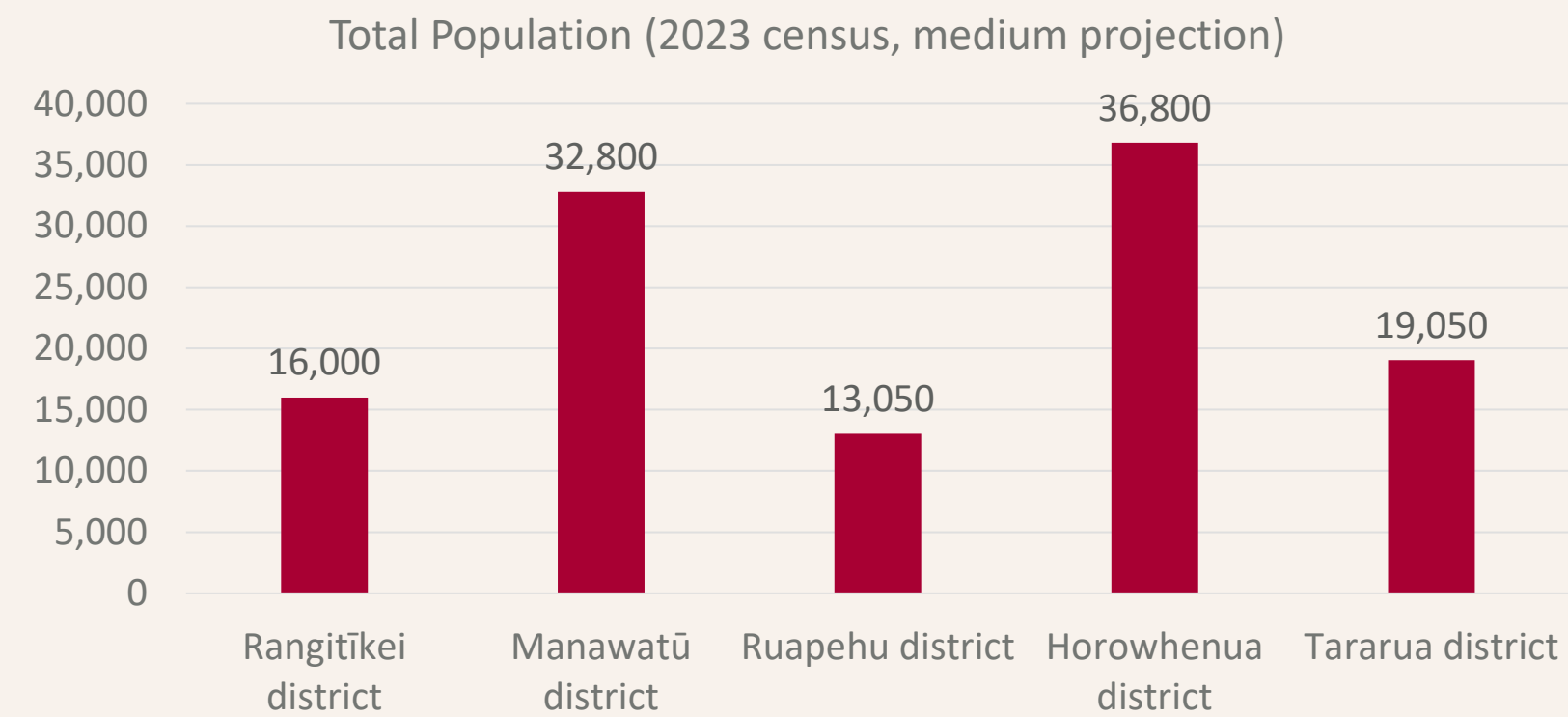
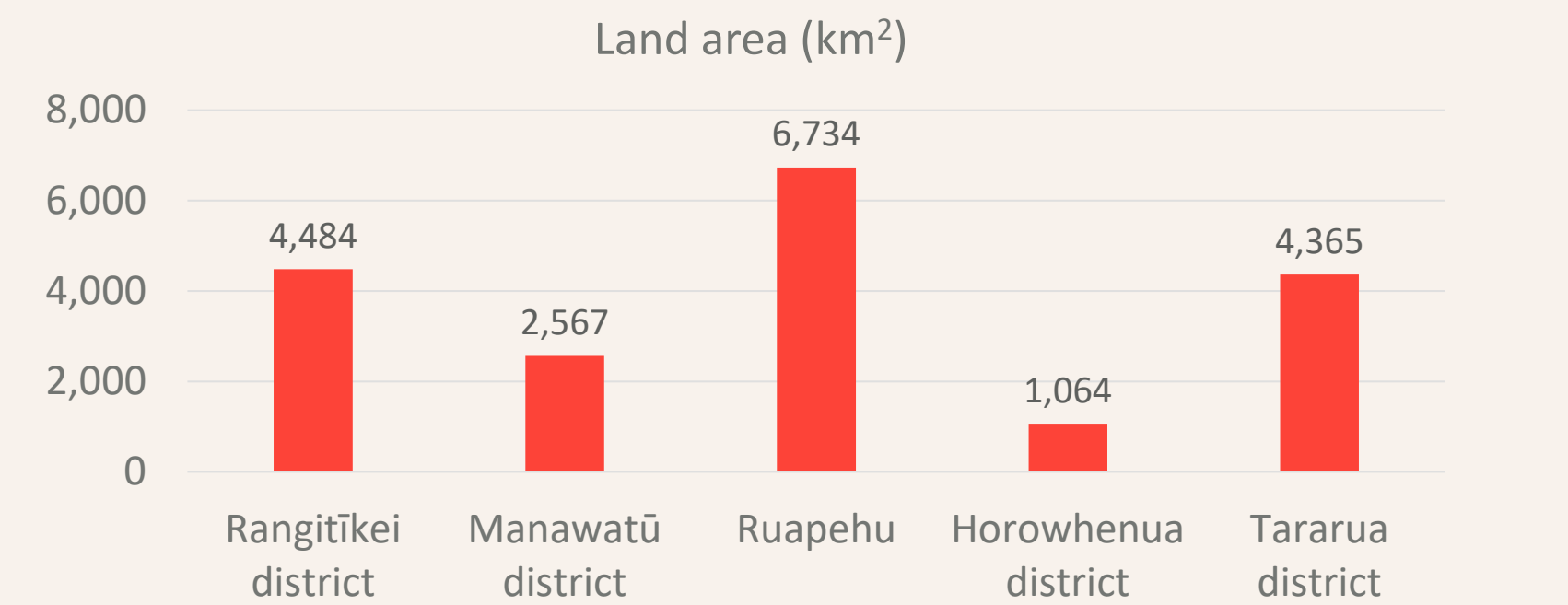
- Key linkages
- Strong outward flows to Palmerston North from multiple districts:
  - Rangitikei ~8% (excluded)
  - Manawatū ~20–30% (excluded)
  - Horowhenua ~15–25% (excluded)
  - Tararua ~10–15% (excluded)
- Internal links within the option:
  - Rangitikei ↔ Manawatū ~5–10%
  - Limited other material connections



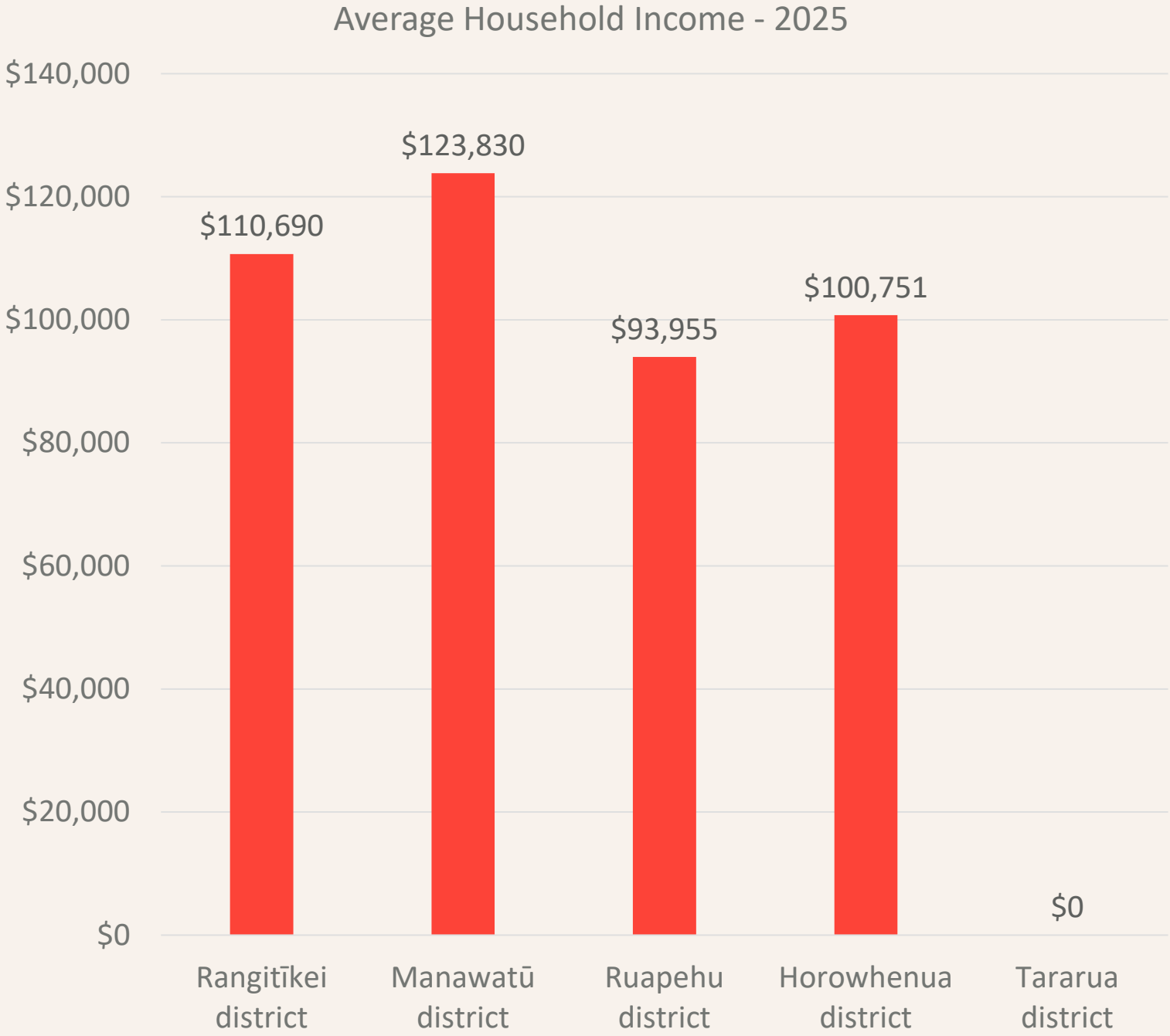
# Population Structure: Option 4



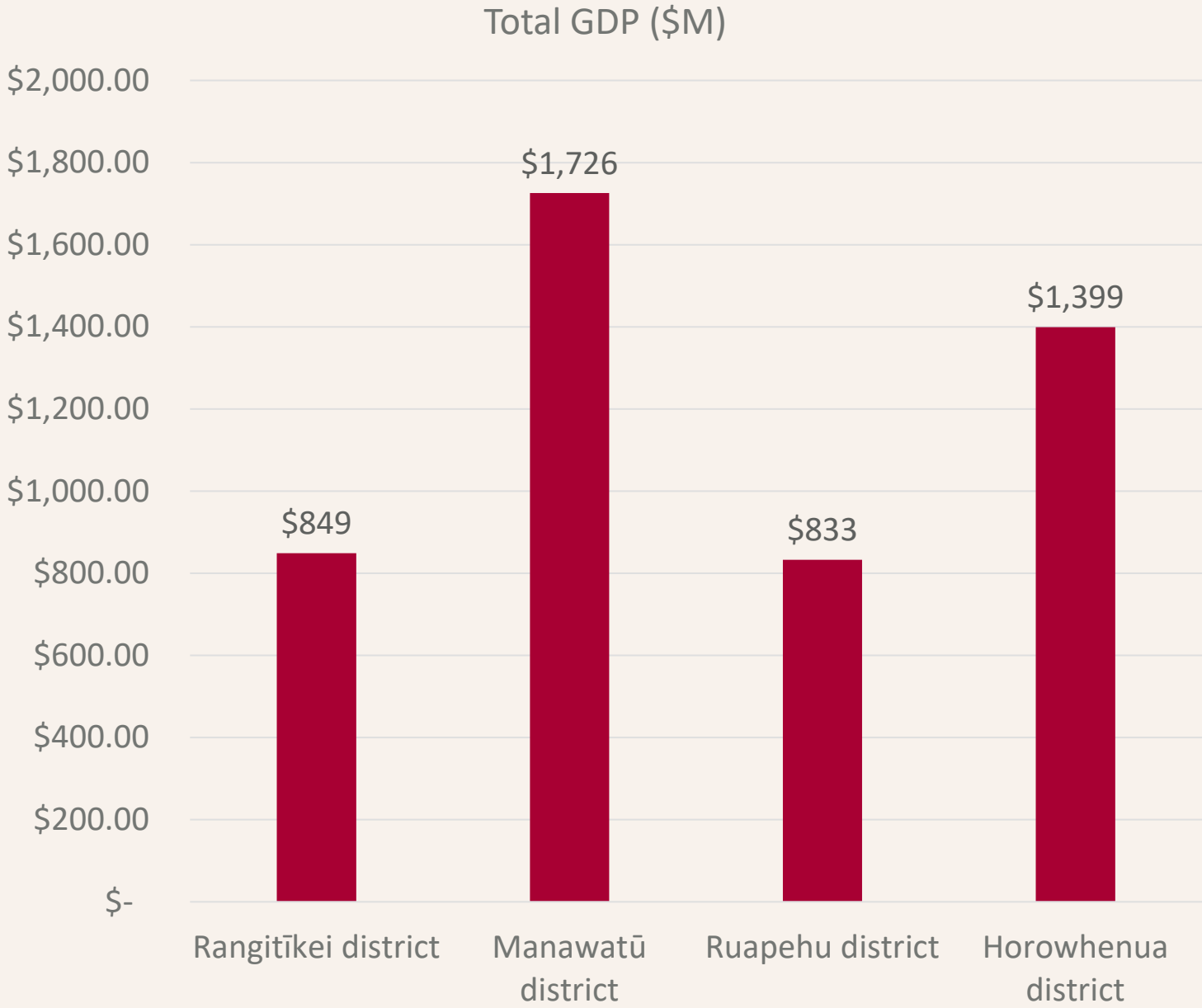
# Area profile: Option 4



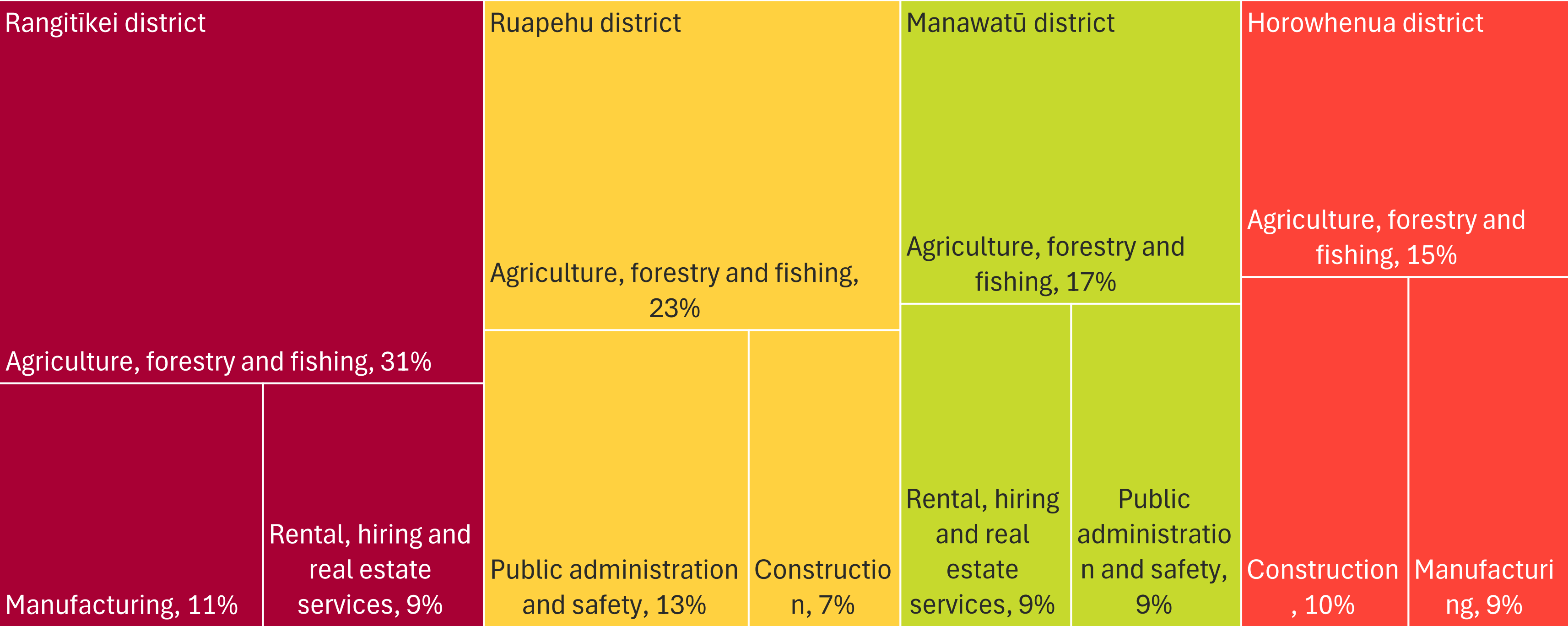
# Business and Income: Option 4



Data not available for Tararua district



# Top three industries by GDP



# Catchment management

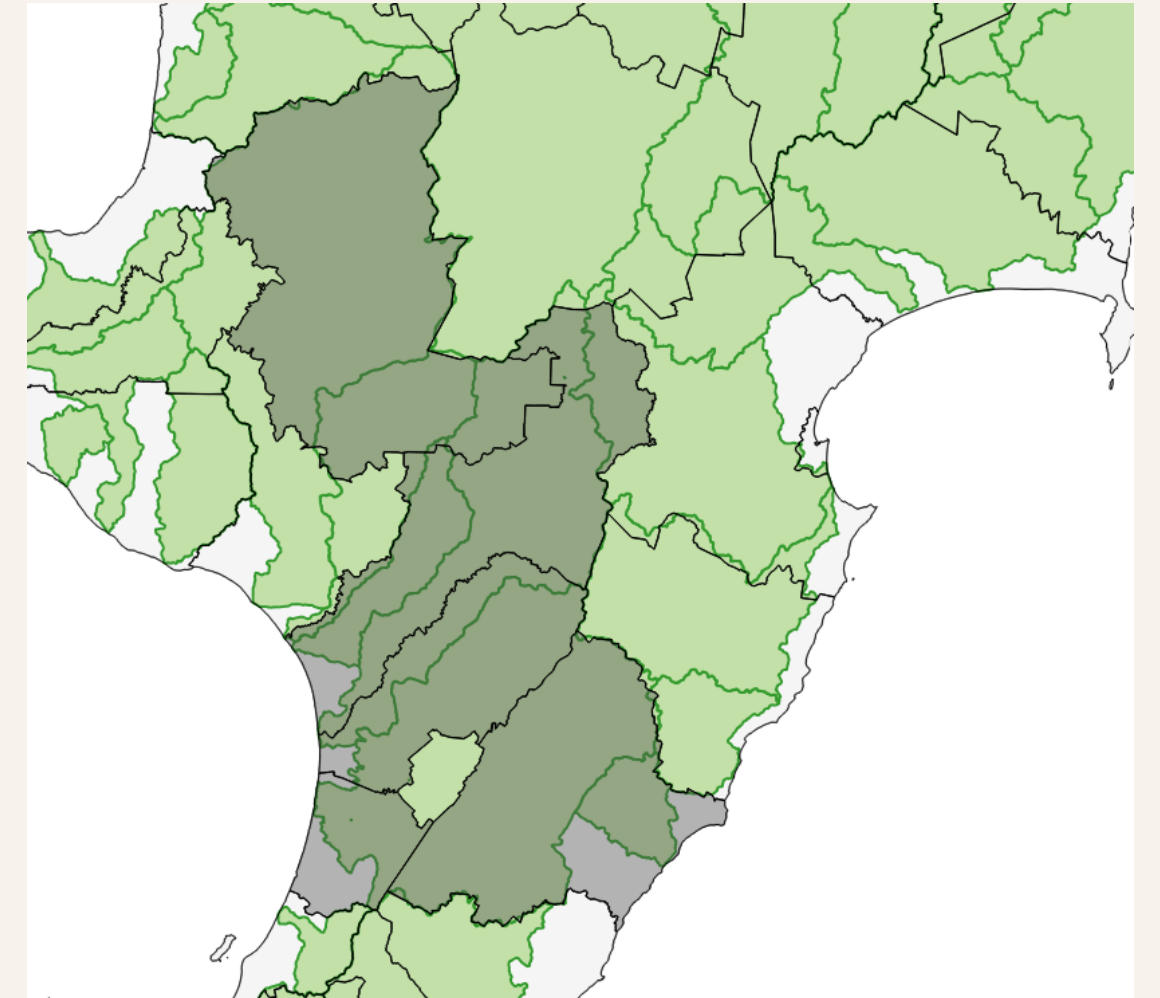
## Option 4: Rangitīkei, Manawatū, Ruapehu, Horowhenua, Tararua

### Pros

- Captures the majority of the Horizons Region's freshwater systems.
- Provides near-complete management of the Manawatū, Rangitīkei, Turakina and Whangaehu catchments.
- Enables integrated management from headwaters to receiving environments across most major river systems.
- Supports integrated freshwater, biodiversity, climate adaptation and natural hazard management.
- Best reflects ridge-to-sea ecosystem management principles.

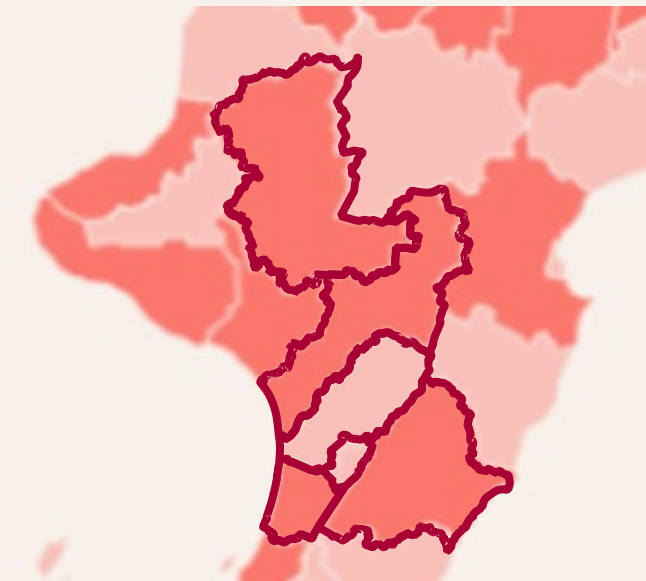
### Cons

- Does not fully capture the Whanganui Catchment because lower catchment areas remain within Whanganui District.
- Palmerston North City remains outside the proposed authority and is centrally located within the Manawatū system.
- Larger geographic area may increase governance complexity and organisational scale.

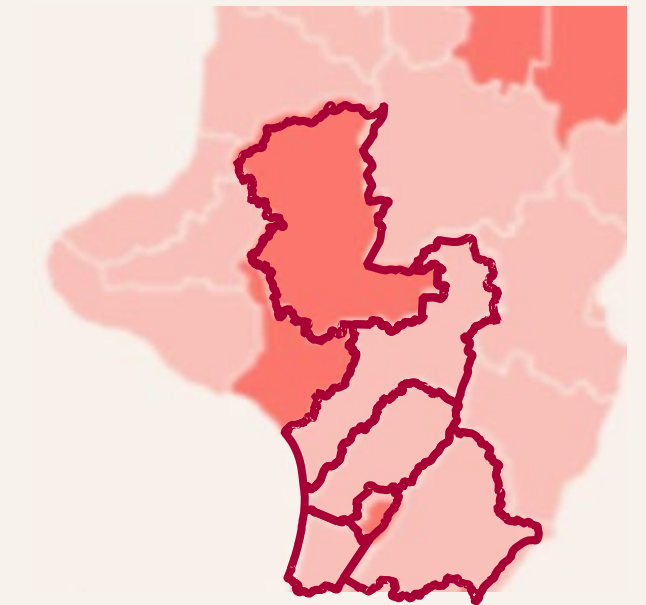


# Representation

| District                    | Total Population | Total Members (Current) | Number of (including Māori wards) Wards | Population per Member |
|-----------------------------|------------------|-------------------------|-----------------------------------------|-----------------------|
| Rangitīkei District         | 16,030           | 11                      | 5                                       | 1,457                 |
| Ruapehu District            | 13,440           | 9                       | 2                                       | 1,493                 |
| Manawatu District           | 33,990           | 11                      | 3                                       | 3,090                 |
| Tararua District            | 18,940           | 9                       | 3                                       | 2,104                 |
| Horowhenua District         | 38,390           | 12                      | 5                                       | 3,199                 |
| Total                       | 120,790          | 52                      | 18                                      | -                     |
| Lower Hutt City             | 114,200          | 14                      | 6                                       | 8,157                 |
| Dunedin City                | 132,800          | 15                      | None                                    | 8,853                 |
| Indicative combined council | 120,790          | 14                      | TBD                                     | 8,628                 |



Community boards



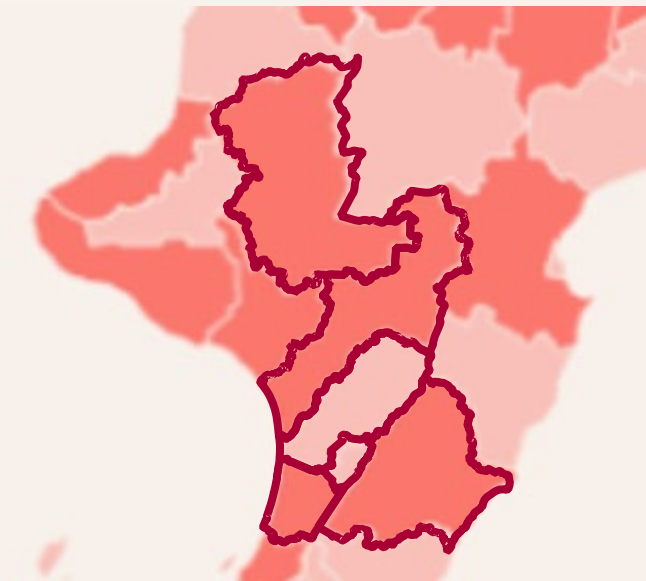
Māori ward  
referendum outcome

# Representation

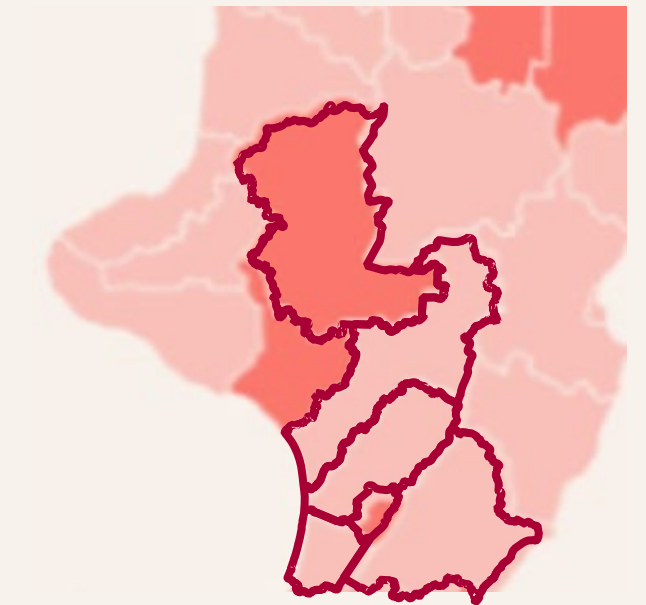
| District                    | Total Population | Population per Member |
|-----------------------------|------------------|-----------------------|
| Indicative combined council | 120,790          | 14                    |
| Rangitīkei District         | 16,030           | 2                     |
| Ruapehu District            | 13,440           | 2                     |
| Manawatu District           | 33,990           | 4                     |
| Tararua District            | 18,940           | 2                     |
| Horowhenua District         | 38,390           | 4                     |

This is based on population only.

Noting that MCERT have said that alternative representation models can be included.



Community boards



Māori ward referendum outcome

# Summary of initial assessment

## Option 4: RDC + MDC, RuDC, HDC, TDC

Supports the new planning system

Simplifies local governance

Economies of scale

Maintains local voice

Deliverability

Working collaboratively to improve wellbeing\*

Facilitating growth\*

Connecting to Central North Island\*

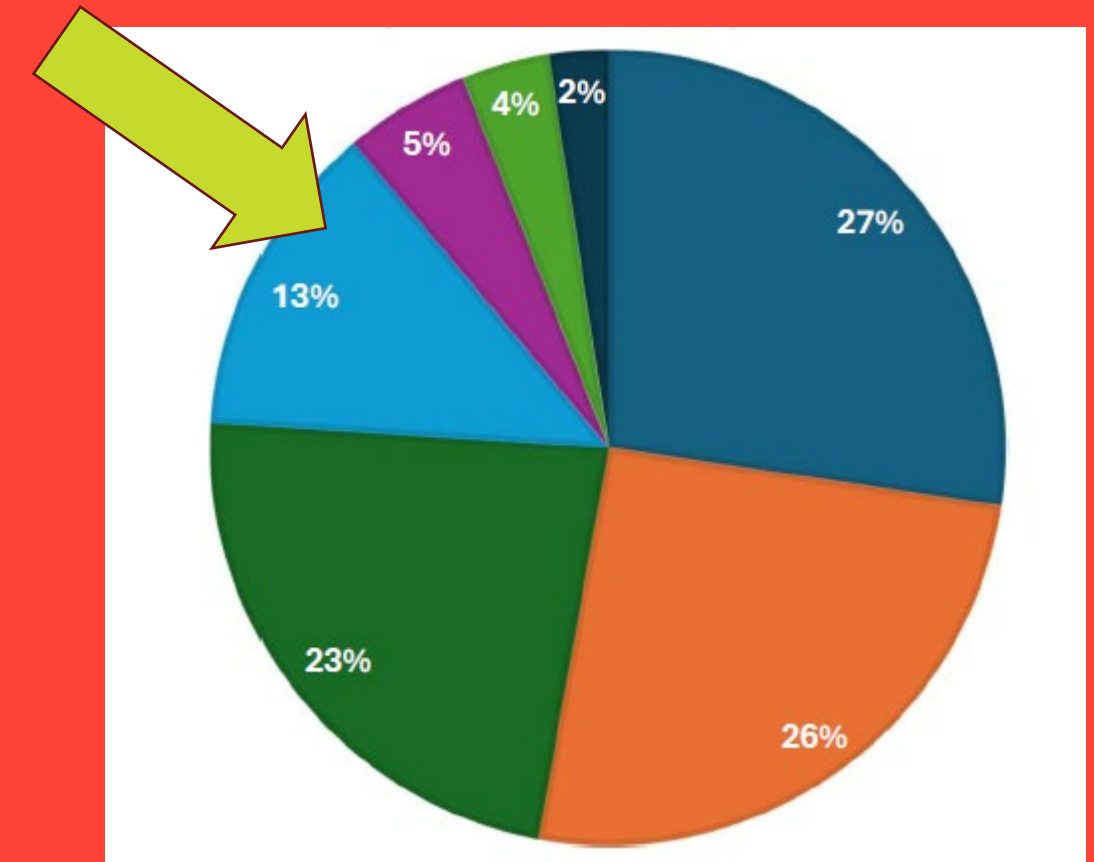
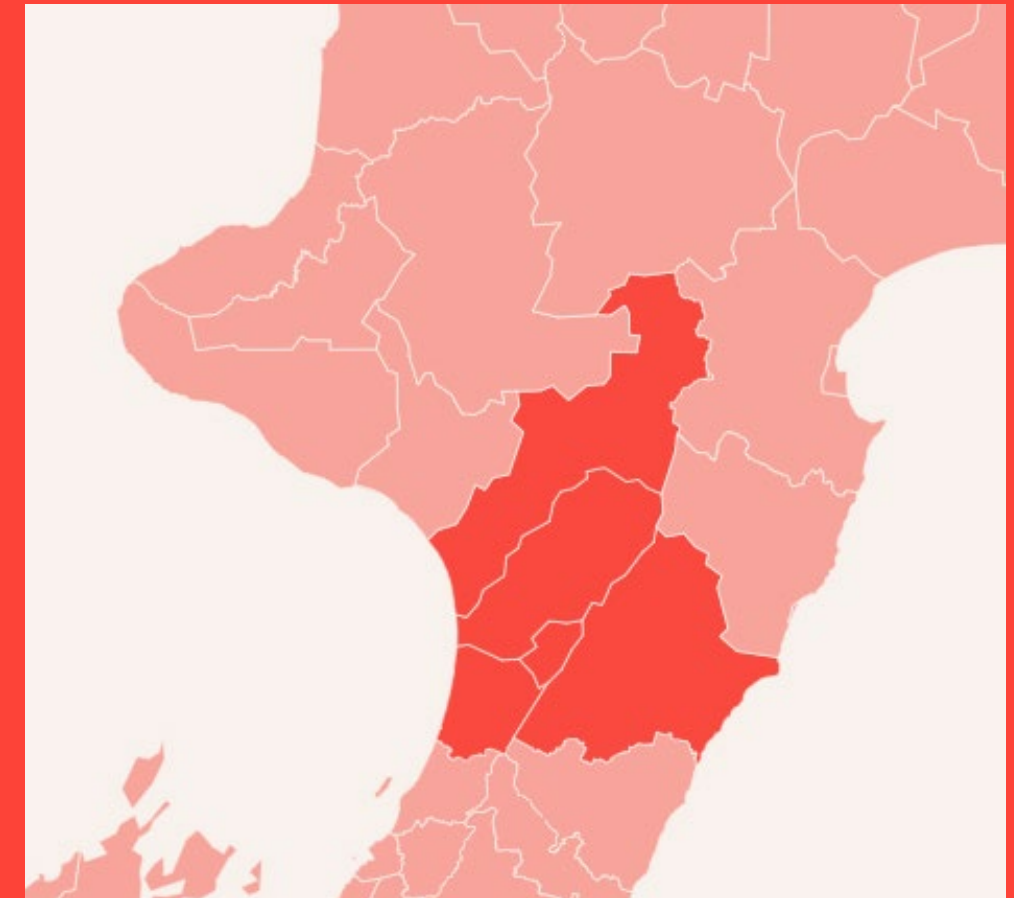
Affordability for community and Council sustainability\*



# Option 5

Rangitīkei District  
Manawatū District  
Horowhenua District  
Palmerston North City  
Tararua District

“Go East”



# Communities, connections and economic coherence

Q1. Does the option group together communities with aligned needs and expectations of council?

- More consistent growth profile than other options
- All districts growing: +1.1% (Tararua) to +10.6% (Palmerston North)
- Shared demographic foundation
  - Working-age population ~61.6% and median age ~40 years → similar service demand profile
  - Reasonably consistent household income (~\$115k average)
  - Supports alignment on core services, infrastructure and long-term planning
- However, clear urban/rural divide in community need
  - Palmerston North = 47% of total population (196,950)
  - Rural districts (Rangitikei, Tararua, Horowhenua) significantly smaller and more dispersed
  - Could create different expectations around service levels (urban vs rural)

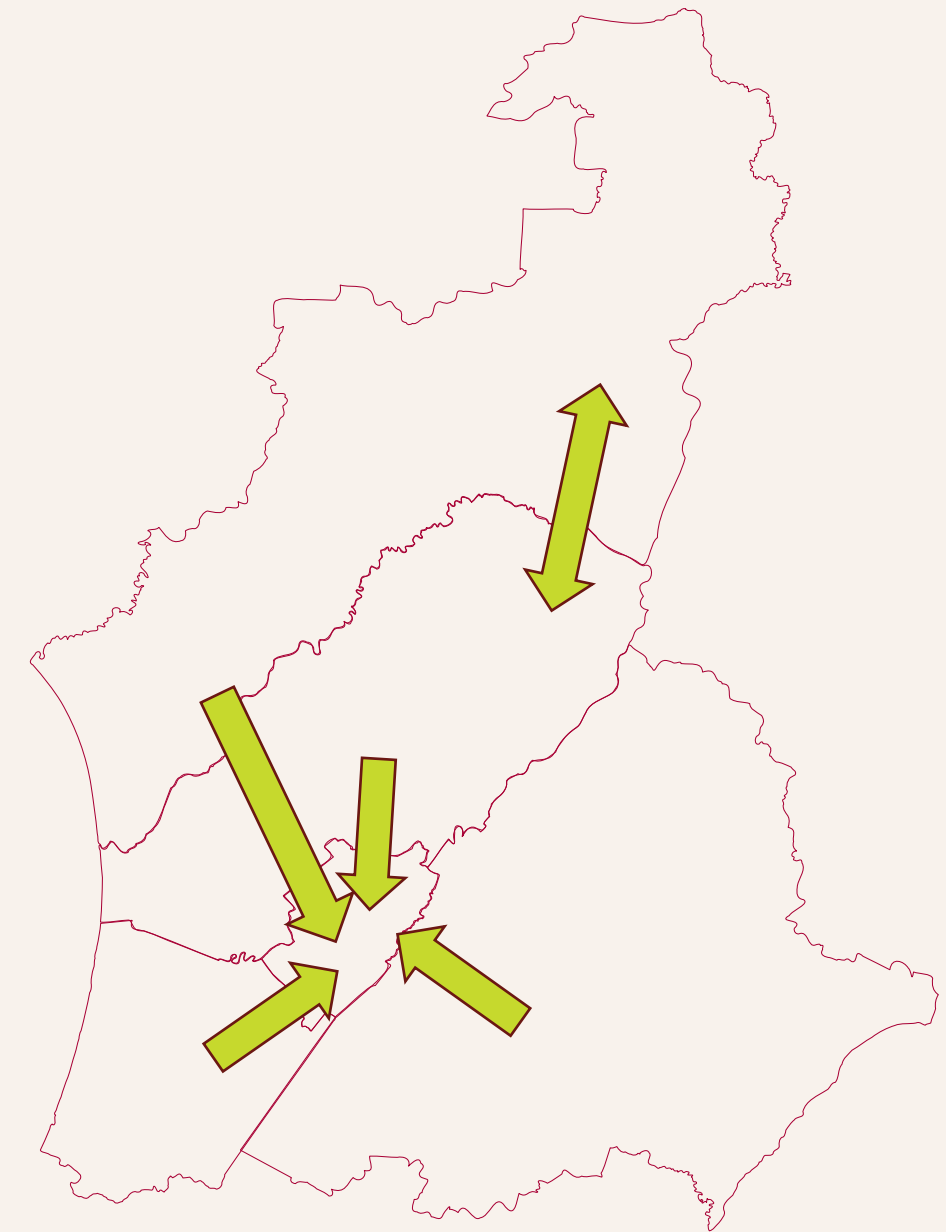
Q2. Will this council make sense economically and functionally?

- Palmerston North could be a hub in hub and spoke model:
  - 47% of total population
  - Hub for health, education, and public administration
  - Employment and services
- Diversified economy combines:
  - Rural agriculture (Rangitikei, Tararua, Manawatū)
  - Urban services and institutions (Palmerston North)
  - Avg GDP per capita: ~\$54,562
- Strong connectivity and integration
- Integrated transport and economic flows across the region
- Primary risk may be Palmerston North ‘dominance’

# Journey analysis

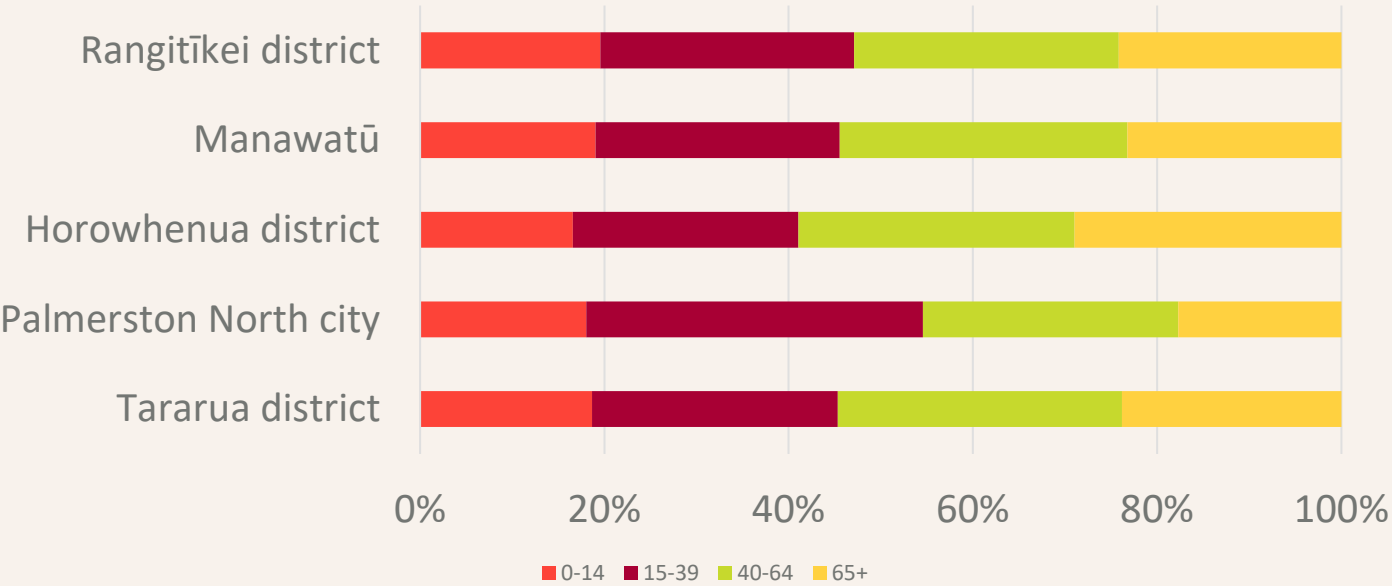
This option brings the largest external destination for multiple districts into the area, converting those flows into internal linkages. Cohesion is strong but centred on Palmerston North, with most connections flowing to one hub rather than between districts.

- Key linkages
  - Rangitikei → Palmerston North ~8%
  - Horowhenua → Palmerston North ~15–25%
  - Tararua → Palmerston North ~10–15%
  - Manawatū ~20–30%
- Smaller links between other districts generally <5–10%

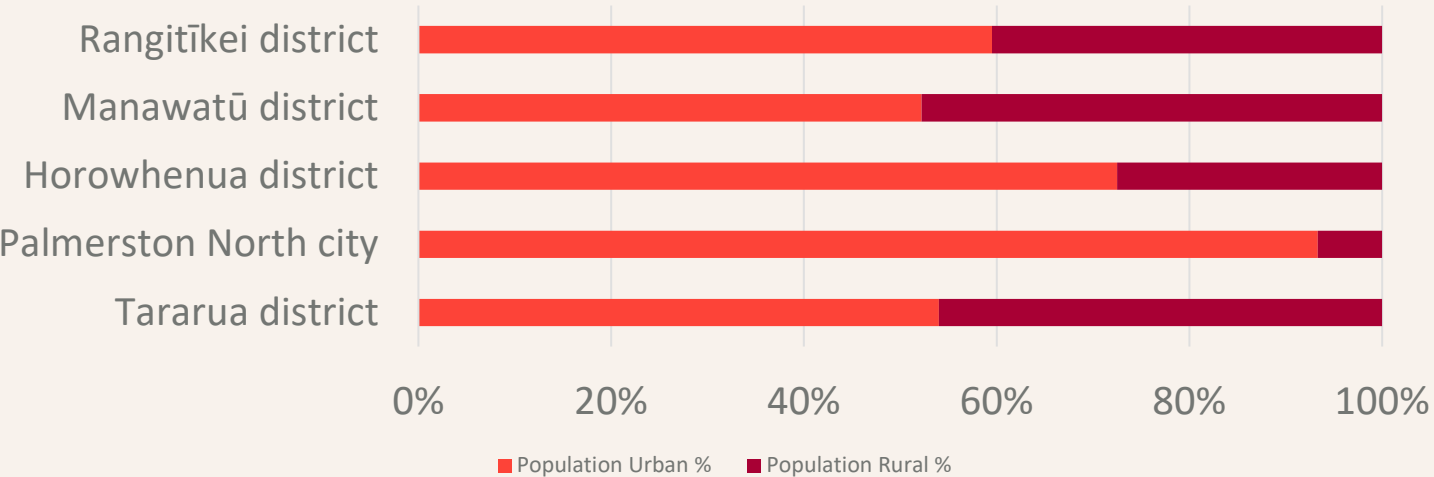


# Population Structure: Option 5

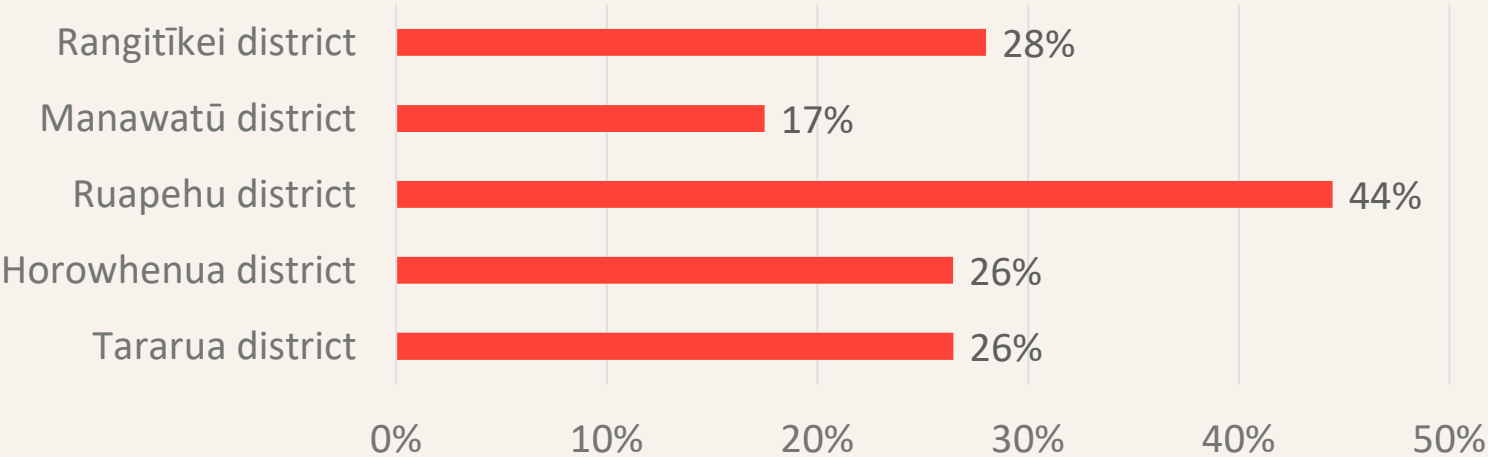
Age structure (2028 projections)



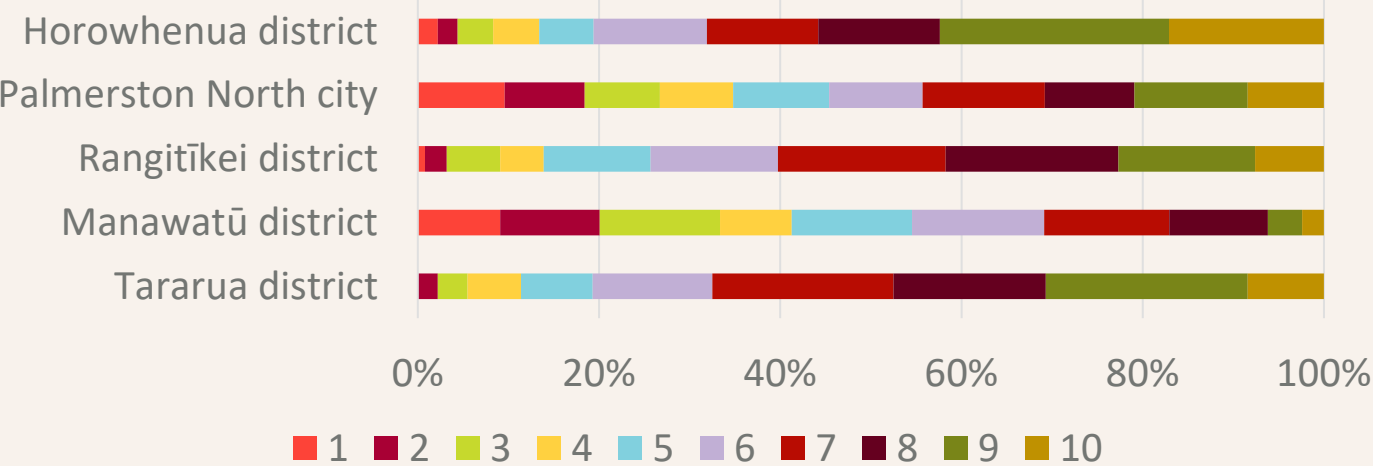
Urban/Rural split (population %)



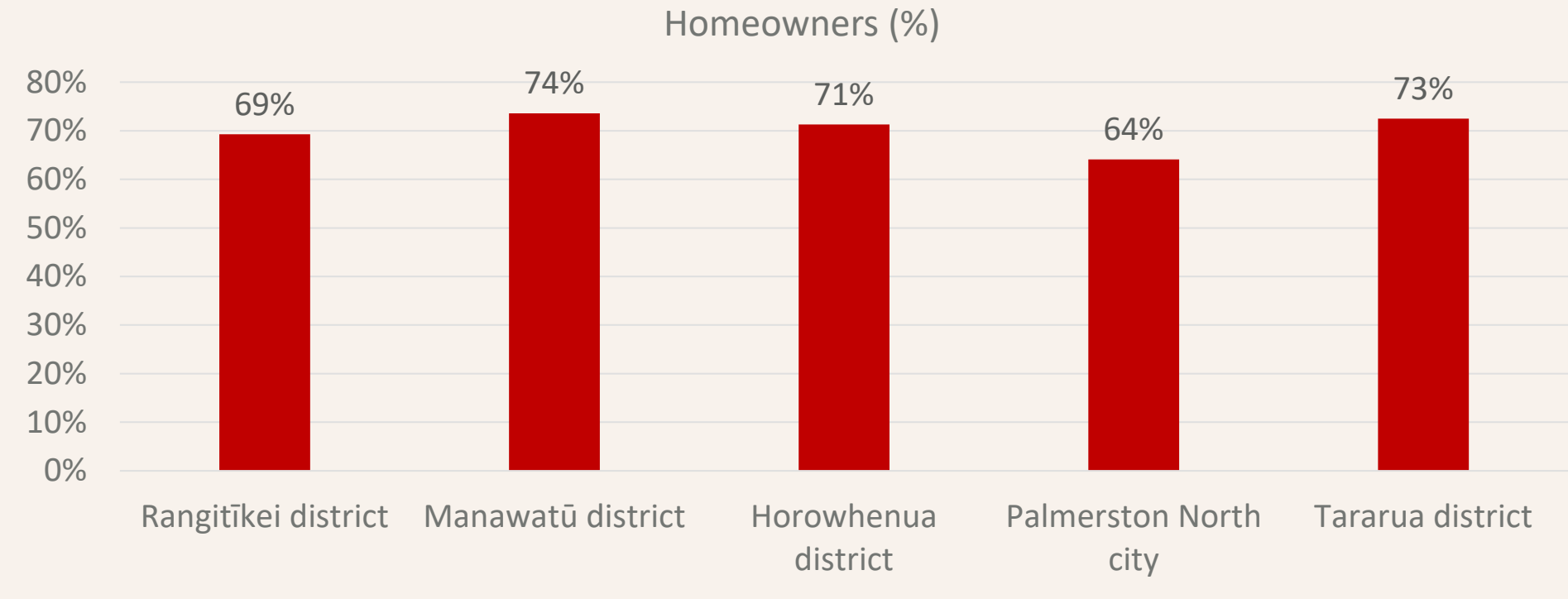
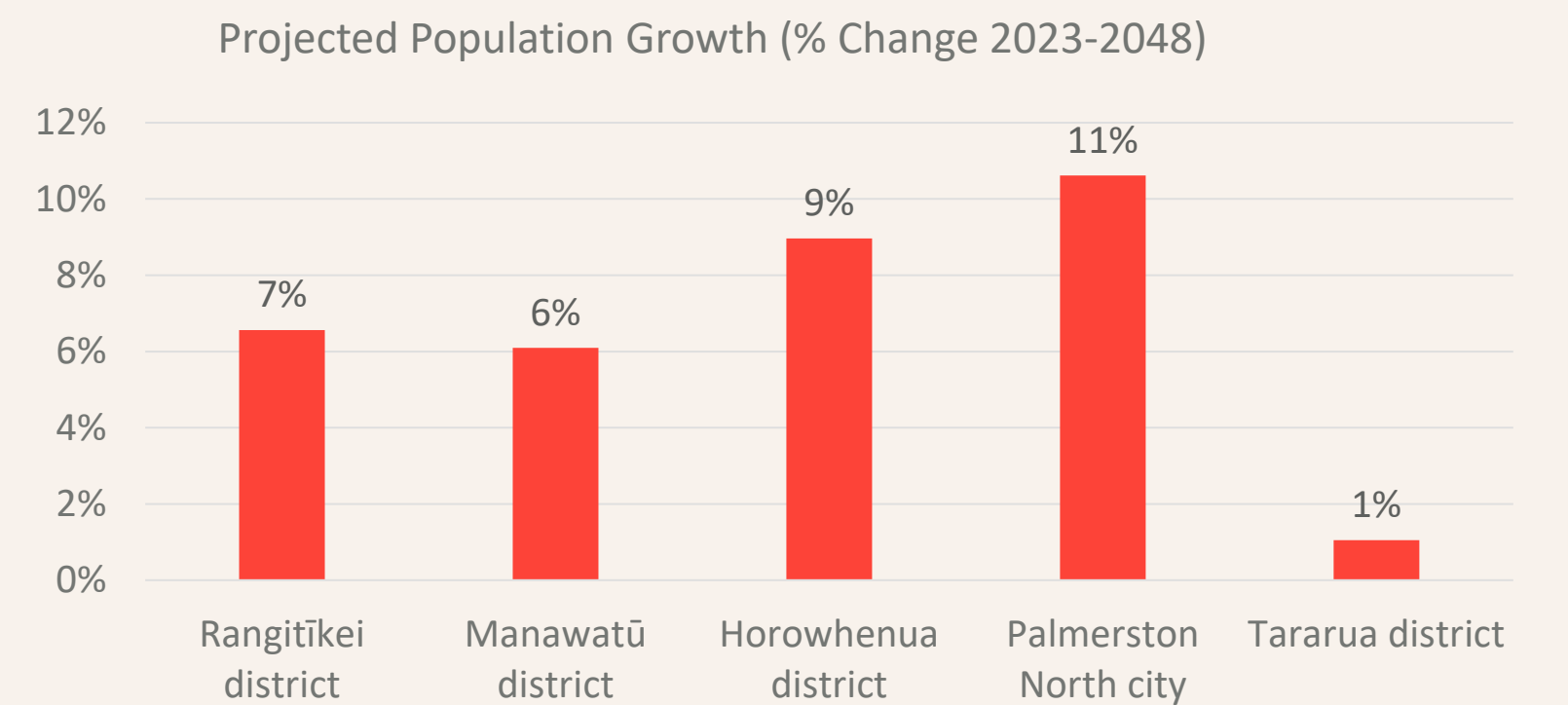
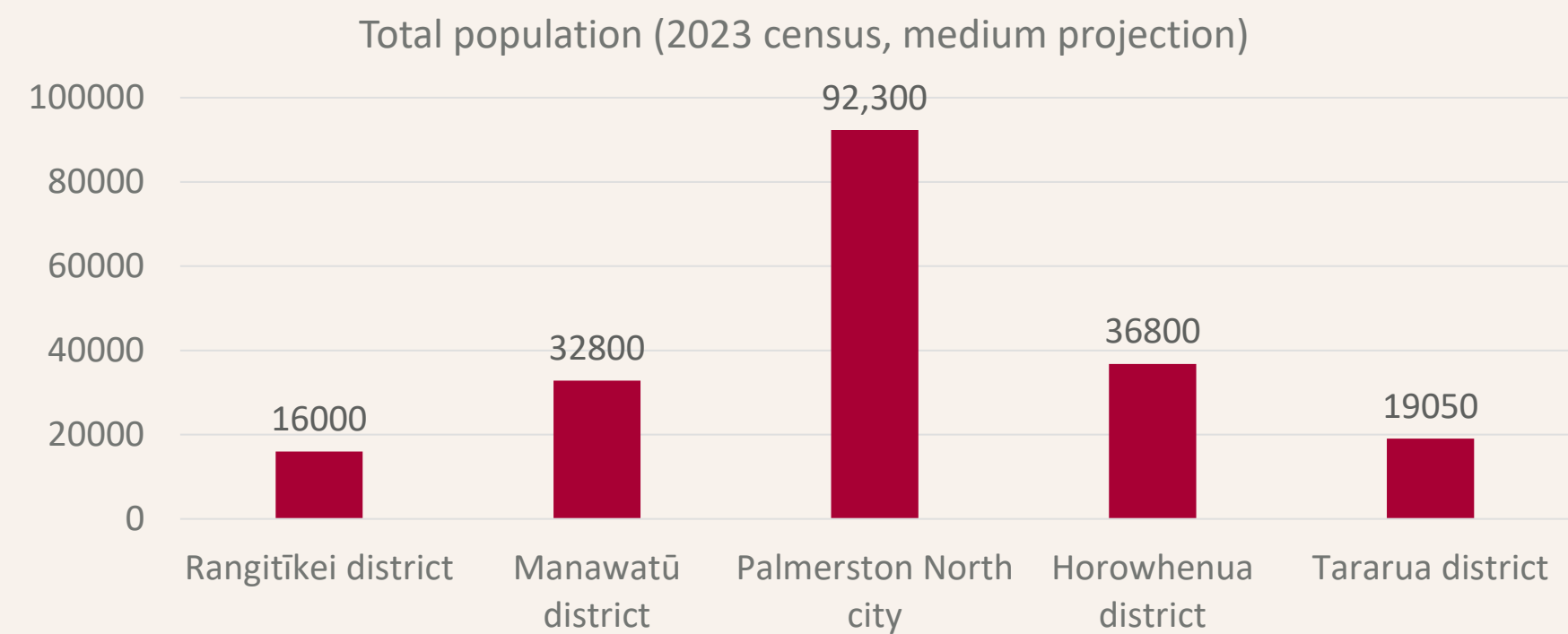
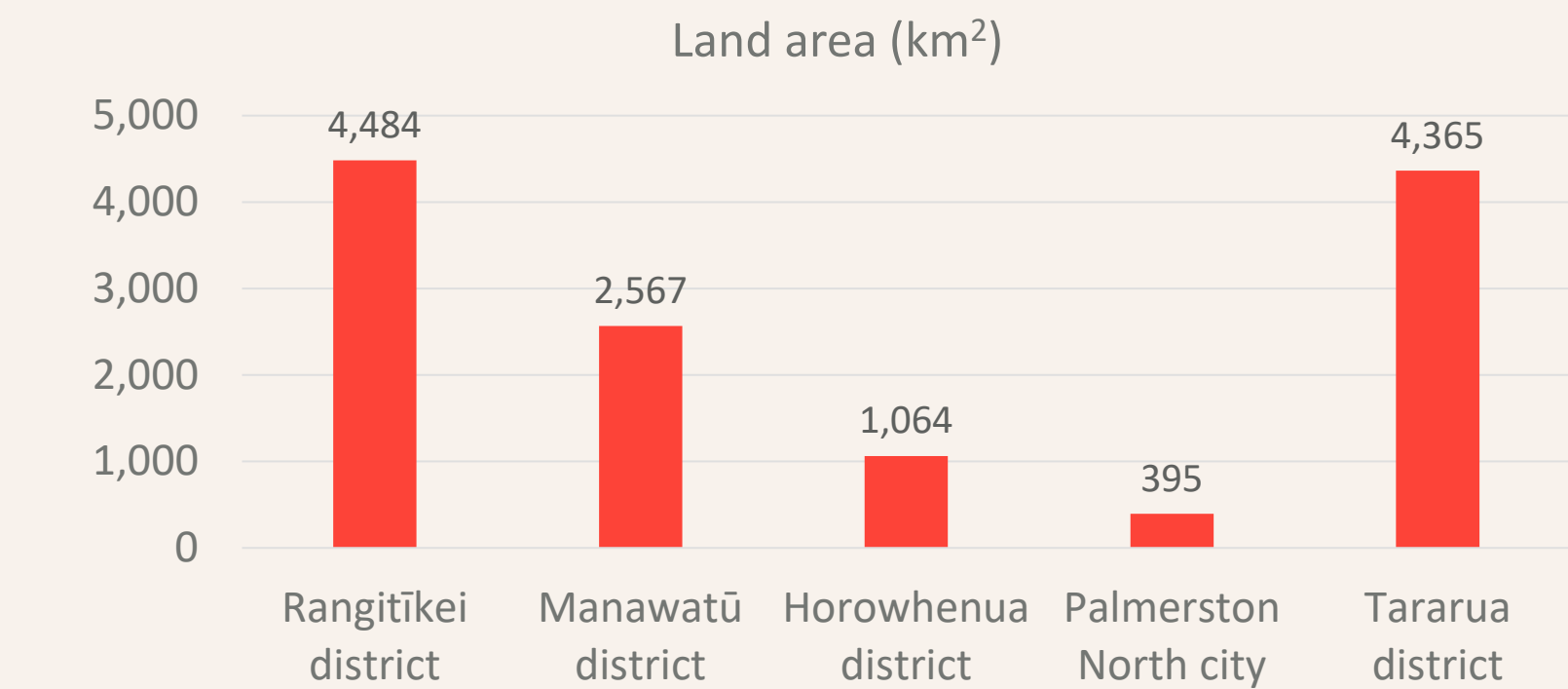
Māori population (%) - 2023 census



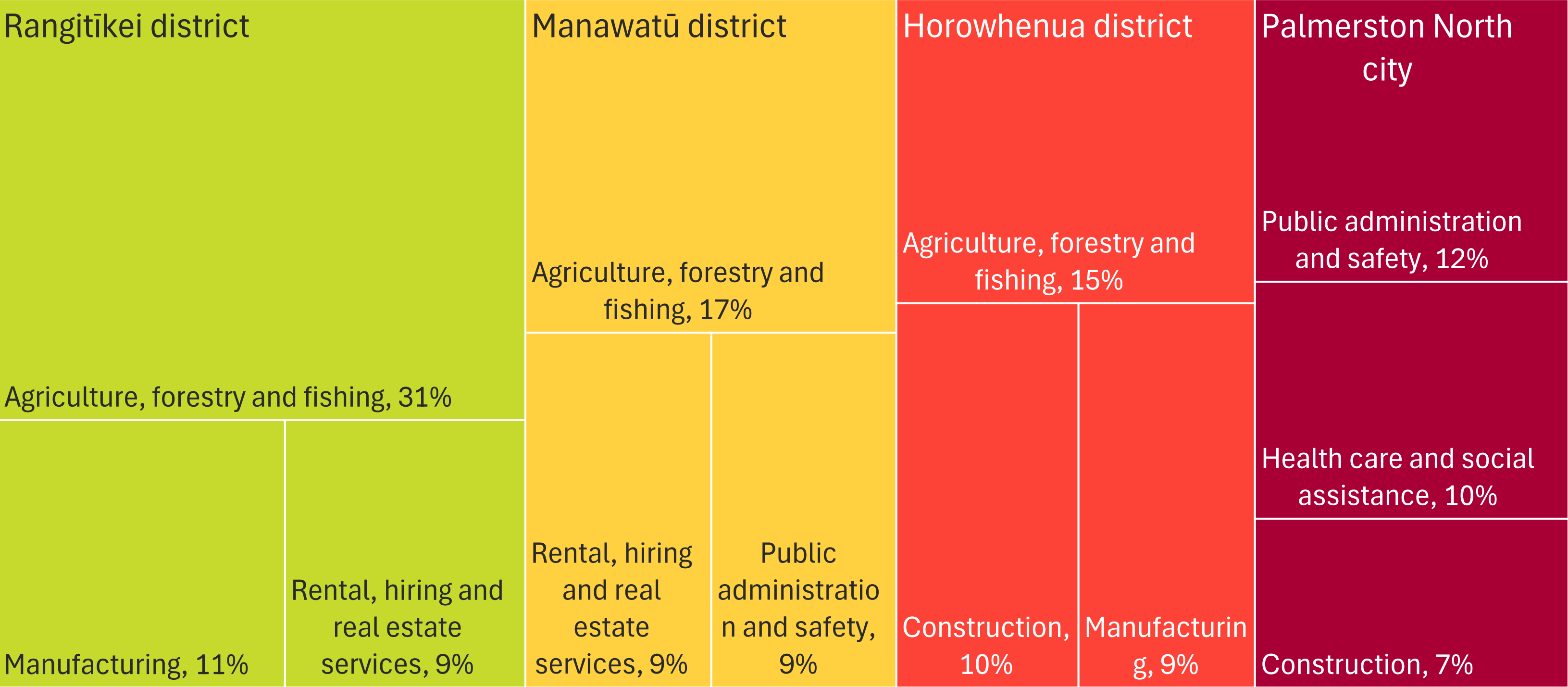
Deprivation profile (%)



# Area profile: Option 5



# Top three industries by GDP



# Catchment management

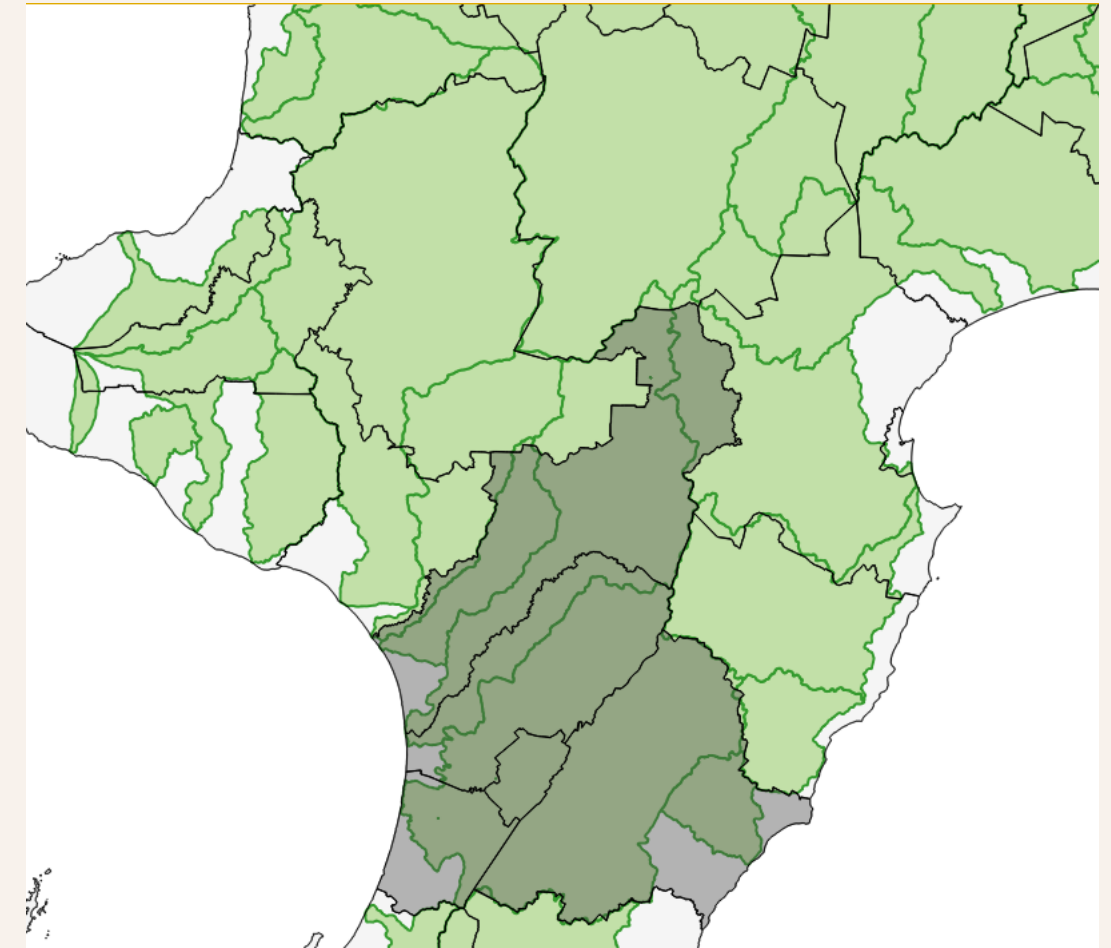
## Pros

- Provides strong integration for the Manawatū River system and associated eastern catchments.
- Captures the majority of the southern and eastern Horizons freshwater systems.
- Supports coordinated management of highly productive lowland and hill-country landscapes.

## Cons

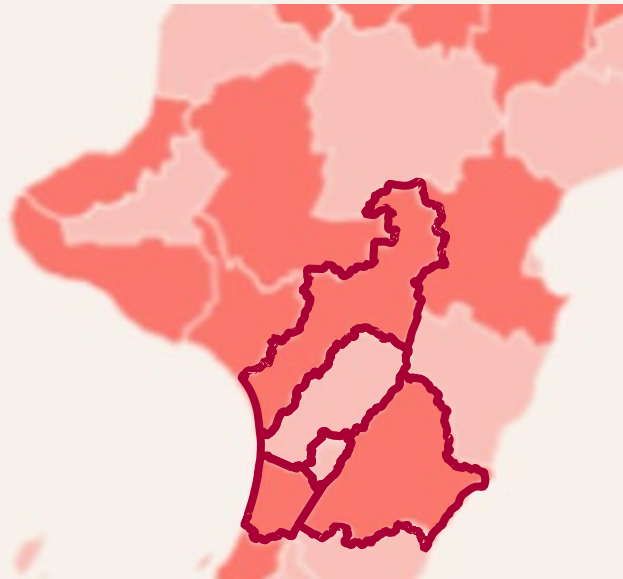
- Excludes Ruapehu District and therefore omits the headwaters of the Rangitīkei, Whangaehu, Turakina and Whanganui systems.
- Creates upstream/downstream management fragmentation.
- Requires cross-boundary arrangements for northern catchments.
- Reduces the ability to manage cumulative effects across complete river systems.

## Option 5: Rangitīkei, Manawatū, Horowhenua, Palmerston North

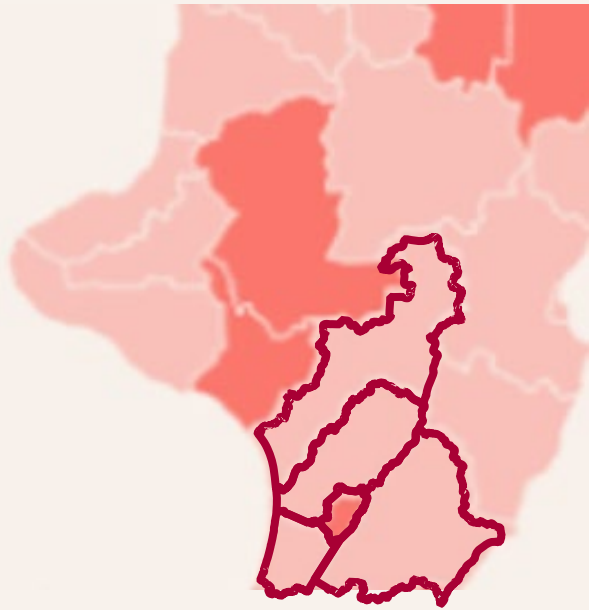


# Representation

| District                    | Total Population | Total Members (Current) | Number of (including Māori wards) Wards | Population per Member |
|-----------------------------|------------------|-------------------------|-----------------------------------------|-----------------------|
| Rangitīkei District         | 16,030           | 11                      | 5                                       | 1,457                 |
| Manawatu District           | 33,990           | 11                      | 3                                       | 3,090                 |
| Palmerston North City       | 90,550           | 15                      | 2                                       | 6,037                 |
| Tararua District            | 18,940           | 9                       | 3                                       | 2,104                 |
| Horowhenua District         | 38,390           | 12                      | 5                                       | 3,199                 |
| Total                       | 197,900          | 58                      | 18                                      | -                     |
| Wellington City Council     | 209,800          | 15                      | 6                                       | 13,987                |
| Hamilton City Council       | 192,100          | 14                      | 4                                       | 13,721                |
| Indicative combined council | 197,900          | 14                      | TBD                                     | 14,136                |



Community boards



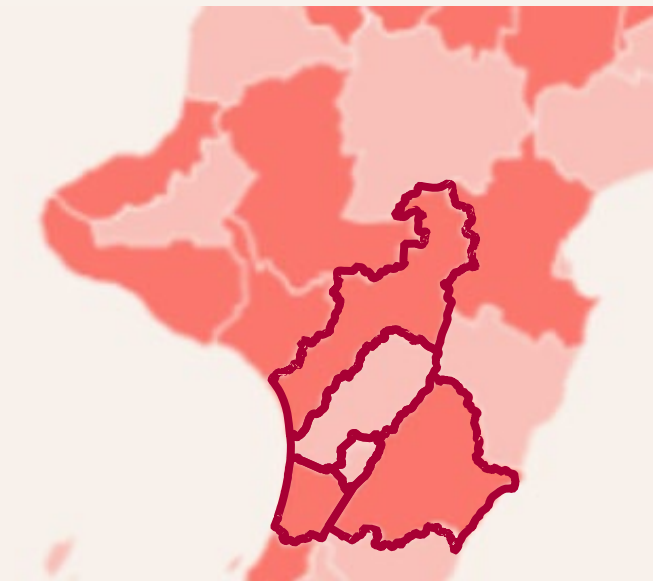
Māori ward referendum outcome

# Representation

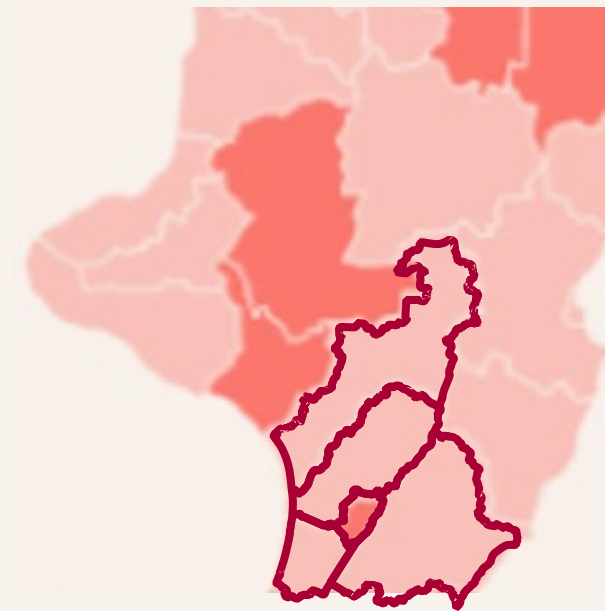
| District                    | Total Population | Population per Member |
|-----------------------------|------------------|-----------------------|
| Indicative combined council | 197,900          | 14                    |
| Rangitīkei District         | 16,030           | 1                     |
| Manawatu District           | 33,990           | 2                     |
| Palmerston North City       | 90,550           | 6                     |
| Tararua District            | 18,940           | 1                     |
| Horowhenua District         | 38,390           | 3                     |

This is based on population only.

Noting that MCERT have said that alternative representation models can be included.



Community boards



Māori ward referendum outcome

# Summary of initial assessment

## Option 5: RDC+ MDC, PNCC, TDC, HDC

Supports the new planning system

Simplifies local governance

Economies of scale

Maintains local voice

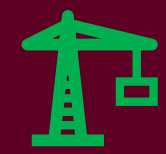
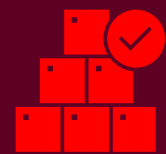
Deliverability

Working collaboratively to improve wellbeing\*

Facilitating growth\*

Connecting to Central North Island\*

Affordability for community and Council  
sustainability\*



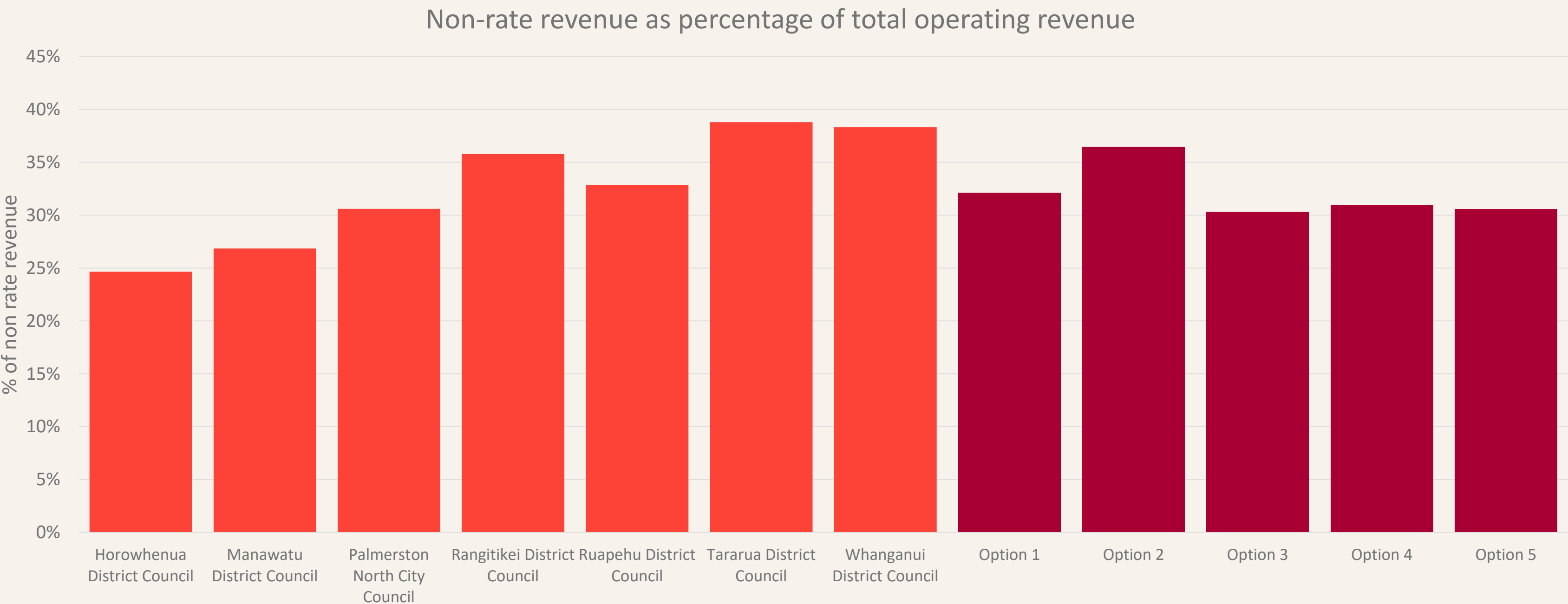
# Debt to asset ratio

A higher ratio means either more debt has been used to fund capital works or, assets are older and further through useful lives

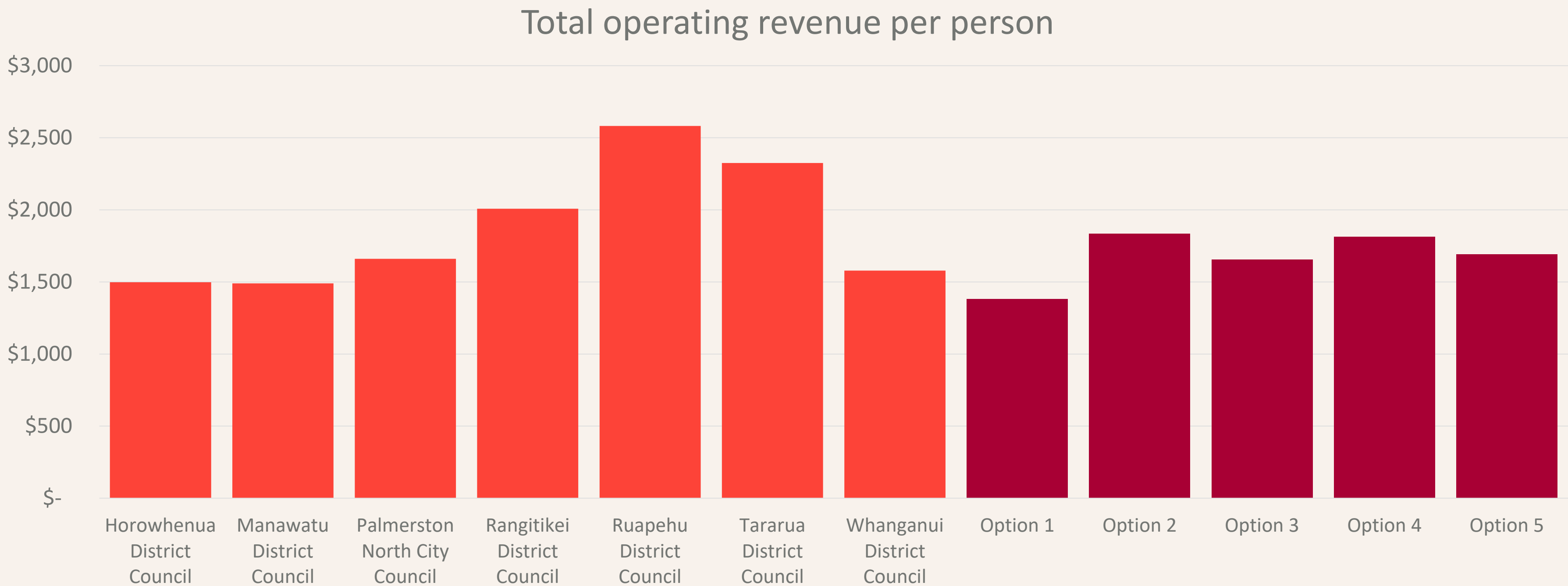


# Non rate revenue / Total operating revenue

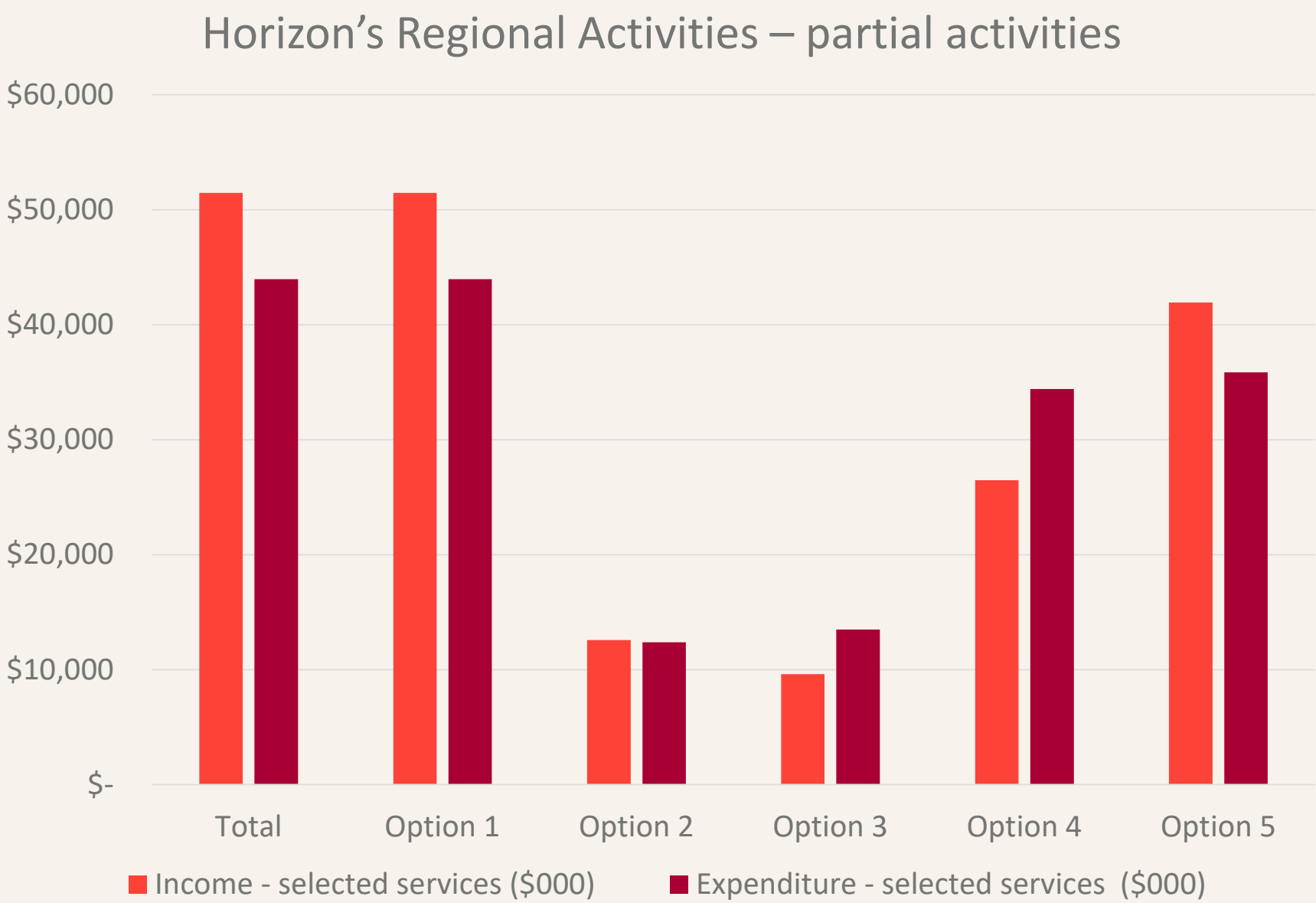
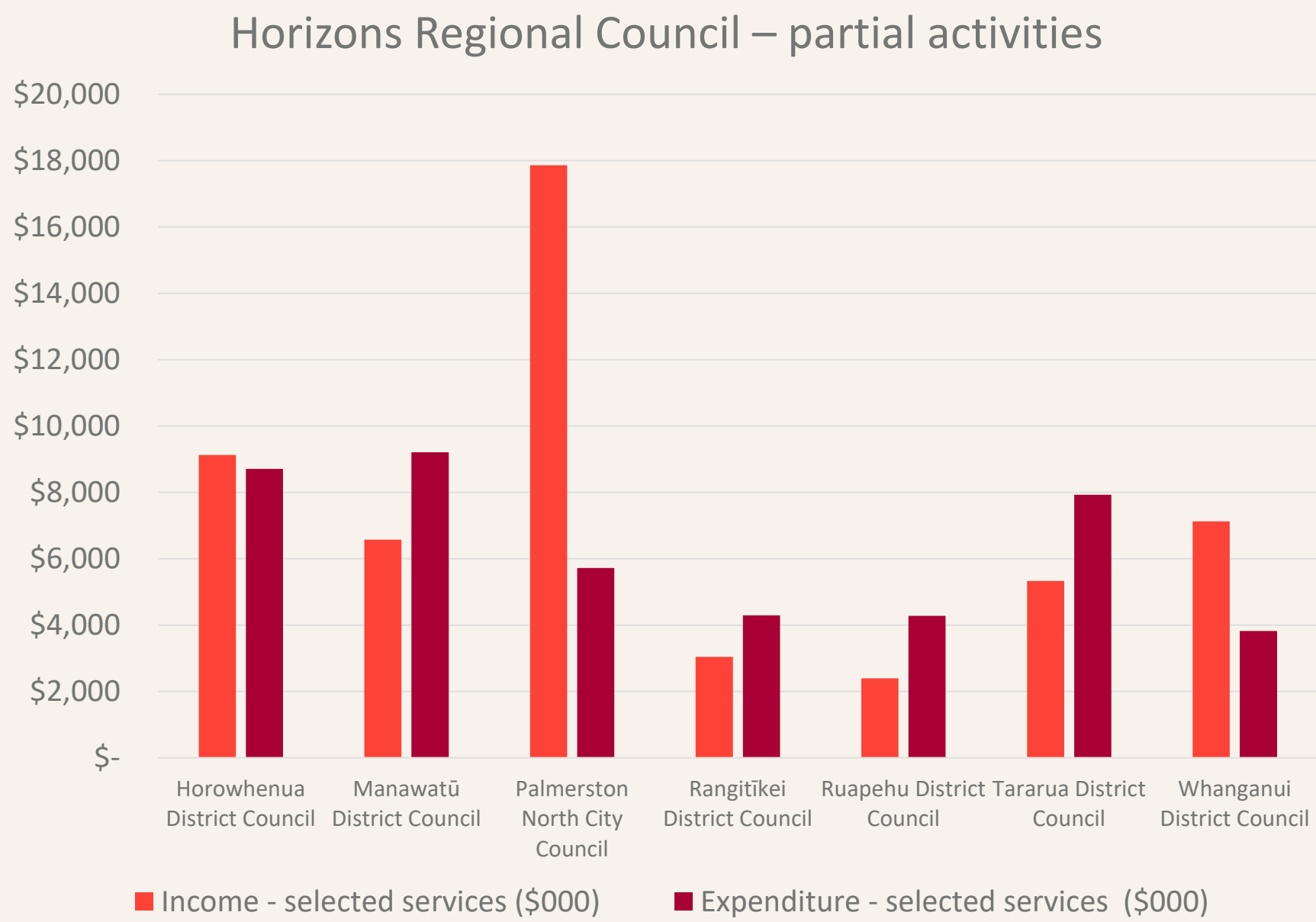
A higher percentage of non-rate revenue means less reliance on rate revenue



# Total Operating Revenue per person

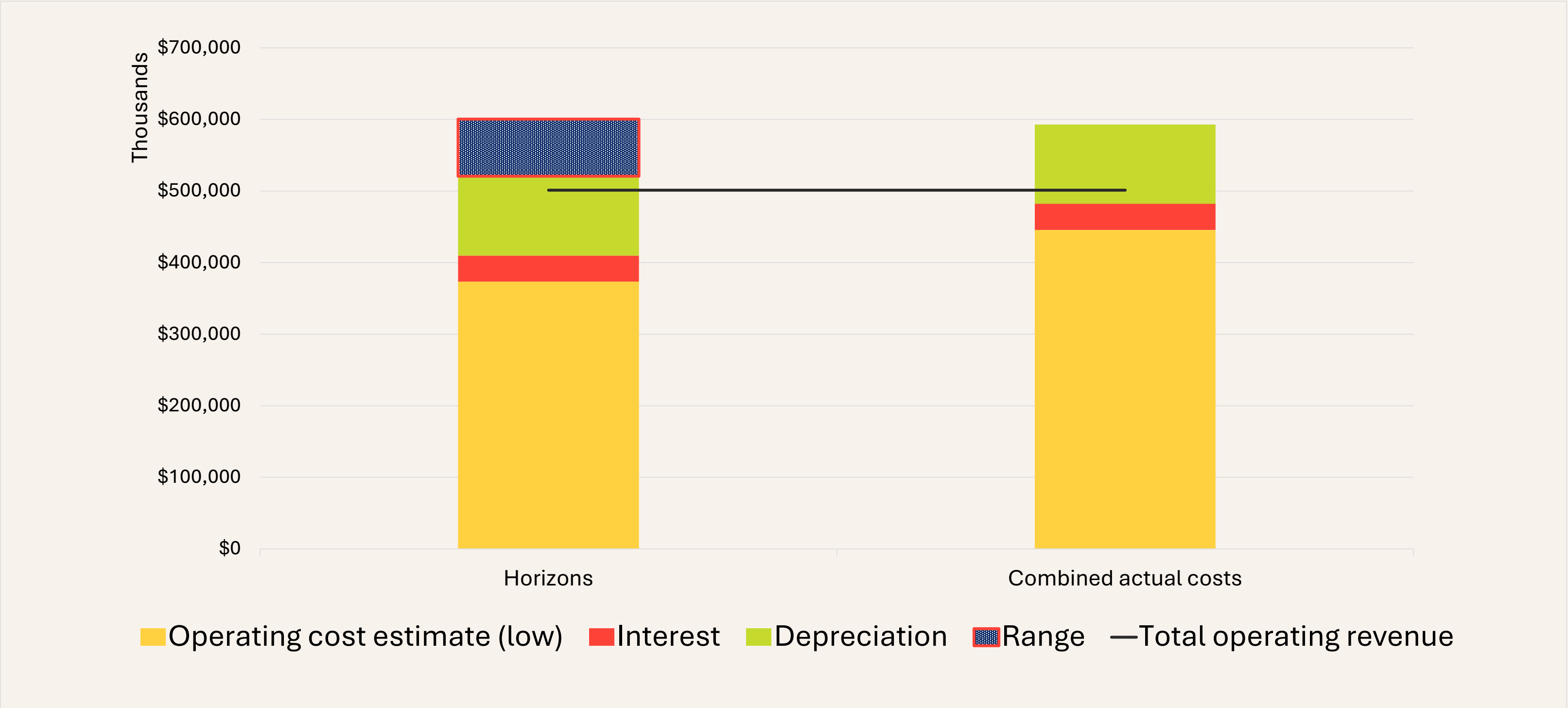


# Affordability – Regional Council services



Qualification: Horizons provided expenditure data for some, but not all, functions and activities. While the data represents around half of total expenditure and is considered broadly indicative, conclusions should be interpreted with caution.

# Horizon's Regional benchmarking



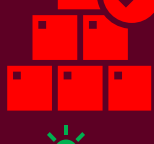
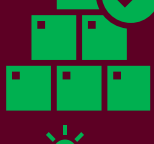
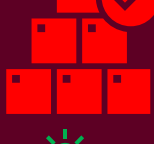
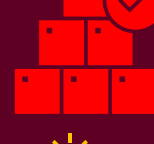
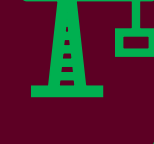
# ‘Economies of scale’

| Concept               | Examples                                                                                                                                                                | Achievable? |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Direct cost savings   | One finance system<br>One set of statutory documents                                                                                                                    | Difficult   |
| Capability benefits   | Ability to hire specialist skills<br>Complementary skills across existing councils coming together<br>Workforce resilience                                              | Yes         |
| Strategy and planning | Better procurement leverage<br>Stronger asset management<br>Coordinated infrastructure investment<br>Ability to prioritise investment over a broader area and cost base | Yes         |

- Realistic cost savings are likely in the order of 5-10% for all options, if at all
- Takes time to achieve and is masked by other factors (e.g. population growth, legislation change)
- Potential cost savings are offset by:
  - Transition costs
  - Increased cost of second-tier local representation
  - Aligning service levels, typically to the highest existing level

# Summary of initial assessment

## Overall

|                                                         | Option 1                                                                              | Option 2                                                                              | Option 3                                                                              | Option 4                                                                              | Option 5                                                                              |
|---------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Supports the new planning system                        |    |    |    |    |    |
| Simplifies local governance                             |    |    |    |    |    |
| Economies of scale                                      |    |    |    |    |    |
| Maintains local voice                                   |    |    |    |    |    |
| Deliverability                                          |    |    |   |   |   |
| Working collaboratively to improve wellbeing*           |  |  |  |  |  |
| Facilitating growth*                                    |  |  |  |  |  |
| Connecting to Central North Island*                     |  |  |  |  |  |
| Affordability for community and Council sustainability* |  |  |  |  |  |

# Increase in scale vs keeping it local

| Less councils, larger in size<br>features |   | More councils, smaller in size<br>features                     |
|-------------------------------------------|---|----------------------------------------------------------------|
| Simplicity and clarity                    | v | Flexibility and local variation                                |
| Clearer accountability                    |   | Greater coordination required<br>between entities              |
| Greater consistency, less<br>duplication  |   | Ability to maintain different local<br>governance arrangements |
| Benefits of scale                         |   | Benefits of being local                                        |

# Head Start next steps



Get confirmation/update on direction



Complete analysis

# Thank you

If you have any enquiries or need more information about the services we provide, don't hesitate to contact us. We look forward to helping you succeed.