



NOTICE OF MEETING

**Notice is hereby given of the Extraordinary Meeting
of the Invercargill City Council
to be held in the Council Chamber,
First Floor, Civic Theatre,
88 Tay Street, Invercargill on
Thursday 6 August 2026 at 3.00 pm**

Mayor T Campbell
Cr A J Arnold
Cr R I D Bond
Cr P M Boyle
Cr S J Broad
Cr A H Crackett
Cr A L de Vries
Cr G M Dermody
Cr D J Ludlow
Cr M Lush
Cr I R Pottinger
Cr B R Stewart
Cr L Tou-McNaughton

MICHAEL DAY
CHIEF EXECUTIVE

Extraordinary Council - Public

06 August 2026 03:00 PM

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HEAD START PROPOSAL

To:	Council
Meeting Date:	Thursday 6 August 2026
From:	Rhiannon Suter, Manager – Strategy, Policy and Engagement
Approved:	Trudie Hurst - Group Manager - Community Engagement and Corporate Services
Approved Date:	Monday 3 August 2026
Open Agenda:	Yes

Purpose and Summary

This report provides Council with a draft Head Start Proposal and requests a decision on whether to submit the appended draft proposal prior to 9 August 2026.

Recommendations

That the Council:

1. Receives the report "Head Start Proposal".
2. Receive the draft Head Start Proposal.
3. Note the guidance from DIA on developing draft proposals, including the elements which would come in a future detailed design phase.
4. Note this draft proposal has been developed in line with Invercargill City Council's guiding principles for the Head Start process and in line with direction given at the 23 July 2026 meeting.
5. Note that no notification of intention to participate in the Head Start proposal has yet been received from Southland District Council or Gore District Council.
6. Note that the draft proposal has been produced with input from Ngāi Tahu ki Murihiku and Environment Southland.
7. Receive the letter regarding Head Start from Te Rūnanga o Ngāi Tahu.
8. Receive the letter of support from Environment Southland.
9. Receive the letter outlining preferred two-unitary approach from Federated Farmers.

10. Note that irrespective of the outcome of Council's decision as to whether to submit a proposal, the Local Government Commission Southland Local Government Reorganisation investigation statutory process will continue.
11. **Agree / Disagree** to submit the draft Head Start Proposal prior to the 9 August deadline.

Background

Councils have until 9 August 2026 to submit a Head Start proposal in response to Central Government's invitation for Territorial Local Authorities to provide a local voice on how Local Government amalgamation should take place. The current Government have announced that councils who do not submit will enter a backstop process, although the opposition have announced that they will not continue this aspect of the policy. The current Government have said that Cabinet would consider proposals in principle in September 2026, that final detailed proposals will need to be submitted by March 2027 and that new entities would need to be established by October 2028 in time for Local Government elections.

Until such a time as further legislation is passed the Head Start / Back Stop policy does not impact the statutory Local Government Commission (LGC) process which has commenced and at this point is on schedule to reach a public poll in 2027. If the public poll proceeds Invercargill City Council will need to contribute to the costs of administering the poll, estimated at \$200,000.

On 23 July 2026 Council, following an informal engagement process, received:

- advice from the Local Democracy Enhancement Working party on a proposed Local Democracy structure to include within a draft Head Start proposal;
- a financial model summary released by Environment Southland and further advice of the Chief Financial Officer regarding the assumptions underpinning the model;
- feedback from Ngāi Tahu ki Murihuku;
- feedback from Environment Southland
- feedback from the Bluff Community Board.

On 23 July the Council agreed to the following:

- Council's preference for:
 - a One unitary authority for the Southland region (following the regional council boundary);
 - an electoral structure of wards based on the Freshwater Management Units and Invercargill City and urban gore (refined boundary proposed)
 - The number of Councillors to be between 12 – 16, with an equal number of Councillors elected between Invercargill and rural wards
 - The proposal to include Local Boards in line with the Local Government Commission position;
- Develop a Head Start proposal ahead of the final decision on whether to submit, conditional on one or more of the following:
 - Written support from a territorial local authority;
 - Regional council;
 - Iwi, and/or other key stakeholders.

Council identified eight principles to guide the process of developing a Head Start proposal in conjunction with the five criteria set by Government. These were:

- Strong united voice for Southland
- Fair representation to support local decision-making

- Resilient Southland
- Improved efficiency of delivery
- Affordability
- Strong local identity
- Environmental management
- Optimum financial outcomes.

Support received

Council has received input from Ngāi Tahu ki Murihiku and Environment Southland is developing this proposal. Letters outlining their principles and status of their support are attached to this report. The principles they have adopted for the process are included within the proposal.

Support for alternative Two-unitary Council approach

Federated Farmers has written to the Mayor outlining its preference for a two unitary model and the key principles it advocates. While Council has already chosen to pursue a One Unitary approach due to its alignment with Council's principles for the process, it is worth considering these principles and commentary as to how they align with Council's preference

Federated Farmers Principle	One Unitary Authority Model
Protect meaningful rural representation through a ward structure that ensures farming and rural communities continue to have a strong voice around the council table.	Under the proposed structure 50% of Councillors would be elected from rural areas, noting that the Invercargill urban boundary is smaller than the current district boundary.
Recognise genuine communities of interest as the foundation for governance boundaries.	The principles for the proposed ward and local boards approach align with existing communities of interest
Retain strong local decision-making so communities continue to influence the issues that matter most to them.	This principle underpins the proposed local board structure and is the reason local boards with their enhanced statutory status are preferred.
Deliver simpler, more efficient local government while strengthening democratic accountability.	A one unitary model is simpler and the approach notes how democratic accountability would be supported through local boards
Ensure environmental management, infrastructure investment and economic development are better integrated across Southland. This could include a shared services model for practical catchment management to meet the governments concerns around catchments but should not take decisions about land use regulation and environmental limit setting away from local farmers and growers.	A one unitary model allows for integrated catchment management under the simplest governance structure and is the preferred structure of Environment Southland.

Issues and Options

Analysis

The attached proposal contains the detail for the proposed approach. Where further background is useful it has been provided here. The proposal provides the detail requested by the DIA in the guidance document for Head Start proposals.

Partnership with Mana whenua

Ngāi Tahu ki Murihiku have helped shape this proposal.

The Council supports working collaboratively with Ngāi Tahu ki Murihiku through the detailed design phase to strengthen partnership arrangements within the future local government system. The reform process provides an opportunity to establish consistent and enduring partnership arrangements across any new authority structure. The detailed design phase will also identify whether broader iwi engagement is needed on matters of national significance. Any such engagement would be undertaken without predetermining or characterising iwi interests, rights, or statutory responsibilities.

Governance

The proposed governance structure aligns with the direction set by Council on 23 July.

The attached proposal sets out the proposed structure and governance arrangements on the following basis:

- One unitary authority for the Southland region (following the regional council boundary)
- Wards based on the four major rivers (Freshwater Management Units and Invercargill City (refined boundary proposed) and urban Gore
- An equal number of Councillors elected between Invercargill and rural wards
- The number of Councillors to be between 12 - 16
- Local Boards covering the Southland region giving a local voice and local decision-making to communities.

Assessment criteria

The proposal outlines how the proposed structure would support the five assessment criteria, notes where there are trade-offs and risks, and what is still to be considered.

Maintains Local Voice

The proposal has been designed to address the feedback from community members, including other Councils, to ensure that local voice including decision power for communities of interest is allowed and that there be equality between rural and urban communities.

Having an equal number of councillors elected from the urban and rural wards would help to address this perception. The proposal notes that the number of councillors between 12 – 16 is recommended. Together with the Mayor elected at large, it provides for an odd number of elected members in the governing body which is important to maintain a casting vote.

At the lower end of the range, 12 councillors makes the division of councillors across the rural wards slightly more difficult and at the higher end of the range, 16 councillors would make the transition from four separate governance structures easier. There was no clear view from the feedback as to the optimum number of councillors.

Further to a one unitary council model, a series of local boards across the whole of the region would help ease some of the concerns that representation and local voice will be diminished in the region, particularly in smaller and rural communities and enable communities to have meaningful authority and decision-making responsibilities. The LGC in determining the two options has recommended local boards for both options.

The current Local Government Act 2001 provides for greater delegations to Local Boards than community boards which are more advisory in nature and delegations are at the behest of the Council.

Local boards would provide a strong link between communities and council. Having councillors appointed to the boards would strengthen the relationship between boards, communities and the governing body and enable two-way communication.

Roles and responsibilities

The current legislation requires unitary authorities to adopt a local boards funding policy as part of its long-term plan. Each local board must then adopt a local board plan, every three years, as part of the Council's 10 year plan, in consultation with their community. This reflects the priorities and preferences of communities within the local board area. In addition, each financial year the unitary authority must have a local board agreement (as agreed between the governing body and the local board) for each local board area. This agreement must not be inconsistent with the adopted strategies, plans, policies and objectives of the governing body. Further, a local board work programme is developed and agreed in line with the agreement – this sets out the operational and capital work programmes for activities in which they have decision-making responsibilities. Work programmes play a critical role in delivering on the needs of communities and are informed by local board plans.

This structured governance framework commits the governing body to supporting local boards and should assist in easing some of the concerns that representation and local voice will be diminished in the region, particularly in smaller and rural communities and enable communities to have meaningful authority and decision-making responsibilities.

As noted in the proposal responsibilities for local boards could include:

- Adopting a local board plan
- Together with the governing body setting a local board agreement and annual budgets
- Making decisions on local matters including local events, parks and reserves, playgrounds, community centres and programmes.

Strengthening community participation

In addition to the formal governance framework identified above Council have identified the opportunity to find other ways to strengthen community participation. One of these is the use of Citizens' Assemblies which are randomly selected community members that could be used to help deliberate on complex issues and provide recommendations on major strategic decisions, helping to improve community participation and trust in decision-making. Several Councils have used this method.

Planning system

The Head Start guidance asks councils to show how an outline proposal would support implementation of the new planning system, including whether the proposal would make regional spatial planning and national environmental planning easier to deliver and operate. It specifically asks how the proposal will support a stable regional spatial planning process, whether coordination is made easier, how integrated catchment management is reflected, what transition risks exist, and what still needs to be worked through in detailed design.

The new planning system

The Planning Bill and Natural Environment Bill are intended to replace the Resource Management Act and create a new planning framework for land use and environmental management. The Select Committee reported back on these Bills on 20 July 2026, but the recommendations remain subject to the remaining parliamentary stages. The Government has indicated its intention to enact the new legislation prior to the elections in November.

The core architecture of the new planning system remains largely unchanged: a two-Act system, a regional spatial planning process, natural environment planning, land use planning, higher standardisation, a narrower consenting framework in some areas, and stronger compliance and enforcement settings.

The new combined planning framework is intended to bring together a regional spatial plan, land use plan and natural environment plan. The regional spatial plan is intended to identify long-term growth, infrastructure, development, environmental protection and hazard management matters across the region; the land use plan provides the policy and rule framework for use and development of land; and the natural environment plan provides the framework for use and protection of the natural environment, including environmental limits, rules and allocation.

Supporting implementation of the new system

The draft proposal supports implementation of the new planning system by creating a single Southland-wide unitary authority aligned to the current regional council boundary. This would keep regional functions within one organisation, while also bringing territorial and regional functions together for the purposes of the new combined planning framework. This is consistent with the proposal wording, which emphasises one authority responsible for regional spatial planning, the natural environment framework, land use planning and implementation of the combined plan across the region.

Under the new system, each region will need a regional spatial plan, a natural environment plan and land use provisions, brought together as a combined regional plan. A single Southland-wide unitary authority would make this system easier to deliver by reducing the number of organisations that need to coordinate regional spatial planning, regulatory plan development and plan administration.

A single Southland-wide unitary authority would provide the simplest governance platform for implementing the new planning system in Southland. It would align the new authority with the current regional boundary, retain regional science and environmental capability in one organisation, and support a single regional spatial planning process, one natural environment planning framework and integrated land use planning across the whole region.

This approach also supports integrated catchment management and ki uta ki tai, or mountains to the sea, decision-making. Southland's catchments, freshwater management units, coastal environments, flood protection systems and environmental monitoring networks cross current territorial authority boundaries. Keeping these functions together would provide clearer accountability for decisions that need to be made at catchment or regional scale, and would support stronger environmental stewardship and kaitiakitanga.

Local boards and local input into planning

A single Southland-wide planning framework does not mean local input would be lost. Local boards could provide an important mechanism for local priorities, community knowledge and catchment-level advice to feed into regional spatial planning, land use planning and natural environment planning. In detailed design, local boards could help identify local spatial priorities, community aspirations, infrastructure issues, environmental pressures, resilience needs and place-based considerations that should inform the combined plan.

This would allow the new authority to combine regional-scale accountability with local and catchment-informed input. Local boards would not need to duplicate regional plan-making functions, but could provide a structured way for local voices to influence the development and implementation of the regional spatial plan and the land use and natural environment components of the combined plan. This would also help respond to the proposal's commitment to local voice mechanisms, catchment-level engagement and iwi/Māori participation as matters for detailed design.

Transition and implementation risks

The new planning system will need to be implemented at pace. The current legislative timetable indicates that national policy direction and initial national standards are expected within 12 months of enactment, draft regional spatial plans within 21 months of enactment, and draft natural environment and land use plans after regional spatial plans are decided. A single Southland-wide unitary authority would provide a simpler transition path than a model that requires regional planning functions to be divided, duplicated or governed through additional joint arrangements.

The main advantage of a single unitary authority is that it reduces the need for complex cross-council coordination at the same time as councils are required to implement a major new planning system. The key transition risk is that structural reform could distract from, or disrupt, the work required to implement the new planning system. This risk would need to be managed by retaining existing technical expertise through transition, maintaining momentum on regional spatial planning and natural environment planning workstreams, and establishing clear interim decision-making and technical arrangements until the new authority is in place.

Further work will be required in the detailed-design phase to confirm governance arrangements for regional spatial planning, the relationship between the regional spatial plan, natural environment plan and land use provisions, arrangements for iwi/Māori participation and Treaty settlement obligations, local voice mechanisms, transition arrangements for specialist staff and data, and regulatory independence safeguards. Detailed design should also consider whether any specialist functions could be supported through takiwā-scale shared services, where this would strengthen capability, reduce duplication and support consistent service delivery while maintaining local decision-making and relationships.

Interfaces that would still need to be managed

The proposal would not remove the need for some cross-regional or local interfaces. Transport planning is the clearest example: Southland and Otago currently prepare Regional Land Transport Plans collaboratively through joint Regional Transport Committee arrangements, reflecting shared corridors and transport challenges. These arrangements would need to continue or be adapted under any new structure.

The new planning system would still need to provide for local context within the combined planning framework. While a single Southland-wide unitary authority would be responsible for the combined plan, the development of land use provisions would allow local circumstances, community priorities, infrastructure capacity and environmental constraints to be considered as national direction and standards are applied across different locations. This local variation is likely to be more constrained than under the current planning system, but remains important to ensuring the combined plan is workable for Southland's communities.

Local boards could provide one mechanism for this input by helping identify local spatial priorities, community aspirations, infrastructure issues, environmental pressures and place-based considerations to inform the regional spatial plan and the land use and natural environment components of the combined plan. The proposal is therefore framed as simplifying and integrating the core planning system, rather than eliminating every local or cross-regional interface. Detailed design would address remaining interfaces with transport, local input into land use provisions, building control, regulatory independence, local boards, iwi/Māori participation and specialist shared capability.

Economies of Scale

High level financial modelling suggests that the proposed amalgamation will provide value with estimated savings of 3.4% to be realised from 2034 onwards in direct comparison to the current structure. This represents an annual saving of \$9.8 million from 2034 onwards. This is based upon the financial model publicly released by Environment Southland in June 2026.

The financial model predicts that all four existing local authorities will achieve an 8% saving in their corporate overhead costs, while the three territorial authorities will achieve a 2% saving in their core services.

Significance

This issue is significant in relation to Council's Significance and Engagement Policy. The Policy notes circumstances where full consultation may not be taken on a significant issue, including where Council has knowledge of the community's views on the matter and where there are time constraints. When Council commenced this process, it noted the detailed information gathered by the Local Government Commission community engagement which has been shared in the results of Phase One and the legal advice obtained by LGNZ on behalf of the sector. Further engagement has been undertaken to inform Council's decision making on this matter and where available other information has been provided such as was available. It is important to note that irrespective of whether Council chooses to put in a Head Start proposal, the ultimate decision as to the structure of Local Government in the region does not rest with Council. Dependent on which process concludes, the decision either rests with the Local Government Commission or Central Government.

Options

Council can choose either to submit or to not submit a proposal. Irrespective of which choice is taken, the Local Government Commission process will continue. The risks involved with the parallel processes are outlined in the table below.

Community Views

Community views were provided to the Council for the 23 June where it considered the alternative options for a proposal.

Implications and Risks

Strategic Consistency

Amalgamation would be a significant change to the way in which Council operates. However, as the transition plan outlines, the intention would be for harmonisation of Council Long-term plans over time so that Council strategy and community outcomes could continue to be delivered.

Alignment to the five policy priorities of the Head Start process are outlined within the body of the report. Council, Ngāi Tahu and Environment Southland principles for the head start process are outlined in the proposal.

Financial Implications

The financial implications of both models are discussed above. There are likely to be additional financial requirements to complete the more detailed proposal stage of the Head Start process. These are estimated at between \$50,000 - \$100,000, depending on the technical complexity of the financial and planning work required.

Any implementation phase is expected to require significantly higher levels of investment again, although this has not yet been estimated.

Legal Implications

The Head Start process is not a statutory process. The potential implications on the representative review were discussed in detail in the 23 July report.

Climate Change

Climate change implications will need to be managed irrespective of whether a Head Start proposal is submitted and no matter which model is chosen. The Regional Working Group on Climate Change is likely to continue to support coordination, although this may be simpler to achieve under amalgamation given the importance of integrated catchment management to managing climate change.

Risk

Risk	Mitigation
Compressed timeframe: The 9 August 2026 deadline leaves limited time to finalise the proposal and seek support.	The evidence gathered through the Local Government Commission process has been utilised. Assumptions and risks are noted in the proposal.

Risk	Mitigation
Community perception: The public may see the decision to submit a proposal as entrenching disagreement with other TLAs and making a rural-urban divide worse	Clear communications about the Head Start proposal, reason for submitting and the way in which the proposal addresses local voice.
Loss of influence: If Council does not continue to participate, it may have less influence over regional options.	Council can choose to put in a Head Start proposal. Irrespective of which path is chosen however, the ultimate decision rests either with Government or the Local Government Commission. It is worth noting that Central Government's intentions have signalled supported for larger areas of amalgamation and the backstop option may include areas larger than the Southland region, for example Southland-Otago or a larger area of the South Island.
Legal and governance risk: Future decisions will require careful legal and governance review, including delegation, consultation and statutory process advice.	This will be a focus of any detailed work undertaken in the second stage of developing a detailed proposal.
Risk presented by parallel/ intersecting LGC and Head Start proposals: Council if it chooses NOT to submit a Head Start proposal one of the following could occur: Council could be subject to another Head Start proposal submitted by a separate Southland Council. Council would lose the opportunity to inform the detail of a proposal which is open through the Head Start submission process. Council could enter the back stop by default if the public poll opposes the chosen LGC option which would further extend the period of uncertainty and potential negative operational impacts.	The primary mitigation would be to submit a Head Start proposal. The secondary mitigation is to choose to submit only in the circumstance that one or more other Head Start proposals for the region are submitted.
Potential for risk to relationships with mana whenua and reduced ability to uphold Local Government Act and planning requirements for Māori participation.	Council has worked in collaboration with Ngāi Tahu to produce the proposal.
Financial uncertainty: The financial implications of reorganisation are not yet fully known and the high-level financial analysis included in the proposal will need further testing and refined. The financial model previously developed and published by Environment Southland contains a number of key assumptions which have not yet been validated. Transition costs are expected to be highest in the initial years, meaning that it could take a number of years before break-even if reached. There is a risk that transition costs are understated which will serve to increase the short-term impact upon ratepayers.	More detailed financial analysis would be undertaken during the detailed design phase to understand fully understand the financial outcomes. This would require a detailed review of rates, revenue and debt transition, in combination with a full analysis of forecasted transition costs to ensure that they are not overstated.

Risk	Mitigation
Regional alignment risk: Councils are likely to not reach consensus on a preferred option.	Council act in good faith through the Head Start process. The establishment of the Local Democracy Working Party enables a view from across the region as to how to maintain local voice in appropriate representation to be considered.
Risk to reputation and relationships from submission of a non-conforming bid.	Support from the regional Council has been achieved and Council has collaborated with Ngāi Tahu ki Murihiku on the proposal. Continue to seek a partnership and clarify how this would be supported in the detail of the transition proposal at initial and detailed development stage should it be accepted by Government.
Organisational stability during transition: There is a risk of loss of key staff and local knowledge, governance focus and maintenance of consistent levels of service.	Establishment of a separate transition team to support an effective harmonisation of organisational structure, planning and operations. Request funding from Central Government to enable backfilling of resource from the transition team.

Next Steps

Council's direction will be followed as to whether to submit a Head Start proposal.

Attachments

1. Guidance on Head Start proposal development, DIA (A6551382)
2. Letter from Ben Bateman, Ngāi Tahu (A6562175)
3. Letter from Jeremy McPhail, Environment Southland (A6562183)
4. Letter from Chris Dillon, Federated Farmers (A6562470)
5. Letter from ILT (A6563345)
6. Letter from ILT Foundation (A6563347)
7. Draft Head Start Proposal (A6536332)

A6551382

Guidance for Head Start outline proposals

Simplifying Local Government



New Zealand Government
Te Kāwanatanga o Aotearoa

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Purpose

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

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

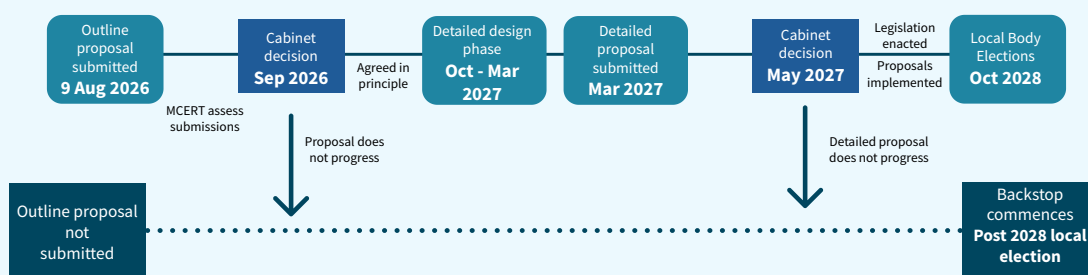
Who will assess proposals and how will they assess them?

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

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

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

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



Eligibility

Who can submit an online proposal?

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

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

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

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

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

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

What types of reorganisations can be proposed?

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

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

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

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

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

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

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

Developing your outline proposal

What level of detail is expected?

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

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

Subregional proposals

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

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

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

How does the proposal benefit the region as a whole?

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

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

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

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

What do we expect outline proposals to cover

How does the proposal meet the eligibility criteria?

Confirm your proposal is eligible to be considered. Specifically:

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

regional council supports the proposal.

What is the proposed structure and governance arrangements?

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

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

Assessment Criteria

Supports the new planning system



What we're asking for

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

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

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

What we need to know

We are looking for information on the following questions:

How does this help the new planning system work better?

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

What are the trade-offs and risks?

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

What still needs to be worked through?

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

What does 'good' look like?

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

What we don't expect in an outline proposal

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

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

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

System Shifts for local government in the Planning Reforms

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

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

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

Assessment Criteria

Simplifies local governance



What we're asking for

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

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

What we need to know

We are looking for information on the following questions:

How does your proposal simplify local government?

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

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

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

What are the trade-offs and risks?

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

What still needs to be worked through?

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

What does 'good' look like?

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

What we don't expect in an outline proposal

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

Assessment Criteria

Economies of scale



What we're asking for

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

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

What we need to know

We are looking for information on the following questions:

How will functions be effectively delivered?

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

How will increased economies of scale add benefits?

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

What are the expected financial impacts of reorganisation?

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

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

Where will efficiencies come from?

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

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

What are the trade-offs and risks?

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

What still needs to be worked through?

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

What does ‘good’ look like?

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

What we don’t expect in an outline proposal

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

Assessment Criteria

Maintains local voice



What we're asking for

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

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

What we need to know

We are looking for information on the following questions:

How will people elect representatives?

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

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

How will communities be represented?

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

How will iwi/Māori participate in decision-making?

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

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

What are the trade-offs and risks?

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

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

What still needs to be worked through?

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

What does 'good' look like?

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

What we don't expect in an outline proposal

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

Assessment Criteria

Deliverability



What we're asking for

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

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

What we need to know

We are looking for information on the following questions:

How would you implement the proposal?

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

How would changes be timed?

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

What still needs to be worked through?

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

Are there interactions with other local government programmes?

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

What do you need from the Government?

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

What does 'good' look like?

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

What we don't expect in an outline proposal

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

Treaty settlements

What we're asking for

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

The Crown is responsible for upholding Treaty settlements.

What we need to know

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

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

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

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

What does good look like?

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

What we don't expect in an outline proposal

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

Other supporting information

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

Finalising proposals

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

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

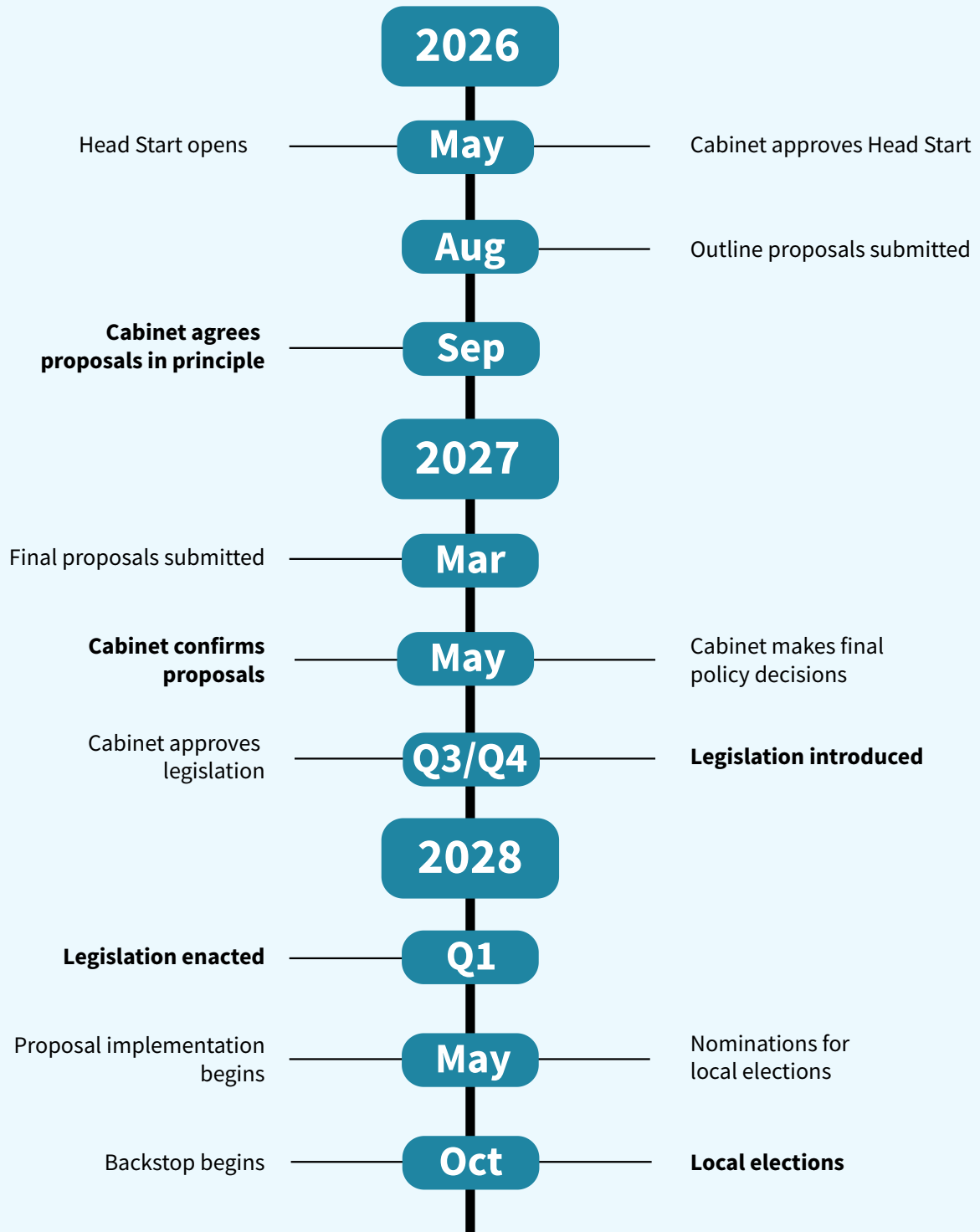
- **regional spatial planning** (timing alignment between the new planning system - including national instruments - and amalgamation processes)
- **regional council functions and services** (full mapping to mitigate the risks of any lone or under-resourced functions or services. Proposed interim arrangements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

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

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

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

Timeline



Contact

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

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

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

Deadline

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

Resources

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

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Te Kāwanatanga o Aotearoa

A6562175



Te Rūnanga o NGĀI TAHU

24 July 2026

Michael Day
Chief Executive
Invercargill City Council

By email: michael.day@icc.govt.nz

Cc: His Worship Tom Campbell, Mayor of Invercargill (tom.campbell@icc.govt.nz)

Tēnā koe Michael

RE: Treaty Partnership

I really appreciated your Council joining my team and Papatipu Rūnanga on Tuesday to discuss Mana Whakahono ā Rohe (MWāR) and local government reform. It was encouraging to hear such positive discussion about the relationship between your Council and Ngāi Tahu ki Murihiku, and a genuine commitment to continuing to strengthen that relationship.

Mana Whakahono ā Rohe

As discussed at the hui, the Environment Select Committee report released on Monday supported the continuation of MWāR within the new resource management system. However, following the report's release, Minister Chris Bishop announced that Cabinet intends to overturn this recommendation and remove all MWāR provisions, including those relating to existing and initiated agreements.

This is disappointing for Te Rūnanga o Ngāi Tahu (TRoNT). We have seen the benefits of MWāR through many years of implementation on the West Coast and had recently begun work to establish arrangements in Murihiku.

I wanted to formally confirm that due to the announcements, we will not be pursuing further hui on the development in the near future however we will not be formally withdrawing our initiation until the legislation is formally passed at which point there will be no pathway to continue with.

Local Government

Strong local relationships are fundamental to successful regions, and even without MWāR there remain many opportunities for collaboration. TRoNT will continue to support Te Ao Marama in the review of the Southland Charter arrangements, alongside Papatipu Rūnanga where appropriate.

Our Kaiwhakahaere Justin Tipa has recently communicated with you about the considerable thought we have given to these reforms. In our view, they present a once-in-a-generation opportunity to modernise our 1989 local government system and design governance and service delivery arrangements that are genuinely fit for the future of South Island communities. Ngāi Tahu strongly supports all regions within our takiwā submitting a compliant Head Start proposal by 9 August. We acknowledge the tight timeframe and

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appreciate the significant effort already undertaken to engage with communities and work collaboratively across the region.

The four principles that we believe should help guide the development of Head Start proposals are:

1. Local government boundaries should align with the Ngāi Tahu takiwā boundary.
2. River catchments should be the primary determinant of unitary council boundaries within the Ngāi Tahu takiwā.
3. A joint Takiwā/ South Island “Centre of Expertise” entity should be established to provide shared back-office and specialist functions on behalf of new unitary councils.
4. Future arrangements should incorporate genuine cooperation between councils and Papatipu Rūnanga.

We would welcome the opportunity to continue to discuss these principles as your proposal develops, and to hear your Council's views on whether it supports them.

Please contact Emma Jacka (emma.jacka@ngaitahu.iwi.nz) or Sam Broughton (samuel.broughton@ngaitahu.iwi.nz) to arrange a time for discussion.

Ngā mihi,



Ben Bateman
Chief Executive
Te Rūnanga o Ngāi Tahu

A6562183

Our reference: A1525564

23 July 2026

Mayor & Councillors
Invercargill City Council
Invercargill



E ngā mana, e ngā reo, e ngā rangatira
Tēnā koutou, Tēnā koutou, Tēnā koutou katoa

Thank you for the opportunity to speak today.

I am here on behalf of Environment Southland. Our Council held a preliminary discussion yesterday on how we should contribute to local government reform discussions in Southland. Council has endorsed a set of regional function principles to guide our input into those discussions.

Those principles have been developed from the Southland Local Government Summit held last week, subsequent discussions with councils and partners, the work of the Local Democracy Enhancement Working Party, Te Uru Kahika guidance on regional functions, and the thinking that has been shared by Ngāi Tahu and Te Ao Mārama Inc in this space.

The principles are not intended to lock Environment Southland into a predetermined structural position. Rather, they are a practical test for any option that may be advanced - whether that is one unitary, two unitaries, a shared services model, local boards, regional delivery vehicles, enhanced collaboration, or some combination of these.

In simple terms, our Council's principles are:

- **Function first** — structure should follow what each function needs to be delivered well.
- **Catchment integrity** — natural systems should not be fragmented by governance boundaries.
- **Better outcomes, not just efficiencies** — reform should improve delivery, resilience and environmental stewardship.
- **Regional cohesion** — future arrangements should support a strong regional voice and urban and rural Southland succeeding together.
- **Strong local voice** — communities need meaningful influence over local matters, with appropriate community representation being an important part of that.

For now
& our future

- **Efficiency and accountability** — reform should reduce duplication and make better use of systems, people and capability.
- **Enduring partnership** — future arrangements should protect and strengthen relationships with Ngāi Tahu ki Murihiku, existing Charter arrangements and Treaty obligations.
- **Capability and continuity** — specialist expertise, leadership, institutional knowledge and regional stewardship/kaitiakitanga understanding should be preserved and strengthened, with potential for wider provision of services across the takiwā.
- **Clear accountability** — future arrangements should be explicit about who decides, who pays, and how regulatory independence is protected.

We see strong alignment between these principles and the principles already adopted by Invercargill City Council — including a strong united voice for Southland, fair representation, resilience, improved efficiency, affordability, strong local identity, environmental management and optimum financial outcomes. ICC's report records those principles as guiding the development of its Head Start proposal.

They also align with the Local Democracy Enhancement Working Party's focus on ensuring local communities continue to have a meaningful voice in governance, while strategic decisions are coordinated across the wider region. The ICC report notes that the Working Party has been considering local democratic participation, representation, ward structures and the role of boards, with the overarching goal of ensuring meaningful local voice while coordinating strategic decisions regionally.

From Environment Southland's perspective, the most important point is that the discussion should start with the work that needs to be done for Southland communities, not with institutional boundaries. Many local government functions are genuinely local. Others are regional, catchment-based, or require specialist capability and a wider scale to be delivered well.

That is why catchment integrity is central to our position. Freshwater, flood resilience, environmental monitoring, land management, biosecurity, natural hazards, regional planning and emergency resilience do not stop at district boundaries. They rely on shared science, data, modelling, long-term relationships, and the ability to make decisions from the mountains to the sea.

This is also consistent with the soon to be made publicly available Te Uru Kahika Head Start toolkit, which has been developed to help councils assess where regional functions should sit under reform. The toolkit is designed to support evaluation of options for the delivery of regional functions, including matters such as scale, expertise, geography, spillover and deliverability.

It is consistent as well with the thinking shared by Te Rūnanga o Ngāi Tahu and Te Ao Mārama Inc. The letter from Te Rūnanga o Ngāi Tahu supports compliant Head Start proposals and identifies river catchments as a primary determinant of unitary council boundaries, alongside takiwā-wide shared services and genuine cooperation with Papatipu Rūnanga. Te Ao Mārama's

material for the Local Government Commission process similarly points to integrated ki uta ki tai decision-making, strong environmental stewardship, catchment-based investment, Ngāi Tahu values and mātauranga Māori, enduring representation arrangements, and meaningful community influence.

Applying our principles at a high level, Environment Southland's initial view is that a single Southland unitary authority appears more consistent with those principles than a two-unitary model, particularly in relation to catchment integrity, regional cohesion, capability and continuity, integrated planning, and clear accountability.

We recognise that the two-unitary model has been promoted by some as a way to protect local voice and rural identity. Those are legitimate issues and must be addressed in any model. But from a regional functions perspective, a two-unitary model creates real challenges. The ICC report itself notes that a two-unitary option would split regional council functions across two organisations and across catchment boundaries, and could create confusion where consenting authorities within a catchment provide for different outcomes. The report also notes that two unitaries would require significant joint planning structures for regional planning and catchment management, with added governance complexity and overhead.

The ICC report also notes our recent move to a whole-of-region approach for funding flood infrastructure and river management. This reflects the reality that Southland's river systems, flood protection schemes and critical infrastructure are highly interconnected, and that the benefits of effective flood resilience extend well beyond individual catchments to support communities, businesses, transport networks and essential services across the region.

That does not mean a single unitary model is automatically the answer to every issue. It would need to be designed carefully. In particular, it would need strong local boards or equivalent arrangements, meaningful delegations, clear local representation, continued catchment-level relationships, and protections for regulatory independence and environmental stewardship.

Nor do we suggest that all detailed design work can or should be completed before the 9 August 2026 Head Start deadline. The Head Start process is an outline proposal process. The key question at this stage is whether Southland can put forward a credible direction of travel that meets the Government's criteria and gives our region an opportunity to shape the next stage of detailed design.

We also acknowledge that other models may exist. For example, there may be further thinking required on regional delivery vehicles, shared specialist services, takiwā-wide capability, or strengthened local and catchment-based arrangements. Those ideas should not be closed off.

Environment Southland has had an informal discussion about supporting a Head Start option. At this stage, our initial view is that a single unitary structure is more compliant with the principles Council endorsed yesterday than a two-unitary structure. However, Council has not yet made a formal decision on whether to support any specific Head Start proposal.

We intend to discuss this further at an extraordinary meeting of Environment Southland Council in the coming days. That meeting will allow Council to consider whether to provide formal support for a Head Start proposal, what conditions or expectations should attach to that support, and how our principles should be reflected in any proposal that proceeds.

In closing, Environment Southland's position is constructive. We want Southland to have the best possible chance to shape its own future. We want reform to strengthen, not weaken, what matters most: effective delivery, catchment integrity, local voice, enduring partnership, specialist capability, clear accountability, and better outcomes for our communities.

Thank you for the opportunity to put Environment Southland's position on the record.

A handwritten signature in black ink, appearing to read 'J A McPhail'. The signature is stylized with a large, sweeping initial 'J' and a long, horizontal stroke extending to the right.

J A McPhail
Chair

A6551382

By email: tom.campbell@icc.govt.nz

Cc: Councillors, CEO Invercargill City Council.

Dear Mayor Tom Campbell,

Re: Supporting the establishment of two Southland Unitary Authorities



WELLINGTON

Level 11, 38 Waring Taylor Street
Wellington Central
Wellington
PO Box 715, Wellington 6140
T 0800 327 646

Southland Federated Farmers is writing to express our strong support for the Invercargill City Council to develop a proposal for Invercargill City as a stand-alone Unitary Authority. We envisage Southland District Council and Gore District Council together as a separate Unitary.

The Government's local government reform programme presents a once in a generation opportunity to shape governance arrangements that will serve our communities for decades to come. We believe there now is the opportunity for Invercargill City Council to submit a Head Start proposal that is reflective of its metropolitan community and focused on its needs. We believe there is also an equally compelling opportunity for the two district councils of Gore and Southland to demonstrate leadership by developing a proposal that reflects the unique needs, economy, and communities of provincial Southland. For Councils in our province this once in a generation opportunity to shape local government structure. We appreciate that the Local Government Commission process is happening at the same time, but we see submitting on the Head Start process as a positive engagement signal from the region for the Local Government Commission and the Government.

Federated Farmers has long advocated that local government structures should be built around communities of interest, not simply administrative convenience or geographic scale. Earlier this year we released a think-piece on reform entitled Enough Talk, Fix it, which proposed provincial unitary councils and metropolitan unitary councils (with urban populations greater than 50,000) that recognise the differences in needs, priorities and community character in both provincial and metropolitan New Zealand.

Importantly, we believe structural reform must strengthen rather than weaken local democracy. Across New Zealand there is growing evidence that rural representation has steadily declined as councils become larger and increasingly urban in focus. Representation reviews have seen many rural wards removed or merged over time, while urban population growth has progressively shifted representation away from rural communities. It is essential that this trend is not accelerated through local government reform, whilst also recognising that a level of scale may be required to deliver some services and meet infrastructure challenges in the near and longer term.

We wish to be clear that Federated Farmers does not support a single Southland wide unitary authority that includes Invercargill. This is not because Invercargill's interests are any less important. Invercargill is a significant metropolitan centre with its own opportunities, challenges and governance priorities. Equally, the communities of Southland and Gore districts deserve governance arrangements designed around their own needs, rather than becoming a rural minority within a predominantly urban authority.

We believe both metropolitan Invercargill and rural/provincial Southland would be better served through governance structures that reflect their distinct communities of interest.

Our experience working alongside councils through annual plans, long-term plans, regional planning processes and wider local government advocacy has consistently demonstrated the value of strong local relationships and decision-making that understands rural communities.

If councils choose to progress this option, we encourage the proposal to be underpinned by several key principles:

- Protect meaningful rural representation through a ward structure that ensures farming and rural communities continue to have a strong voice around the council table.
- Recognise genuine communities of interest as the foundation for governance boundaries.
- Retain strong local decision-making so communities continue to influence the issues that matter most to them.
- Deliver simpler, more efficient local government while strengthening democratic accountability.
- Ensure environmental management, infrastructure investment and economic development are better integrated across Southland. This could include a shared services model for practical catchment management to meet the governments concerns around catchments but should not take decisions about land use regulation and environmental limit setting away from local farmers and growers.

This reform represents a rare opportunity to shape the future of local government. We encourage Council to seize that opportunity and put forward a proposal that protects local democracy, fair representation, and provides a strong foundation for the future of Southland's provincial communities.

We look forward to continuing to work constructively alongside you throughout this process and are always available to discuss or work with you on common ground for the benefit of Southland.

Yours sincerely,

Chris Dillon
Provincial President
Federated Farmers Southland

A6563345



31 July 2026

The Mayor and Councillors
Invercargill City Council
Private Bag 90104
Invercargill 9840

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252 Dee Street, Invercargill
PO Box 208, Invercargill 9840

Letter of Support for Southland Head Start Proposal

On behalf of Invercargill Licensing Trust (ILT), I am pleased to provide this letter of support for Invercargill City Council's (ICC's) development and submission of a Head Start proposal for the future structure of local government in Southland.

We acknowledge the significant work undertaken by many on behalf of the region including Mana Whenua, the regional council and other councils, along with the Local Government Commission.

Our organisation recognises the importance of ensuring that local government arrangements are fit for purpose, financially sustainable, responsive to community needs, and capable of supporting effective governance, service delivery and strategic decision-making across the Southland region.

We support the development and submission of a Head Start proposal of a single unitary authority for the Southland region. We believe a unified governance structure has the potential to provide a stronger and more coordinated regional voice, improve strategic planning and service delivery, strengthen environmental and catchment management, and deliver efficiencies through reduced duplication and greater organisational scale.

Accordingly, ILT supports Invercargill City Council's preferred direction of a single unitary authority for the Southland region and supports the development and submission of a Head Start proposal reflecting that direction for consideration by Central Government.

We appreciate the opportunity to share our views and welcome future opportunities to contribute to discussion and engagement as this work progresses.

Your sincerely

Paddy O'Brien
ILT President

A6563347

31 July 2026



The Mayor and Councillors
Invercargill City Council
Private Bag 90104
Invercargill 9840

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We appreciate the opportunity to share our views and welcome future opportunities to contribute to discussion and engagement as this work progresses.

Your sincerely

A handwritten signature in blue ink, appearing to read 'Paddy O'Brien'.

Paddy O'Brien
ILT Foundation Chair

One Southland

Head Start proposal for a unitary authority for the Southland Region

Developed by Invercargill City Council, with input from
Ngāi Tahu ki Murihiku and Environment Southland.



August 2026

Draft Head Start Proposal Outline

This proposal, developed with input from Ngāi Tahu ki Murihiku and Environment Southland, is for a Unitary Authority for the current Southland Regional Council boundary area, part of the Murihiku rohe, within the Ngāi Tahu takiwā.

All Territorial Local Authorities within the region would merge into a new entity and take on the functions of the Regional Council.

The proposed structure aligns to the regional planning boundaries and would support resilient economic development and catchment management. It supports effective management and use of our region's most important natural tāonga – our wai (water). New industries such as aquaculture and other opportunities require that we have sustainable, reliable and clean water from the Ōreti and our other river systems and that we are able to plan effectively to manage flooding, coastal and environmental protection.

The proposed governance structure would be a Council of between 12 – 16 Councillors elected from wards, which follow the freshwater management units and urban areas of Invercargill and Gore.

Local boards which align to communities of interest similar to those covered by existing community board arrangements are proposed to ensure democratic local voice. Local Boards would have decision making delegations for key local community facilities and services, with local plans determined by the boards and funded by the local community.

To support efficiencies of scale, funding for infrastructure planning and delivery would be at network level, with considerable forecast improvements to outcomes, support for contractor market development and asset management improvements and efficiencies, benefiting not only Council but the wider economy.

It is forecast that \$23 million¹ would be saved across the first six years of operation, an essential saving as our communities' struggle with cost of living.

To support ongoing regional development, we are proposing a range of funding mechanisms to enable Local Government to fund growth more effectively and reduce the pressure on ratepayers.

To support the deliverability of this proposal, there is the opportunity to leverage both the the investment Council is making into scalable cost-effective corporate accommodation and IT systems transformation.

We recognise significant potential benefits of a Takiwā-wide centre of excellence which could provide scientific and technical services, alongside some back-office corporate functions. We would work to support a dispersed model which retained skills in the region. The transition approach would build on the skills and knowledge of our employees to retain and grow knowledge, while making it easier to attract talent and fill skills gap where we currently need to use more expensive consultants.

We look forward to working in partnership with Government, Iwi, our Local Government partners, and our community to make this transition a success.

¹ Environment Southland, The Southland Amalgamation Model, 2026

Southland's strength has always been in working together as a team and this proposal will ensure our economy and environment, our city and rural communities can thrive together. On behalf of Invercargill City Council, I commend this proposal to Ministers.

Eligibility

This proposal is submitted on behalf of Invercargill City Council and

This proposal is for a Unitary Authority for the current Southland Regional Council boundary area, part of the Murihiku rohe, within the Ngāi Tahu takiwā. This represents one directly affected authority and 55.3% of the population across the Southland region². The proposal is that all Territorial Local Authorities within the region merge and take on the functions of the Regional Council.

The proposal has the support of the Regional Council

Southland District Council has indicated ...

Gore District Council has indicated ...

It has been drafted on a collaborative basis by Invercargill City Council with input from Ngāi Tahu ki Murihiku and Environment Southland.

The proposal is compliant/ is non-compliant. Council has chosen to submit given how closely the proposal aligns with Central Government assessment criteria, the importance Council places on integrated catchment management and regional spatial management to support resilient economic growth.

Principles guiding this proposal

Invercargill City Council	Ngāi Tahu ki Murihiku	Environment Southland
✓ Strong united voice for Southland ✓ Fair representation to support local decision-making ✓ Resilient Southland ✓ Improved efficiency of delivery ✓ Affordability ✓ Strong local identity ✓ Environmental management ✓ Optimum financial outcomes.	✓ Local government boundaries should align with the Ngāi Tahu takiwā boundary. ✓ River catchments should be the primary determinant of unitary council boundaries within the Ngāi Tahu takiwā. ✓ A joint Takiwā/ South Island "Centre of Expertise" entity should be established to provide shared back-office and specialist functions on behalf of new unitary councils. ✓ Future arrangements should incorporate genuine cooperation between councils and Papatipu Rūnanga.	✓ Function first - structure should follow what each function needs in order to be delivered well. ✓ Catchment integrity - natural systems should not be fragmented by governance boundaries. ✓ Better outcomes, not just efficiencies - reform should improve delivery, resilience and environmental stewardship. ✓ Regional cohesion - future arrangements should support a strong regional voice and urban and rural Southland succeeding together. ✓ Strong local voice - communities need meaningful influence over local matters, with appropriate community representation. ✓ Efficiency and accountability - reform should reduce duplication and make better use of systems, people and capability. ✓ Enduring partnership - future arrangements should protect and strengthen relationships with Ngāi Tahu ki Murihiku; give effect to the intent and obligations arising from Te Tiriti o Waitangi, the Ngāi Tahu Deed of Settlement 1997 and the Ngāi Tahu Claims Settlement Act 1998; and uphold existing Charter arrangements. ✓ Capability and continuity - specialist expertise, leadership, institutional knowledge and regional stewardship/kaitiakitanga understanding should be preserved and strengthened. ✓ Clear accountability - future arrangements should be explicit about who decides, who pays and how regulatory independence is protected.

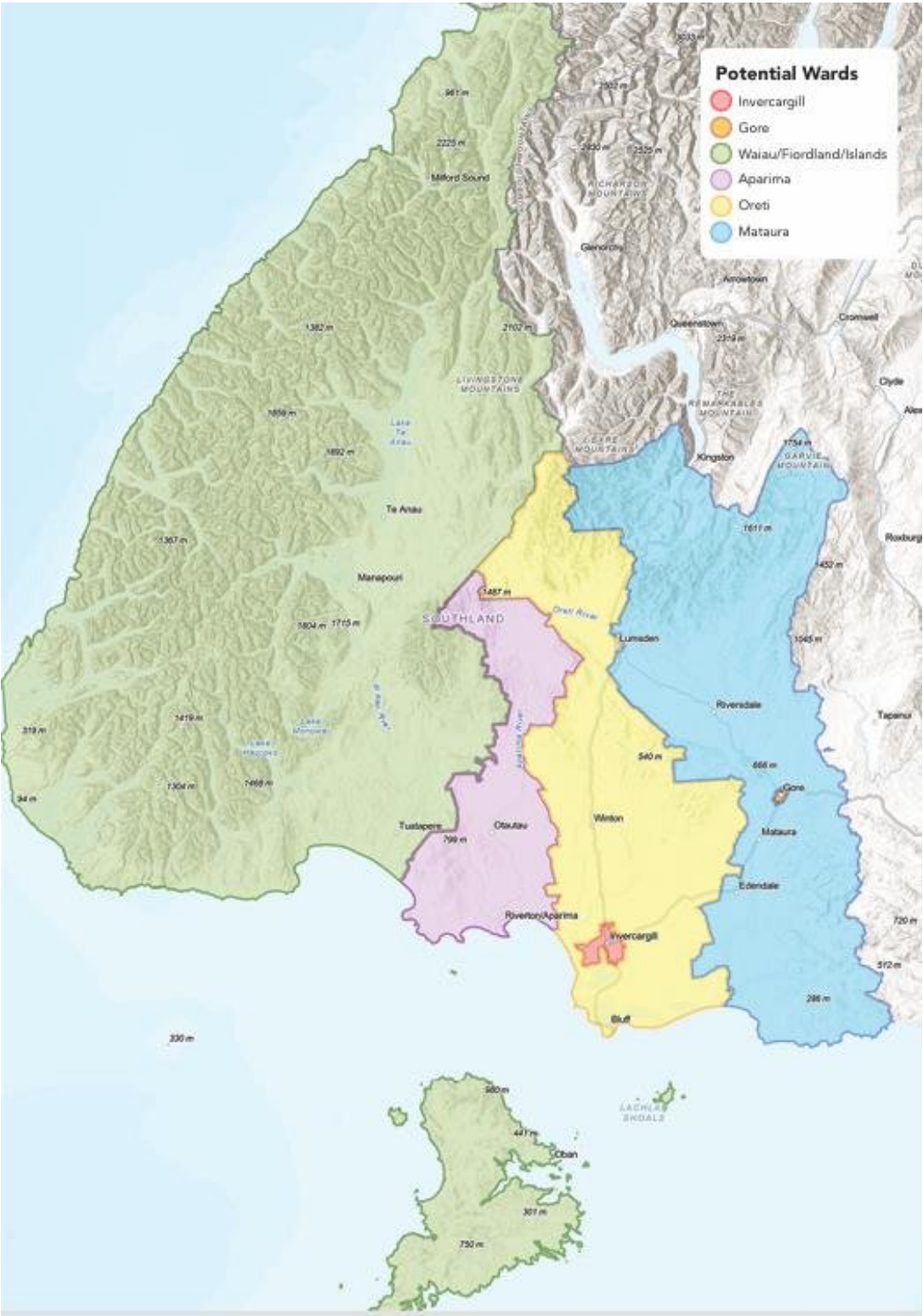
² [Invercargill City, vs Southland Region, Place and ethnic group summaries | Stats NZ, 24/7/2026](#)

Proposed structure and governance arrangements

This proposal is for a Unitary Authority for the current Southland Regional Council boundary area, part of the Murihiku rohe, within the Ngāi Tahu takiwā. The proposal is that all Territorial Local Authorities within the region merge and take on the functions of the Regional Council, with the exception of where resource management functions are delegated by national legislation to some other structure. The area served would be a population of just over 100,000, of a size to realise meaningful efficiencies.

The following governance structure is proposed:

- Wards which follow the four major rivers and freshwater management unit boundaries and urban Invercargill and Gore
- Local boards with delegated functions and funding capabilities for key communities of interest
- Support for utilisation of citizen panels for relevant topics of interest.



Proposed Ward Boundaries

Assessment Criteria: Supports the New Planning System

The proposal would support the new planning system by establishing a single Southland-wide unitary authority responsible for regional spatial planning, the natural environment framework, land use planning and implementation of the combined plan. This would avoid the governance and implementation complexity of multiple unitary authorities jointly preparing and implementing a regional combined plan.

A single unitary authority would allow environmental management, land use, infrastructure, natural hazards, freshwater, biodiversity, coastal management and transport planning to be considered together across Southland's major catchments and coastline. It would also support integrated catchment management and ki uta ki tai decision-making by keeping catchment and regional functions together, rather than splitting them across current territorial authority boundaries.

Plan implementation would be simpler, with one council responsible for administering the combined plan and one point of contact for resource users. Existing cross-regional transport planning arrangements with Otago would continue or be adapted as required.

Initial steps would include confirming interim governance for regional spatial planning, maintaining current planning and technical workstreams, retaining specialist planning, science, data, consenting and compliance capability, and agreeing how local input, catchment-level advice and iwi/Māori participation will feed into the combined plan. This would allow planning work to continue while the new authority is being designed, reducing the risk of disruption to the first generation of regional spatial and natural environment planning.

Trade-offs and risks

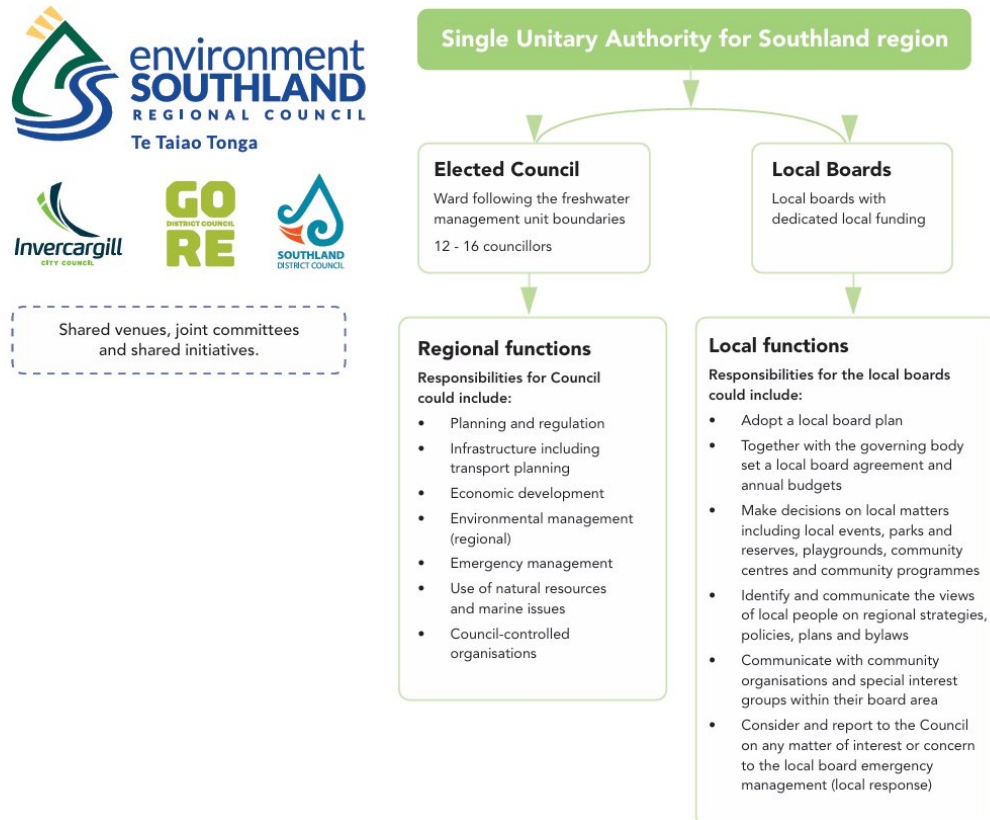
- Transition will need to be carefully managed because local government reorganisation and implementation of the new planning system will occur in parallel.
- Specialist planning, science, policy and regulatory capability will be under pressure nationally and will need to be retained through transition.
- Regulatory independence will need to be protected within a single organisation that may both own infrastructure and undertake regulatory functions.
- Local circumstances, community priorities and place-based issues will still need to be reflected within the combined planning framework, although local variation is likely to be more constrained under the proposed more standardised planning system.
- Any cost and efficiency benefits will need to be tested through detailed design, particularly while transition costs and capability pressures are being managed.

Still to be worked through

- Governance arrangements for regional spatial planning and implementation of the combined plan.
- How local boards, catchment-level groups and communities will feed into regional spatial planning, land use provisions and natural environment planning.
- Regulatory independence and decision-making arrangements within the unitary authority.
- Interfaces between the combined plan and transport, infrastructure, water services, building control and other planning functions.
- Whether takiwā-scale shared services could support specialist functions where this would strengthen capability, reduce duplication and improve consistency while maintaining local decision-making and relationships.

Assessment Criteria: Simplifies Local Governance

Current and Future Proposed Governance Structures



The proposal will simplify local government by reducing complexity, reducing the number of Councils by three, removing three Joint Committees and simplifying governance arrangements for one shared Council Controlled Organisation, the Southland Regional Development Agency, as well as other joint arrangements.

The current structure of Environment Southland and Invercargill City Council, Gore District Council and Southland District Council is:

- One Chair and three Mayors
- 46 Councillors
- 11 Community boards across the 3 territorial local authorities comprising 66 members.

A total of 116 elected members across the 4 councils and community boards.

Our proposal is:

- A single unitary authority for the Southland region encompassing the area covered by the current Southland Regional Authority boundary
- A Mayor elected at large across the region
- 12 – 16 councillors elected from wards based on the four major rivers in Southland (Freshwater Management Units) Ōreti, Waiau, Aparima and Maitara together with a ward for urban Invercargill (boundary may need refining) and urban Gore.

- An equal number of Councillors elected between Invercargill and the other five wards.
- Local boards, reflecting existing community board boundaries and communities of interest and providing a local voice and local decision-making

A single unitary authority creates a single voice for Southland in central government, regional sector and cross-boundary issues. Maintaining catchment integrity supports both resource management and economic development outcomes by making the best use of regional resources.

The Southland region is a structure which is familiar to Southlanders and it would be clearer to understand who to contact for regulatory, planning infrastructure and community matters.

Some preliminary work indicates that 16 councillors, eight elected from urban Invercargill and eight elected from the remaining five wards, provides for the requirements in the Local Electoral Act 2001 of fair and effective representation of electors to be met.

There would not be a need for joint subcommittees. Council will be able to review its framework of committees and CCOs.

Trade-offs and Risks

The only significant trade-off for consideration in relation to simplifying Local Government is the (potential) lack of support from the Gore District Council and Southland District Council. Should the proposal proceed, this would need to be carefully managed through the transition process. There are minor potential impacts on neighbouring Councils in Otago which are discussed further below.

A related implementation risk is that the wider community may remain divided between a one-unitary model and a two-unitary model, particularly if some communities or councils continue to support a different structure. This should be acknowledged directly and managed through clear evidence about why regional functions and catchments are best kept whole, meaningful local board arrangements, transparent delegations and funding, continued engagement with affected communities and a transition process that builds confidence that local identity and local decision-making will not be lost.

Still to be worked through...

Following the submission of our outline proposal as part of the work Council intends to continue conversations with the southland region community about:

- the numbers of councillors and potential boundaries of wards from which they will be elected
- the number and boundaries of local boards and number of members of each local board

Assessment Criteria: Economies of Scale

High level financial modelling suggests the proposed amalgamation will provide value, with estimated savings of 3.4% to be realised from 2034 onwards over the current arrangements – representing an annual saving of \$9.8 million from 2034 onwards. Total transition costs of \$23.5 million have been forecasted, to be incurred starting from the 2028/2029 financial year. Transition costs are expected to be 'front-loaded' with a greater cost incurred in earlier year. As a result, the first projected year of break-even is 2033.

A financial model has been prepared by Environment Southland with the results published publicly in June 2026. The model projects that there will be a saving of 8% across corporate overhead costs, representing total corporate overhead savings of \$30.8 million through to 2034. The model additionally predicts that there will be a saving of \$15.7 million on core council services, representing an additional 2% saving across core services for the three existing territorial authorities.

Regional and Infrastructure Planning

The proposal supports regional planning, economic development, and land and public transport planning, as all these items are already coordinated or delivered for the region as a whole. Coordination costs for economic development, regional spatial and climate change planning will be reduced.

Combined procurement, integrated network management and improved ability to attract talent and invest in data are forecast to make improvements and efficiencies to asset management and investment outcomes. Southland has one of the largest roading networks in the country and as a result, asset management improvements will have a significant potential impact.

Catchments would remain whole under the proposal the catchment management liaison committees sit within the regional boundary and it is proposed that these groups would continue unchanged.

Integration of functions

Territorial authorities and regional councils bring different but complementary strengths to a unitary model. Territorial authorities are often closest to local place-based services, housing, growth, infrastructure provision and community facilities, while regional councils hold specialist responsibilities for environmental stewardship, natural resource management, catchment management, environmental monitoring, flood resilience, biosecurity and regional-scale planning. Bringing these functions together within a single organisation creates an opportunity to better balance development, infrastructure, local services and environmental outcomes, provided the design protects both local voice and the specialist regional capability needed for effective environmental stewardship.

Efficient service delivery

A unitary authority serving a population of over 100,000 will be of a size to enable efficient delivery of services which are currently outsourced often at higher cost via contracts with third party suppliers. With increased scale, there is the potential to facilitate some activities to be managed in-house. Detailed analysis needs to be completed if the proposal progresses and the work completed by the Local Government Commission may provide key areas to be considered.

Economic development is already delivered at a regional level, with some potential for some efficiencies through integrating this structure more closely with the unitary authority.

There are opportunities for innovation, particularly through explore the opportunity for scientific and technical staff to be housed within a takiwā-wide council controlled advisory function.

Council would support innovative flexible employment practices to support employees to live throughout the takiwā, including Southland rather than being centralised.

Additional benefits

Regional economic development will be supported through enhanced and streamlined regulatory services and integrated catchment management. Growth is forecast to be supported under the model, if funding mechanisms can be aligned to ensure that Local Government is in the position to make the appropriate infrastructure investment and provide the community facilities needed to attract and retain a skilled workforce.

Rates

Any future amalgamation will require a full rating review to ensure that future rates continue to be levied in accordance with the Local Government (Rating) Act 2002. Significant differences exist in the Rating Policies of the existing local authorities.

Invercargill City Council sets general rates based upon a rate in the dollar on capital value, combined with a uniform annual general charge. Differentials are applied to different land use categories. Targeted rates are applied for the provision of community board services, the city-centre coordinator Rate, transportation, stormwater drainage, water and wastewater.

Southland District Council, while also applying a general rate in the dollar based upon capital value, and a uniform annual general charge, levies a significantly broader range of targeted rates to reflect the differing activities and levels of service provided across the wider Southland District. Such examples include targeted rates for community boards (urban, semi-urban and rural), roading, community facilities, rubbish bin collection and the Te Anau Airport Manapouri targeted rate.

Gore District Council also applies a wide range of targeted rates, although not to the same extent as Southland District Council.

Environment Southland also sets general rates based upon a rate in the dollar on capital value, combined with a Uniform General Charge, and has a number of targeted rates. As Environment Southland are rating across the district, land and capital values are calculated on equalised values. Equalisation is required because each of the other Councils revalue once per annum on a 3 year rotational basis. The equalisation value is provided to us by QV and reflects what values would be if all 3 Councils had QV revaluations done at the same time. Environment Southland's targeted rates are its Flood Infrastructure Investment rate (levied on the basis of the capital value of rateable land), River Management Rate (also levied on the capital value of rateable land), Rabbit Control Rate (set on land greater than 4 hectares in certain locations and levied per hectare), a separate Wairau Rating District scheme (levied on the capital value of land) and Land Drainage Rates (levied per scheme on a per hectare basis in some cases and on the capital value of land in others).

The ultimate rating structure would be designed to enable items delegated to Local Boards to be funded by the community of interest represented by the board. This approach is intended to ensure efficient delivery of financial and planning functions while enabling local democratic mandate. Local Boards would have the flexibility to request additional funding to meet extraordinary circumstances.

A three-year harmonisation phase would be utilised to reduce significant changes to rating impacts on particular communities. It is expected that a greater impact may be observed in rural communities particularly in the Southland District and Gore District which currently pay a higher proportion of targeted rates.

Debt management

It is proposed that the Treasury Function would be centrally managed through the unitary council and all CCOs. The increased size of the entity, along with the increased debt book and consolidated revenue would provide an opportunity to bring the treasury services in-house and offer efficiency savings on consultancy costs.

An amalgamated council will provide an opportunity for increased debt headroom to support a greater magnitude of capital expenditure and renewals. An increase in debt headroom will provide greater resilience in the event of a natural disaster or emergency, improving the debt profile of the organisation. It is proposed that for the initial transitional period, existing debts and the associated interest cost could be ringfenced to particular communities and/or projects with which the debt is associated. The servicing of interest expense could be levied through targeted rates based upon the source of origination of the debt. As noted, a transitional period is suggested, based upon the estimated useful life of the associated asset. Following the expiration of this transitional period, the relevant debt will be absorbed into the wider unitary council for funding purposes. Debt costs for local community assets within the remit of the local boards would remain funded locally.

Financial Impacts

The One Southland model is predicted to achieve annual operational savings of \$9.8 million from 2034 onwards – equating to an annual saving of 3.4%. Cumulative savings to 2034 (taking into account amalgamation costs) are expected to be \$23.0 million. These savings are expected to be achieved through a 8% saving in corporate overheads across all four local authorities and a 2% saving across core council services at the three existing territorial authorities

It is assumed that the full capital programmes of all four current local authorities will continue, so no savings are expected to be realised in capital expenditure or depreciation. However, it is expected that over time that there will be savings to be realised from more efficient asset management and procurement.

The three territorial local authorities are all running an unbalanced budget for the 2026/2027 Financial Year. As a result, it can be assumed that there is an element of debt funding being applied to operational expenditure. Therefore, any forecast savings in operational expenditure will have a positive impact upon debt levels and subsequent interest expense.

It is proposed that the shareholding of all relevant Council Controlled Trading Organisations and subsidiaries remain within the four councils until a successor holding company is established. This will include but not limited to the following organisations:

- Invercargill City Holdings Limited
- Invercargill Airport Limited
- South Port New Zealand Limited
- Electricity Invercargill Limited (whilst not a CCO or CCTO, this entity is a subsidiary of Invercargill City Holdings Limited)

- The trading activities of Southland Regional Development Agency Limited (trading as Great South)

This approach would also apply to non-trading CCOs:

- Te Kupeka Tiaki Taoka Southern Regional Collections Trust
- Bluff Maritime Museum Trust
- Invercargill City Charitable Trust
- Milford Community Trust

It is worth noting that there are likely to be further potential savings from a takiwā-wide "centre of expertise" model proposed by Ngāi Tahu. In addition, it is believed that the model likely under-represents the potential efficiencies which can be achieved from region-wide asset management and enhanced procurement practices, noting the further flow-on benefits to the wider market of a more skilled resilient contractor market.

Sources of efficiencies

There are opportunities to explore centralised services and efficiencies across the majority of Council activities.

At a high level the areas where efficiencies can be found are:

- Efficiencies in planning and procurement of infrastructure asset management which can be achieved through network level management and improved contract scale and management processes, with the strategic opportunity to build the resilience of the contractor market enhancing delivery and ability to service other commercial operations and industries new to the region
- Shared head office facility for those areas already housed in Invercargill (Invercargill City Council, Environment Southland and Southland District Council) noting that Invercargill City Council has just entered into commercial arrangements for development of a scalable head office which will speed up this process and along with the maintenance of a potential satellite office in Gore.
- Information technology hardware, software and support, noting that Council's Enterprise Management technology change programme will enable an efficient on-boarding and harmonisation of software and systems processes as the Councils come together.
- Corporate services such as Finance, Human Resources, Training and Development, Legal, Information Services and other corporate departments, with opportunities to consider how some of these, along with technical and scientific services may be provided more efficiently at a Takiwā level.
- Streamlining of front facing services and processes involving residents, developers, customers of Councils
- Potential revenue from sale of surplus assets
- Activities which are currently contracted to third parties, with scale and improved ability to attract talent creating potential to in-source these reducing consultant overhead
- Support for a more efficient and enduring partnership relationship with Mana whenua than is possible through four separate agencies
- Reduced audit fees and other corporate oversight overheads (for example internal audit functionality).

Activities which already are provided via a shared service model such as emergency management, regional development and solid waste may not create large savings but there will be some efficiencies in terms of time and resources needed to manage the joint committee, joint shareholding and other governance structures.

Over time there would be harmonisation of levels of service through the corporate planning process. Those communities which wished to have an enhanced level of service for community facilities and local services would have the ability to raise funds for these locally.

Areas which need to be reviewed and clarified as to whether there will be any efficiencies are:

- Governance – due to the geographic distance and need to support a range of local boards to provide for local voice
- A review of the Water in-house entities that ICC and SDC operation of which will be harmonised, which may include implementation of a CCO.

Potentially, one Unitary Authority would provide a better workforce opportunity within the Local Government sector in Southland. With more career options, greater scale of role at a regional level and scope to bring functions back in house, this is a more sustainable model compared to the current situation of staff moving between entities to do the same job leaving gaps in other entities.

Trade-offs and risks

A unitary authority will achieve economies of scale which must be balanced by implementation of appropriate structures to maintain the local voice. The recommended structure of local boards will require appropriate resourcing through planning and governance support to enable them to function effectively. The recommended funding approach for Local Boards is intended to enable representation of local voice while still achieving economies of scale.

There are a number of skills shortages within the region which are expected to be eased through this process. This also provides the opportunity to enhance the local workforce so there is greater scale and opportunities to retain talent. Equally, due to shortages across the workforce nationally, it is likely to mean that in some areas efficiencies may be lower as a result of roles being unfilled or under-resourced.

Still to be worked through...

- More accurate assessment of the time and cost to centralise Information Technology, shared services and asset management and corporate functions, along with more accurate forecasts for associated period of realised benefits. This is likely to have a significant impact given the forecast amounts involved
- Detailed review of organisation charts, employment contract provisions and other financial factors in order to fully assess the benefits and potential savings associated with staff costs
- Impact of talent management over a period of uncertainty
- Impact of redundancies in Invercargill area
- Details of harmonisation approach for rating and debt management across the region
- Appropriate design and scope for the new entity's Holding Company
- Identification of surplus assets and forecast revenue from disposal
- Details of Local Boards delegations and funding requirements

Assessment Criteria: Maintains Local Voice

Election of representatives

It is proposed that Councillors would be elected via wards. Local board members would be elected from local board areas, with a Councillor also in place from each ward. This would maintain consistency with how we elect representatives now, with the exception of elections for regional councils. Feedback from consultation supported that maintaining a local voice was critical especially in rural areas.

Representation for communities

Communities would be represented both by councillors from wards and local boards elected across the whole of the district. Local boards would ensure a strong local voice, representation and decision-making for communities of interest.

The proposal includes a structure of Local Boards across the whole of the Council area. It is envisaged that given the geographic spread of local communities and distances between them a larger number of local boards would be required than the number of wards proposed. There are nine community boards in the current Southland district council area and one each in Gore and Invercargill. Incorporating as many of the current community board areas in a new local board structure would give a sense of familiarity and enable continuity of relationships with groups and organisations on the area. There is the potential to refine this over time.

To assist in the relationship between the governing body and local boards Council would be seeking in legislation, the ability to appoint Councillors to the local boards. This is seen as critical in strengthening the relationship between the governing body and the local board and establishing and maintaining links between local communities in the board areas and the governing body.

Local Boards roles and powers are set through legislation with specific decision-making responsibilities to be reviewed by Council. This provides a structured governance framework which gives the community greater comfort that a local decision-making approach is stronger and has greater permanence than a system of Community Boards which can be reviewed and removed through the representation review. The roles and responsibilities of the governing body and local boards will be more clearly set out and easier to understand by the public.

Roles and responsibilities

As a starting point the proposed breakdown in responsibilities is proposed.

Responsibilities for Council could include:

- Planning and regulation, with decision making structures to support separation of regulatory functions
- Infrastructure including transport planning
- Infrastructure asset network management and delivery
- Economic development
- Environmental management (regional)
- Emergency management
- Use of natural resources and marine issues
- Council-controlled organisations

- Risk and assurance, including overview of procurement
- Service delivery, with a general principle of harmonised levels of service and consistent delivery mechanisms

Responsibilities for the local boards could include:

- Adopt a local board plan
- Together with the governing body set a local board agreement and annual budgets
- Make decisions on local matters including local events, parks and reserves, playgrounds, community centres and community programmes,
- identify and communicate the views of local people on regional strategies, policies, plans and bylaws
- communicate with community organisations and special interest groups within their board area
- consider and report to the Council on any matter of interest or concern to the local board
- local response and emergency preparedness

Iwi / Māori participation in decision making

Ngāi Tahu ki Murihiku have helped shape this proposal.

The Council supports working collaboratively with Ngāi Tahu ki Murihiku through the detailed design phase to strengthen partnership arrangements within the future local government system. The reform process provides an opportunity to establish consistent and enduring partnership arrangements across any new authority structure. The detailed design phase will also identify whether broader iwi engagement is needed on matters of national significance. Any such engagement would be undertaken without predetermining or characterising iwi interests, rights, or statutory responsibilities. Council would work with Mana whenua in determining appropriate governance structures through the transition.

Trade-offs and risks

The most significant risk is that local communities feel that they do not have the most appropriate level of delegation for decisions. This has been the primary focus of community discussion and concern with a One Southland Unitary Authority Model.

The community has provided feedback on proposed areas of decision making as part of the Local Government Commission process. Feedback included in a survey conducted by the Local Government Commission indicated 41% of respondents thought that community services noted above should be decided upon in their local neighbourhood or town, with a further 20 % being delivered in their wider local area.

The proposed local board structure is designed to address this risk. The current Local Government Act 2001 provides for greater delegations to Local Boards than community boards which are more advisory in nature and delegations are at the behest of the Council. There is, of course, a trade-off that this structure comes with increased governance, planning and administration resources for each local area. It is intended to operate a harmonisation pathway to enable delegations to be refined over time as communities become used to the new structure to ensure efficiencies are achieved as modelled.

Still to be worked through...

- The number and boundaries of local boards and number of members of each local board
- If the draft proposal is accepted, it is Council's intention to work with the other councils and communities to draw up the local board boundaries and discuss the number of representatives required and areas of local decision-making.
- Clarification of the roles and delegations for local boards
- Details of rates harmonisation and funding arrangements for Local Boards

Assessment Criteria: Deliverability

Implementation

Governance and oversight would need to be established for the transition phase.

DRAFT

Proposed Transition Governance Structure



There will need to be clear direction from Government on the transition body's decision-making authority. It is noted that any independent members would be impacted by the current direction by Government to limit decision making for those members via the Local Government (Systems Improvements) Bill.

Underneath this transition governance structure would be key operational staff from each Council, seconded to analyse, investigate and bring to life the operations of the new Unitary Authority. They would report through to a central senior leader and would report to the transition board regularly with a detailed transition plan for adoption by August 2028. To maintain services, these staff would need to be funded so their roles can be back filled.

A dedicated service-continuity workstream would sit within this transition structure. Its role would be to protect core operational services, including flood warning, incident response, biosecurity and catchment operations.

Similar to the transition plans linked to Local Water Done Well, it is proposed that this transition plan would be completed before the 2028 Election cycle and mahi would continue post the election. It would be proposed the search for a Chief Executive to lead the new Unitary Authority would begin in May 2028 so they are established immediately post the election. During detailed design, there will be a need to review all current CE contracts to limit additional expenditure or contract issues.

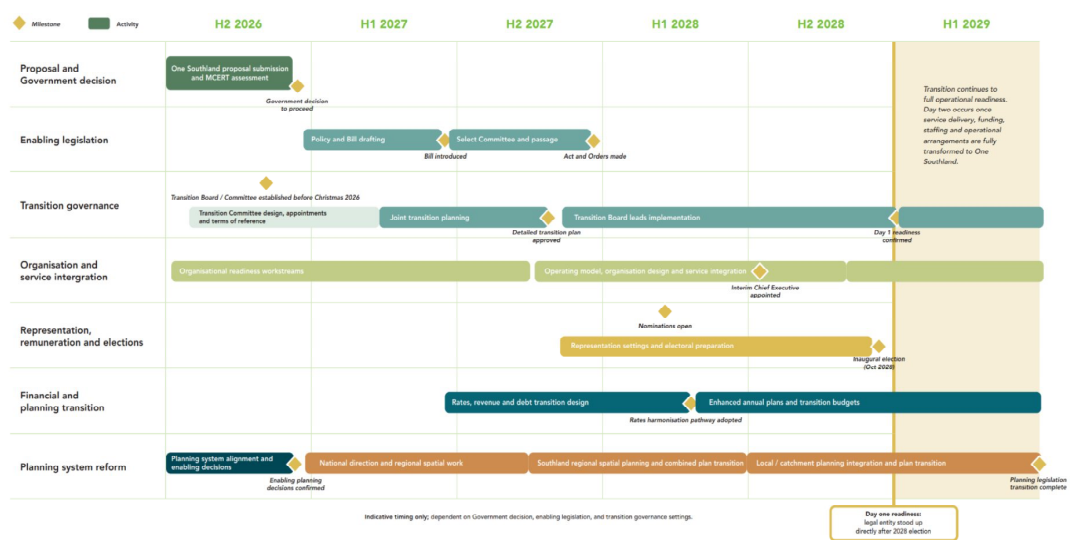
Timing

The chart below outlines the mahi that will need to run in parallel to enable the change for November 2028.

The timing to complete this mahi is ambitious and likely to require external funding support as noted below.

A phased transition to establish One Southland as a single Unitary Council

Indicative programme aligned to the Head Start pathway, with transition governance established before Christmas 2026.



Trade-offs and risks

Contracting the transition period creates risks for system and process failure which could impact levels of service and realisation of long-term savings.

Careful management of the transition process will be required in order to maintain corporate and community knowledge and avoid embedding rural/ urban division.

There is significant risk of loss and challenges with attracting talent which may impact services.

Still to be worked through...

- Assessment of time and cost to centralise Information Technology
- Talent management over a period of uncertainty
- Redundancies in Invercargill area
- Risk that Elected Members will create a governance issue if they cannot reduce services which are not economic i.e. halls and bridges, offices, libraries etc
- Community resentment – the reality is there are a lot of uneconomic and inefficient activities that need to be removed, it is unlikely a new entity will want to allow this and it will continue to be a drain on ratepayers
- Rating is varied across the Councils, the administration required to keep this all working

Further, over the detailed design phase, the following opportunities exist

- Some activities of Council could be identified as moving to one Authority in 2027 rather than wait
- Head Office accommodation options due to an existing co-location project between ES and ICC
- Standardisation of Governance processes and procedures
- Alignment of Procurement and Information Technology functions, with an agreement of IT procurement in line with the harmonisation pathway benefitting from the ICC IT change programme.
- Enable a regional People team to manage FTE, contracts and salary spend with a temporary pause in recruitment during the transition phase.

Interactions with other Local Government programmes

Local Water Done Well

Southland District Council and Invercargill City Council have both opted to operate enhanced in-house services. Gore District Council has chosen to provide water services through Southern Waters Limited. The new unitary authority would need to determine a harmonisation pathway for management of water within the Invercargill and Southland Districts which have different operations based on the different urban network and rural dispersed system models. It would be a choice for the new entity and other successor organisations within the Otago area whether to make changes to the delivery of services within the current Gore District area.

City and Regional Deals

Southland has submitted a joint regional deal focused on housing, energy, workforce development transport and roading infrastructure. An outcome on this has not yet been received but all of these items could be delivered at a regional level by a new unitary authority. We would look to expand on this and look forward to exploring this further with Government following the proposal.

Proposals for Government support for Implementation

Transition advice and support

Provision of a DIA/ MCERT advisor for the Transitional Joint Committees for the process

Statutory relief

To reduce complexity and achieve value for the community it is proposed that the Government provide statutory relief to enable Councils to focus on implementing a successful transition. It is proposed that this include (for the period of the transition only):

- A pause to any further changes to Local Government and Resource management reform, other than that required to enable the transition
- Forego Representation Reviews separate to transition process
- Forego audit for the Long-term plans, delaying audit for review of the new entity's transitional annual plan
- Delay rates capping implementation until Year 3 of the new organisations Long-term plan allowing time for benchmarks to be set and approve transitional costs to be excluded from rates capping formula.

Funding

Transition

Funding to support back-filling of roles and for expert advice on matters such as rates harmonisation or asset management integration is requested.

System transition and staff restructuring are seen as significant activities which cannot be resourced based upon existing funding levels. Funding is requested to support the planning, mobilisation and fulfilment of these activities to an effective level that ensure that forecasted cost savings are realised.

Host Region Benefit Framework

This proposal seeks to explore new funding mechanisms for the new unified council that better recognise the region's contribution to New Zealand's prosperity. These could form part of future region/ city deals.

Southland hosts nationally significant assets and industries that generate substantial national economic benefits, including some of New Zealand's most productive farmland, the Manapōuri hydroelectric scheme, Milford Sound/Piopiotahi, Tiwai Point aluminium smelter, as well as significant opportunities for future investment in renewable energy and hi-tech and the largest identified industrial land zone for development just south of Invercargill. While the benefits of these assets are shared nationally, many of the environmental, infrastructure and growth pressures are experienced locally and are currently funded largely through rates.

It is proposed that through the detailed design phase that the Government work with Southland to develop a Host Region Benefit Framework, enabling a proportion of the value generated by nationally significant infrastructure and destinations to be reinvested in the communities that host them. This could include mechanisms such as sharing a portion of Crown dividends from state-owned enterprises, allocating a share of tourism concession or visitor levy revenue, mineral extraction royalties, GST for new buildings, or establishing nationally consistent

host community dividend arrangements for major new developments. Other options could include relief of GST on rates and distribution of a portion of RUC, FED and other relevant tax revenue for roading investment. Such an approach would recognise that regions enabling national prosperity should share fairly in the long-term benefits they help create.

Revenue generated through these mechanisms could be invested in priorities that strengthen both the region and New Zealand, including transport and community infrastructure, housing to support workforce growth, and economic diversification, flood resilience, freshwater and biodiversity restoration and climate adaptation. This is not about imposing additional burdens on investment, but about creating enduring partnerships that ensure nationally significant development delivers lasting benefits for the communities and environments that sustain it.

As New Zealand seeks to unlock economic growth through renewable energy, strategic infrastructure and export industries, Southland provides an opportunity to pilot a new model of regional fiscal empowerment. A unified council would provide the scale, capability and accountability needed to negotiate, administer and invest these funding streams strategically, ensuring that the benefits of nationally significant assets are shared more equitably while reducing long-term reliance on property rates.

Ngāi Tahu Partnership and Existing Iwi Relationship Arrangements

Ngāi Tahu ki Murihiku have helped shape this proposal.

The Council supports working collaboratively with Ngāi Tahu ki Murihiku through the detailed design phase to strengthen partnership arrangements within the future local government system. The reform process provides an opportunity to establish consistent and enduring partnership arrangements across any new authority structure. The detailed design phase will also identify whether broader iwi engagement is needed on matters of national significance. Any such engagement would be undertaken without predetermining or characterising iwi interests, rights, or statutory responsibilities.

Through the detailed design stage Council will work with Papatipu Rūnaka to uphold Treaty obligations, existing Charter arrangements, and enduring partnership with Ngāi Tahu ki Murihiku.

Impact on Councils not included in the model

There are only minor impacts on Councils not included, primarily in the following areas:

- Central Otago, Clutha and Waitaki Councils in the Southern Waters Done Well Joint CCO, it is proposed that this water arrangement continue but that the future unitary authority may choose with partners to develop a CCO, bring waters in house or another arrangement to service the water services functions for the current Gore District
- Councils for whom Invercargill City Council delivers services on behalf, it is proposed these services arrangements continue until such a time as the supplied Councils wish to amend the arrangement (Clutha Council)
- Shared strategic transport planning for the Southland-Otago region would continue governed by the successor organisations.
- The Te Roopu Taiao arrangement with the Otago Councils continue with the successor Councils in a similar form or another form preferred by Ngāi Tahu ki Murihiku

The proposal covers the whole region so it is not considered at this time that other Councils would join the arrangement, although of course further amalgamation remains a possibility.

Supporting Information

The following supported information is appended:

Letters of support

Environment Southland, The Southland Amalgamation Model, 2026

Contact information

For more information, please contact

Michael Day, Chief Executive

Invercargill City Council

Michael.day@icc.govt.nz

DRAFT

HEAD START PROPOSAL ADDENDUM

To:	Council
Meeting Date:	Thursday 6 August 2026
From:	Rhiannon Suter, Manager – Strategy, Policy and Engagement
Approved:	Trudie Hurst - Group Manager - Community Engagement and Corporate Services
Approved Date:	Wednesday 5 August 2026
Open Agenda:	Yes

Purpose and Summary

This report provides Council with an update on the resolutions of Gore District Council with regard to the Head Start Proposal, noting items for further consideration.

Recommendations

That the Council:

1. Receives the addendum to the "Head Start Proposal Report".
2. Notes the resolutions of the meeting of Gore District Council held on 4 August 2026.
3. Notes that this is preliminary, high-level advice prepared at short notice and should be regarded as indicative, pending further analysis and refinement during detailed design phase.
4. **Agree / Disagree** to update the Head Start proposal in line with Gore District Council requirements and preferences, noting the minor limitations outlined in the advice below.
5. Note with Gore District Council's support the draft proposed Head Start Proposal is compliant.
6. Delegate to the Mayor and the Chief Executive to make minor changes.

Background

Gore District Council met to discuss options for negotiating a Head Start proposal on 4 August 2026.

Mayor Campbell, Mayor Scott and Chair McPhail all spoke at the meeting, discussing the draft proposals for both the one and two unitary Council models.

Gore voted to agree to sign both a Southland District Council and an Invercargill City Council proposal should some changes be agreed to. This was in addition to some items of preference relevant to any Head Start Proposal. The resolutions from the meeting are attached in full and discussed further below.

In addition, Council has received some letters of support for a one-unitary approach which are attached.

Issues

Changes requested in order to sign an Invercargill Head Start Proposal:

D1. The urban Invercargill areas has a maximum of 50% of the new Unitary Council. As an example, for a Council of 12, Invercargill City would have a maximum of 6 Councillors.

This request aligns with the principles included in the draft Head Start proposal, which were based on the work of the Local Democracy Enhancement Working Party.

D2. The Maitava Ward has a minimum of 20% of the new Unitary Council. As an example, for a Council of 16, The Maitava ward would have a minimum of 3 Councillors. For a Council of 12 this would be 2.

The draft Head Start proposal includes two wards for the Gore area, the Gore urban and Maitava wards. This could be revised to form one Maitava ward or left as is depending on the ultimate preference of the communities in the area. Both options align with Local Government Act requirements and could be included as alternatives, which meet these requirements.

D3. That partnering Councils enter discussions with Clutha District Council about inclusion of communities of interest in West Otago such as Tapanui and Clinton joining the combined entity

This is a matter which If Council wishes could be supported for development during detailed design, noting that it is not possible to undertake detailed discussions with the respective Councils on these matters at such a late stage. Council does operate one shared service for part of this area. Consideration would need to be given to ensuring integrated catchment management.

D4. Head Start partners reinvestigate the Southern Waters Joint Water Services CCO, placing all 3 water assets within the CCO during the setup of the combined entity, to achieve maximum economies of scale.

The potential for a new waters CCO is noted within the draft Head Start proposal with regard to alignment with the Southland District. Joining with a broader entity would be a matter for consideration of the new entity. It could be stated that reinvestigation of this option would be planned for during the detailed design stage.

D5. Rates harmonisation is achieved over 10 years (not 3 years), as to not sharply impact rural ratepayers and in line with debt-ring fencing requirements.

The length of time for the rates harmonisation period would be usefully discussed in-depth during the detailed design phase. However Council may choose to agree to the proposal now. The length of time for harmonisation could be lengthened, noting there would be some potential trade-off in efficiency for the new Council in operating the new rating system. It is important to note that it is likely that harmonisation may bring benefits to ratepayers no matter their place of residence and that a principle of equity determined during transition may be a better guide than a specific time period.

D6. Gore District has a preference to remain in Southern Waters

This aligns with the draft Head Start proposal which notes this arrangement and Gore District Council's preference could be added.

Further, Gore District Council laid out some general preferences irrespective of which Head Start proposal proceeds:

B1. That existing roading funding being maintained at a level equivalent to the Financial Assistance Rate (FAR) of 61% currently received by Council, and not downgraded to that of the Southland District Council at 55%.

This is not a matter over which a new entity is likely to have influence as NZTA would likely reset funding rates based on the totality of the perimeters of the new district. However, this preference can be included to be considered during detailed design and Council can support the proposal. For reference the Invercargill City Council FAR rate is 51%.

B2. Gore District Council retains its Penny per Unit Agreement

This relates to the historic agreement for power charges which Gore District Council inherited from the previous Gore Borough Council. Just as during that transition, the transition process should seek to maintain the same commercial arrangement for the same area of Gore.

B3. Any historical and projected capital project debt ring-fenced to the host Council for a minimum of 10 years as to not impact the Gore District ratepayer base.

This aligns with the principles laid out in the Head Start proposal, which does not specify a time for the transition of debt arrangements and further notes that where relevant, debt related to community assets would remain ring-fenced. If Council chooses, a period of ten years could be added.

B4. Dissolve Great South and incorporate its functions into the new joint entity as an internal business function.

The draft Head Start proposal notes that governance arrangements for the Southland Regional Development Agency would be simplified under a One Southland model. The structure for

delivery of economic development functions under a combined entity would be a matter for consideration during detailed design.

B5. Parks and Reserves and Roading services are brought in house for the new joint entity.

The draft Head Start proposal notes the opportunities for in-sourcing which the new scale may provide. Council already provides Parks and Reserves services in-house. In-house planning and oversight of roading services is currently being realigned and this presents opportunities for further enhancement. It is important to note that full in-sourcing is unlikely to be considered as feasible by the new entity for technical and efficiency reasons, but this is a matter which could be worked through at detailed design.

B6. That Gore District Roading quality matches that of Southland District within the first 5 years of establishment.

The draft Head Start proposal rests on a principle of harmonised levels of service, which supports this consistent approach requested by Gore District.

B7. That the legislative requirement to develop a Long-term plan for the 2027 – 2037 period is scrapped and replaced with Annual Plans until the new entity is stood up.

The draft Head Start proposal notes removing audit requirements is in line with the sentiment of this resolution. However robust Long-term planning will support effective transition through ensuring up to date and quality information is provided on delivery, investment and funding requirements. It also ensures direction from democratic decision-makers underpins the new plans, which is important over a period where there may be a gap in democratic governance.

B8. That any representation reviews or work towards a regional (spatial) plan is halted until the new entity is stood up.

The Head Start proposal supports pausing of representation reviews. However, if regulatory time frames for RMA reform are to be met, pausing regional spatial planning may be more challenging. This is a request which could be made through the proposal.

B9. The Gore District reserves the right to exit the Head Start proposal upon the modelling completed by the Local Government Commission, especially in the event where there is a net negative rating impact for Gore District over the next ten years.

This would be a matter for DIA / MCERT to address as it is unclear if this would be allowable under the process, noting that councils which are not in a Head Start process, would automatically enter the back-stop under the current Government's proposals. In addition, the Local Government Commission process also continues in parallel.

Next Steps

Gore District Council has delegated to the Gore District Mayor the powers to sign a Head Start proposal which meets the requirements agreed at their Council meeting. In further communications to the Mayor, it has been indicated that Gore District Council intends to seek an extension to 11 August for confirming eligibility of a Head Start proposal. Following the direction of Council, the Head Start proposal can be amended in line with the advice above for submission prior to 9 August. Following receipt of final confirmation of support from Gore District Council, this can be added to the submitted proposal.

Attachments

1. Resolutions of the Gore District Council meeting 4 August 2026 (A6565924)
2. Letter from Community Trust South (A6566989)
3. Letter from Southland Multicultural Trust (A6566986)

A6565924



Council Meeting Minutes

Minutes of the Council Meeting of Gore District Council, held in the Council Chambers, Civic Administration Building, 29 Bowler Avenue, Gore on Tuesday, 4 August 2026 at 10:00 AM

Order of Business

ATTENDANCE

1 WELCOME / KARAKIA

2 APOLOGIES / LEAVE OF ABSENCES

3 PUBLIC FORUM / RECEIPT OF PETITION

4 DECLARATION OF CONFLICTS OF INTEREST

5 REPORTS FOR DECISION

5.1 Local Government Reorganisation Processes - Outcomes of Community Engagement on 'Head Start' Proposals

Resolution GDC-301-2025

Moved by: Cr Coats

Seconded by: Cr Fraser

Recommendations

That the Gore District Council:

A. Receives and notes the 'Local Government Reorganisation Processes - Outcomes of Community Engagement on 'Head Start' Proposals' Report and accepts the level of significance.

B. Agrees that Council's preference is to join a Head Start proposal where the following parameters can be met and included within the proposal:

B.1 That existing roading funding being maintained at a level equivalent to the Financial Assistance Rate (FAR) of 61% currently received by Council,.

B.2 Gore District retains its Penny Per Unit Agreement.

B.3 Any historical and projected capital project debt ring-fenced to the host council for a minimum of 10 years as to not impact the Gore District ratepayer base.

B.4 Dissolve Great South and incorporate its functions into the new joint entity as an internal business function.

B.5 Parks and Reserves and Roothing services are brought in house for the new joint entity.

B.6 That Gore District Roothing quality matches that of the surrounding District within the first 5 years of establishment.

B.7 That the legislative requirement to develop a Long Term Plan for the 2027-2037 period is scrapped and replaced with Annual plans until the new entity is stood up.

B.8 That any representation reviews or work towards a regional special plan is halted until the new entity is stood up.

B.9 The Gore District reserves the right to exit the Head Start proposal upon the modelling completed

by the Local Government Commission, especially in the event where there is a net negative rating impact for Gore District ratepayers over the next 10 years.

CARRIED

In Favour Mayor Bell, Cr Fraser, Cr Stringer, Cr McPhail, Cr McKenzie, Cr MacDonell, Cr Coats, Cr Cupit, Cr Smith
Against: Cr Gardyne, Cr Phillips, Cr Bruce
Abstain: None

Amendment to the Motion

Moved by: Cr Gardyne

Seconded by: Cr Fraser

That the Council

- a. receives and notes the 'Local Government Reorganisation Processes - Outcomes of Community Engagement on 'Head Start' Proposals' Report and accepts the level of significance.
- b. notes the council's preference to submit a Head Start application
- c. the Council agrees to negotiate with Southland DC Head Start proposal.

Lost

In Favour Cr Gardyne, Cr Phillips, Cr McKenzie, Cr MacDonell, Cr Bruce, Cr Cupit
Against: Mayor Bell, Cr Fraser, Cr Stringer, Cr McPhail, Cr Coats, Cr Smith
Abstain: None

The Amendment was put and LOST.

Resolution GDC-303-2025

Moved by: Cr Coats

Seconded by: Cr Fraser

That the Council

C. That Council agrees to sign Southland District Councils Head Start Proposal should the following changes be agreed to:

C.1 The Gore District area retains a minimum of 25% of the new Unitary Council. As an example, for a Council of 12, Gore District would have a minimum of 3 Councillors.

C.2 References to enhanced community boards within the proposal is replaced with Local Boards that are established within legislation, with rating powers and representation based on equal population distribution to retain local decision making and community voice.

C.3 that Head Start partners reinvestigates the Southern Waters Joint Water Services CCO, placing all 3 water assets within the CCO during the setup of the combined entity, to achieve maximum economies of scale.

C.4 Gore District has a preference to remain in Southern Waters.

CARRIED

<u>In Favour</u>	Mayor Bell, Cr Fraser, Cr Stringer, Cr Gardyne, Cr Phillips, Cr McPhail, Cr McKenzie, Cr MacDonell, Cr Bruce, Cr Coats, Cr Cupit, Cr Smith
<u>Against:</u>	None
<u>Abstain:</u>	None

Resolution GDC-304-2025

Moved by: None

Seconded by: None

That the Council

D. That Council agrees to sign Invercargill City Councils Head Start Proposal should the following changes be agreed to:

D.1 The Urban Invercargill area has a maximum of 50% of the new Unitary Council. As an example, for a Council of 12, Invercargill City would have a maximum of 6 Councillors.

D.2 The Mataura Ward has a minimum of 20% of the new Unitary Council. As an example, for a Council of 16, The Mataura Ward would have a minimum of 3 Councillors. For a Council of 12 this would be 2.

D.3 That partnering Councils enter discussions with Clutha District Council about inclusion of communities of interest in West Otago such as Tapanui and Clinton joining the combined entity.

D.4 Head Start partners reinvestigates the Southern Waters Joint Water Services CCO, placing all 3 water assets within the CCO during the setup of the combined entity, to achieve maximum economies of scale.

D.5 Rates harmonisation is achieved over 10 years (not 3 years), as to not sharply impact rural ratepayers, and inline with debt ring-fencing requirements

D.6 Gore District has a preference to remain in Southern Waters.

CARRIED

Resolution GDC-305-2025

Moved by: Cr McKenzie

Seconded by: Cr Stringer

That the Council

E. That Council agree to work with Central Otago District Council and Clutha District Council on a Head Start proposal should the additional parameters be met:

E.1 The Gore District and Southland district areas retain a minimum of ½ of the overall council. As an example, for a Council of 12, the Southland sector would have a minimum of 6.

E.2 That Local Boards/Community Councils are established within legislation, with rating powers and representation based on equal population distribution to retain local decision making and community voice.

E.3 That partnering Councils enter discussions with Southland District Council about creating a centralised rural council or the inclusion of the Maitara River catchment

LOST

In Favour

Mayor Bell, Cr Stringer, Cr McPhail, Cr McKenzie, Cr Coats

Against:

Cr Fraser, Cr Gardyne, Cr Phillips, Cr MacDonell, Cr Bruce, Cr Cupit, Cr Smith

Abstain:

None

Resolution GDC-306-2025

Moved by: TBC

Seconded by: TBC

That the Council

F. Notes that any draft proposal will be circulated to councillors before submission.

G. Notes that submission of a proposal will require the agreement and joint participation of Southland District Council and/or Invercargill City Council

H. Authorises His Worship the Mayor to sign proposal(s) on behalf of Gore District Council for submission by the prescribed deadline of 9 August 2026.

I. Notes that the Mayor has no delegation to further negotiate with potential partners outside of what is recommended at this meeting.

J. In the event that agreement on a joint Head Start proposal cannot be reached by 9 August, Council authorises the Mayor to write and sign a letter to the Minister for Local Government and the Local Government Commission on behalf of Gore District Council, to share engagement results, the received petition and the progress made to date.

K. Notes that if agreement on a joint Head Start proposal cannot be reached by 9 August, that Council will continue to engage in the Local Government Commission process.

CARRIED

5.2 Local Government Reorganisation Processes - Feedback on Local Government Commission Options

At 01:50 PM Donna Bruce left the meeting.

Resolution GDC-307-2025

Moved by: Cr MacDonell

Seconded by: Cr Stringer

That the Council

- a. receives and notes the 'Local Government Reorganisation Processes - Feedback on Local Government Commission Options' report
- b. notes that drafted feedback will be brought back to Council on 18 August 2026 for formal adoption

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CARRIED

6 MEETING CLOSED



A6566989

31 July 2026

Tom Campbell
Mayor
Invercargill City Council
Private Bag 90104
Invercargill 9840

Kia ora Mayor Campbell

Re: Support for the One Southland Head Start Proposal

As a regional community trust committed to supporting the long-term social, cultural, economic and environmental wellbeing of our communities, including Southland, we recognise the importance of local government structures that are capable of delivering effective regional leadership, coordinated planning, and strong advocacy on behalf of all communities.

We understand that the proposed One Southland model would bring together the functions of Invercargill City Council, Gore District Council, Southland District Council and Environment Southland within a single Unitary Authority structure. We note the objectives of the proposal, including strengthening regional cohesion, improving coordination of investment and planning, enhancing Southland's voice with Central Government, and enabling integrated management of natural resources across the region.

We also acknowledge the proposal's commitment to local representation, local decision-making and partnership with Mana Whenua as important considerations in any future governance model.

We believe it is essential that Southland has the opportunity to shape its own future governance arrangements. Any consideration of the One Southland proposal by Government must be accompanied by a robust, locally led process that enables communities, mana whenua, local organisations and stakeholders to play a meaningful role in designing the new arrangements. The success of any future



governance model will depend on the extent to which it reflects Southland's unique needs, aspirations and communities, and retains strong local representation, accountability and decision-making.

We look forward to continuing to work collaboratively with local government and community partners across our region, including Southland, to support thriving and resilient communities throughout the region.

Ngā Mihi

A handwritten signature in black ink, appearing to read "Margot Hishon", is written over a horizontal line. Below the line, the words "Board Chair" are printed in a small, sans-serif font.

Margot Hishon
Community Trust South

A6566986

05 August 2026

The Mayor and Councillors
Invercargill City Council
Private Bag 90104
Invercargill 9840



Letter of Support for Southland Head Start Proposal

On behalf of the Southland Multicultural Trust, I am pleased to provide this letter of support for Invercargill City Council's (ICC's) development and submission of a Head Start proposal for the future structure of local government in Southland.

We acknowledge the significant work undertaken by many on behalf of the region including Mana Whenua, the regional council and other councils, along with the Local Government Commission.

Our organisation recognises the importance of ensuring that local government arrangements are fit for purpose, financially sustainable, responsive to community needs, and capable of supporting effective governance, service delivery and strategic decision-making across the Southland region.

We support the development and submission of a Head Start proposal of a single unitary authority for the Southland region. We believe a unified governance structure has the potential to provide a stronger and more coordinated regional voice, improve strategic planning and service delivery, strengthen environmental and catchment management, and deliver efficiencies through reduced duplication and greater organisational scale. We believe a new unitary authority will assist our work through.

We also support Council's intention to ensure strong local representation through ward-based governance arrangements and local boards, recognising the importance of maintaining local voice including local decision making. Community influence and strong rural and urban representation is important within any future governance model.

Accordingly, the Southland Multicultural Trust supports Invercargill City Council's preferred direction of a single unitary authority for the Southland region and supports the development and submission of a Head Start proposal reflecting that direction for consideration by Central Government.

We appreciate the opportunity to share our views and welcome future opportunities to contribute to discussion and engagement as this work progresses.

Your sincerely

Jo Wilson (on behalf of)
The Board of Trustees
Southland Multicultural Trust

One Southland

Head Start proposal for a unitary authority for the Southland Region

Developed by Invercargill City Council, with input from
Ngāi Tahu ki Murihiku and Environment Southland.



August 2026

One Southland

Head Start proposal for a unitary authority for the Southland Region

Developed by Invercargill City Council, with the
support of Gore District Council and with input from
Ngāi Tahu ki Murihiku and Environment Southland



August 2026

Draft Head Start Proposal Outline

This proposal, supported by Gore District Council, was developed with input from Ngāi Tahu ki Murihiku and Environment Southland. It is for a Unitary Authority for the current Southland Regional Council boundary area, part of the Murihiku rohe, within the Ngāi Tahu takiwā.

All Territorial Local Authorities within the region would merge into a new entity and take on the functions of the Regional Council.

The proposed structure aligns to the regional planning boundaries and would support resilient economic development and catchment management. It supports effective management and use of our region's most important natural tāonga – our wai (water). New industries such as aquaculture and other opportunities require that we have sustainable, reliable and clean water from the Ōreti and our other river systems and that we are able to plan effectively to manage flooding, coastal and environmental protection.

The proposed governance structure would be a Council of between 12 – 16 Councillors elected from wards, which follow the freshwater management units and urban areas of Invercargill and Gore, with an option for one ward in the Mātaura, if preferred.

Local boards which align to communities of interest similar to those covered by existing Community Board arrangements are proposed to ensure democratic local voice. Local Boards would have decision making delegations for key local community facilities and services, with local plans determined by the Boards and funded by the local community.

To support efficiencies of scale, funding for infrastructure planning and delivery would be at network level, with considerable forecast improvements to outcomes, support for contractor market development and asset management improvements and efficiencies, benefiting not only Council but the wider economy.

It is forecast that \$23 million¹ would be saved across the first six years of operation, an essential saving as our communities' struggle with cost of living.

To support ongoing regional development, we are proposing a range of funding mechanisms to enable Local Government to fund growth more effectively and reduce the pressure on ratepayers.

To support the deliverability of this proposal, there is the opportunity to leverage both the investment Council is making into scalable cost-effective corporate accommodation and IT systems transformation.

We recognise significant potential benefits of a Takiwā-wide centre of excellence which could provide scientific and technical services, alongside some back-office corporate functions. We would work to support a dispersed model which retained skills in the region. The transition approach would build on the skills and knowledge of our employees to retain and grow knowledge, while making it easier to attract talent and fill skills gap where we currently need to use more expensive consultants.

We look forward to working in partnership with Government, Iwi, our Local Government partners, and our community to make this transition a success.

¹ Environment Southland, The Southland Amalgamation Model, 2026

Southland's strength has always been in working together as a team and this proposal will ensure our economy and environment, our city and rural communities can thrive together. On behalf of Invercargill City Council, I commend this proposal to Ministers.

Mayor Tom Campbell
Invercargill City Council

Eligibility

This proposal is submitted on behalf of Invercargill City Council and Gore District Council, who resolved on 4 August to support this application. We understand that the Gore District Council intend to reconfirm this position on 11 August.

Southland District Council was invited to join this proposal but did not respond to this invitation, choosing to go another way; however, they contributed to its democratic structure through the Local Democracy Enhancement Working Party.

This proposal is for a Unitary Authority for the current Southland Regional Council boundary area, part of the Murihiku rohe, within the Ngāi Tahu takiwā. This represents ~~one~~ two directly affected authorities and ~~55.367.7%~~ 55.367.7% of the population across the Southland region². The proposal is that all Territorial Local Authorities within the region merge and take on the functions of the Regional Council.

The proposal has the support of the Regional Council.

It has been drafted on a collaborative basis by Invercargill City Council with input from Ngāi Tahu ki Murihiku and Environment Southland.

The proposal is compliant ~~,/ is non-compliant. Council has chosen to submit given how closely the proposal aligns with Central Government assessment criteria, the importance Council places on integrated catchment management and regional spatial management to support resilient economic growth.~~

Principles guiding this proposal

²

[Gore District, vs Southland Region, Place and ethnic group summaries | Stats NZ](#)

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[Invercargill City, vs Southland Region, Place and ethnic group summaries | Stats NZ](#)

[Invercargill City, vs Southland Region, Place and ethnic group summaries | Stats NZ, 24/7/2026](#)

Invercargill City Council	Ngāi Tahu ki Murihiku	Environment Southland
✓ Strong united voice for Southland ✓ Fair representation to support local decision-making ✓ Resilient Southland ✓ Improved efficiency of delivery ✓ Affordability ✓ Strong local identity ✓ Environmental management ✓ Optimum financial outcomes.	✓ Local government boundaries should align with the Ngāi Tahu takiwā boundary. ✓ River catchments should be the primary determinant of unitary council boundaries within the Ngāi Tahu takiwā. ✓ A joint Takiwā/ South Island "Centre of Expertise" entity should be established to provide shared back-office and specialist functions on behalf of new unitary councils. ✓ Future arrangements should incorporate genuine cooperation between councils and Papatipu Rūnanga.	✓ Function first - structure should follow what each function needs in order to be delivered well. ✓ Catchment integrity - natural systems should not be fragmented by governance boundaries. ✓ Better outcomes, not just efficiencies - reform should improve delivery, resilience and environmental stewardship. ✓ Regional cohesion - future arrangements should support a strong regional voice and urban and rural Southland succeeding together. ✓ Strong local voice - communities need meaningful influence over local matters, with appropriate community representation. ✓ Efficiency and accountability - reform should reduce duplication and make better use of systems, people and capability. ✓ Enduring partnership - future arrangements should protect and strengthen relationships with Ngāi Tahu ki Murihiku; give effect to the intent and obligations arising from Te Tiriti o Waitangi, the Ngāi Tahu Deed of Settlement 1997 and the Ngāi Tahu Claims Settlement Act 1998; and uphold existing Charter arrangements. ✓ Capability and continuity - specialist expertise, leadership, institutional knowledge and regional stewardship/kaitiakitanga understanding should be preserved and strengthened. ✓ Clear accountability - future arrangements should be explicit about who decides, who pays and how regulatory independence is protected.

Invercargill City Council	Gore District Council
✓ Strong united voice for Southland ✓ Fair representation to support local decision-making ✓ Resilient Southland ✓ Improved efficiency of delivery ✓ Affordability ✓ Strong local identity ✓ Environmental management ✓ Optimum financial outcomes.	✓ The urban Invercargill areas has a maximum of 50% of the new Unitary Council. As an example, for a Council of 12, Invercargill City would have a maximum of 6 Councillors. ✓ The Mataura Ward has a minimum of 20% of the new Unitary Council. As an example, for a Council of 16, The Mataura ward would have a minimum of 3 Councillors. For a Council of 12 this would be 2. ✓ That partnering Councils enter discussions with Clutha District Council about inclusion of communities of interest in West Otago such as Tapanui and Clinton joining the combined entity ✓ Head Start partners reinvestigate the Southern Waters Joint Water Services CCO, placing all 3 water assets within the CCO during the setup of the combined entity, to achieve maximum economies of scale. ✓ Rates harmonisation is achieved over 10 years (not 3 years), as to not sharply impact rural ratepayers and in line with debt-ring fencing requirements. ✓ Gore District has a preference to remain in Southern Waters ✓ That existing roading funding being maintained at a level equivalent to the Financial Assistance Rate (FAR) of 61% currently received by Council, and not downgraded to that of the Southland District Council at 55%. ✓ Gore District Council retains its Penny per Unit Agreement ✓ Any historical and projected capital project debt ring-fenced to the host Council for a minimum of 10 years as to not impact the Gore District ratepayer base. ✓ Dissolve Great South and incorporate its functions into the new joint entity as an internal business function. ✓ Parks and Reserves and Roading services are brought in house for the new joint entity. ✓ That Gore District Roading quality matches that of Southland District within the first 5 years of establishment. ✓ That the legislative requirement to develop a Long-term plan for the 2027 – 2037 period is scrapped and replaced with Annual Plans until the new entity is stood up. ✓ That any representation reviews or work towards a regional (spatial) plan is halted until the new entity is stood up.

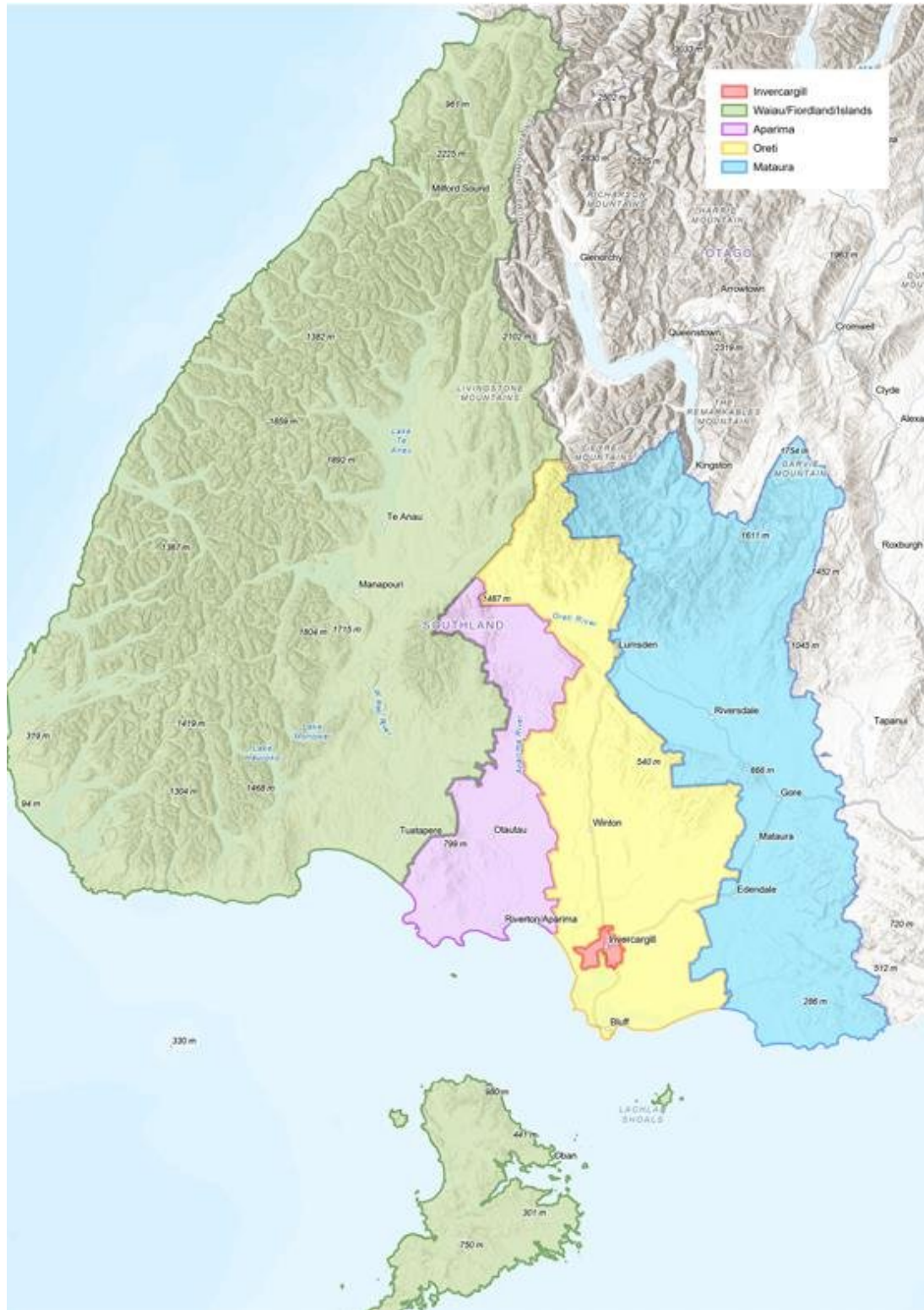
Ngāi Tahu ki Murihiku	Environment Southland
✓ Local government boundaries should align with the Ngāi Tahu takiwā boundary. ✓ River catchments should be the primary determinant of unitary council boundaries within the Ngāi Tahu takiwā. ✓ A joint Takiwā/ South Island "Centre of Expertise" entity should be established to provide shared back-office and specialist functions on behalf of new unitary councils. ✓ Future arrangements should incorporate genuine cooperation between councils and Papatipu Rūnanga.	✓ Function first - structure should follow what each function needs in order to be delivered well. ✓ Catchment integrity - natural systems should not be fragmented by governance boundaries. ✓ Better outcomes, not just efficiencies - reform should improve delivery, resilience and environmental stewardship. ✓ Regional cohesion - future arrangements should support a strong regional voice and urban and rural Southland succeeding together. ✓ Strong local voice - communities need meaningful influence over local matters, with appropriate community representation. ✓ Efficiency and accountability - reform should reduce duplication and make better use of systems, people and capability. ✓ Enduring partnership - future arrangements should protect and strengthen relationships with Ngāi Tahu ki Murihiku; give effect to the intent and obligations arising from Te Tiriti o Waitangi, the Ngāi Tahu Deed of Settlement 1997 and the Ngāi Tahu Claims Settlement Act 1998; and uphold existing Charter arrangements. ✓ Capability and continuity - specialist expertise, leadership, institutional knowledge and regional stewardship/kaitiakitanga understanding should be preserved and strengthened. ✓ Clear accountability - future arrangements should be explicit about who decides, who pays and how regulatory independence is protected.

Proposed structure and governance arrangements

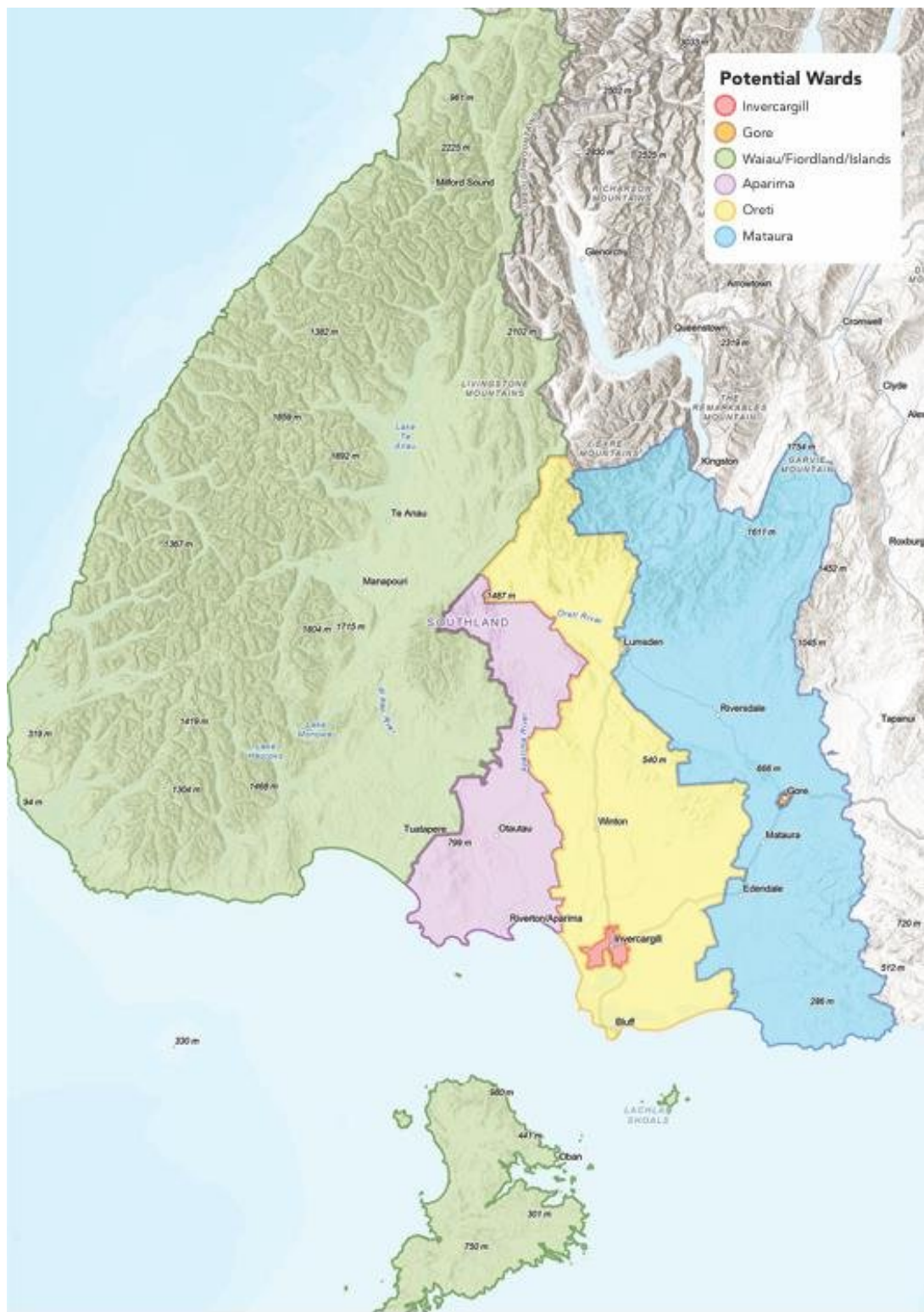
This proposal is for a Unitary Authority for the current Southland Regional Council boundary area, part of the Murihiku rohe, within the Ngāi Tahu takiwā. The proposal is that all Territorial Local Authorities within the region merge and take on the functions of the Regional Council, with the exception of where resource management functions are delegated by national legislation to some other structure. The area served would be a population of just over 100,000, of a size to realise meaningful efficiencies.

The following governance structure is proposed:

- Wards which follow the four major rivers and freshwater management unit boundaries and urban Invercargill and Gore, with an option for one ward in the Mātaura, if preferred.
- Local boards with delegated functions and funding capabilities for key communities of interest.
- Support for utilisation of citizen panels for relevant topics of interest.



Proposed Ward Boundary – Four river catchments and Invercargill



Proposed Ward Boundaries – Alternative option, four wards following river catchments, Invercargill, Gore.

Dependent on the number of councillors chosen both options would include the same proportion of representation for the Mātaura area (a minimum of 20%). The communities of interest (either Gore District Council or some other mechanism chosen by them) would determine the final option chosen).

There is a further option which recognises the communities of interest in areas such as Tapanui and Clinton and the relationships they have with the Gore District. This is a matter which could be discussed with Clutha District Council during the transition phase. Catchment integrity would be a priority.

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Assessment Criteria: Supports the New Planning System

The proposal would support the new planning system by establishing a single Southland-wide unitary authority responsible for regional spatial planning, the natural environment framework, land use planning and implementation of the combined plan. This would avoid the governance and implementation complexity of multiple unitary authorities jointly preparing and implementing a regional combined plan.

A single unitary authority would allow environmental management, land use, infrastructure, natural hazards, freshwater, biodiversity, coastal management and transport planning to be considered together across Southland's major catchments and coastline. It would also support integrated catchment management and ki uta ki tai decision-making by keeping catchment and regional functions together, rather than splitting them across current territorial authority boundaries.

Plan implementation would be simpler, with one council responsible for administering the combined plan and one point of contact for resource users. Existing cross-regional transport planning arrangements with Otago would continue or be adapted as required.

Initial steps would include confirming interim governance for regional spatial planning, maintaining current planning and technical workstreams, retaining specialist planning, science, data, consenting and compliance capability, and agreeing how local input, catchment-level advice and iwi/Māori participation will feed into the combined plan. This would allow planning work to continue while the new authority is being designed, reducing the risk of disruption to the first generation of regional spatial and natural environment planning.

Trade-offs and risks

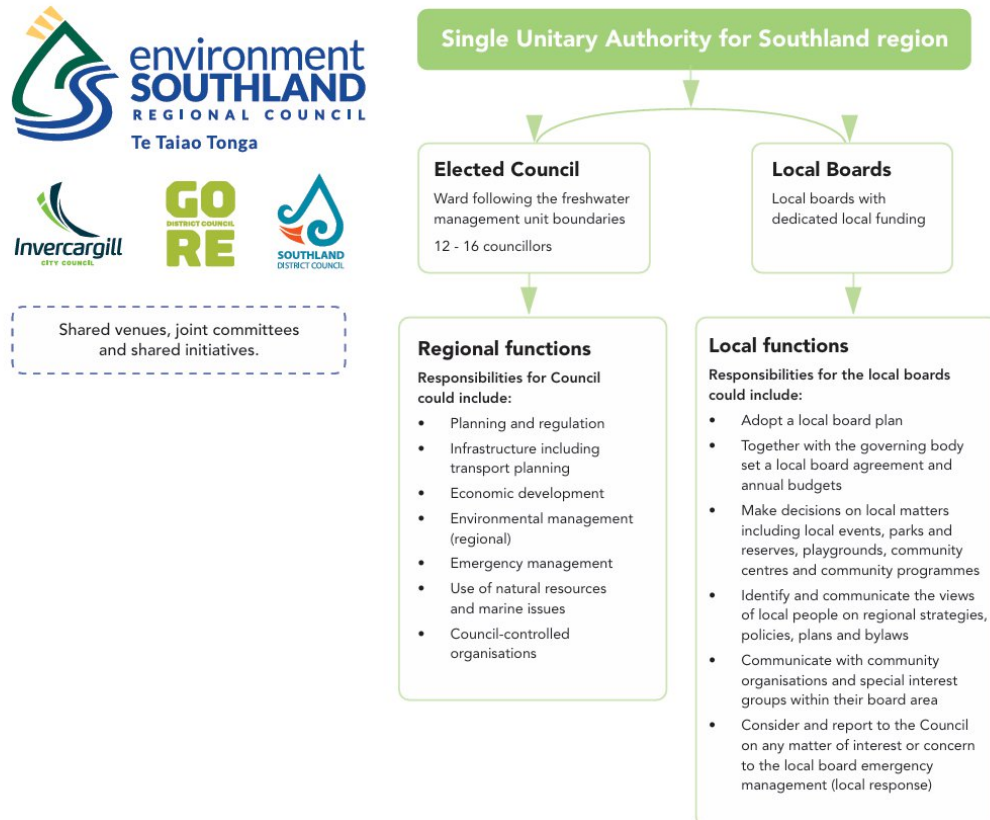
- Transition will need to be carefully managed because local government reorganisation and implementation of the new planning system will occur in parallel.
- Specialist planning, science, policy and regulatory capability will be under pressure nationally and will need to be retained through transition.
- Regulatory independence will need to be protected within a single organisation that may both own infrastructure and undertake regulatory functions.
- Local circumstances, community priorities and place-based issues will still need to be reflected within the combined planning framework, although local variation is likely to be more constrained under the proposed more standardised planning system.
- Any cost and efficiency benefits will need to be tested through detailed design, particularly while transition costs and capability pressures are being managed.

Still to be worked through

- Governance arrangements for regional spatial planning and implementation of the combined plan.
- How local boards, catchment-level groups and communities will feed into regional spatial planning, land use provisions and natural environment planning.
- Regulatory independence and decision-making arrangements within the unitary authority.
- Interfaces between the combined plan and transport, infrastructure, water services, building control and other planning functions.
- Whether Takiwā-scale shared services could support specialist functions where this would strengthen capability, reduce duplication and improve consistency while maintaining local decision-making and relationships.

Assessment Criteria: Simplifies Local Governance

Current and Future Proposed Governance Structures



The proposal will simplify local government by reducing complexity, reducing the number of Councils by three, removing three Joint Committees and simplifying governance arrangements for one shared Council Controlled Organisation, the Southland Regional Development Agency, as well as other joint arrangements. The new transition entity would determine the operational structure for delivery of economic development, noting Gore District Council's preference that this service be brought in house, which would be one of the options considered.

The current structure of Environment Southland and Invercargill City Council, Gore District Council and Southland District Council is:

- One Chair and three Mayors
- 46 Councillors
- 11 Community Boards across the 3 territorial local authorities comprising 66 members.

A total of 116 elected members across the 4 councils and community boards.

Our proposal is:

- A single unitary authority for the Southland region encompassing the area covered by the current Southland Regional Authority boundary.
- A Mayor elected at large across the region.

- 12 – 16 councillors elected from wards based on the four major rivers in Southland (Freshwater Management Units) Ōreti, Waiau, Aparima and Mātaura together with a ward for urban Invercargill (boundary may need refining) ~~and urban Gore~~. There is an alternative option for an urban Gore ward if preferred.
- An equal number of Councillors elected between Invercargill and the other five wards.
- Local boards, reflecting existing community board boundaries and communities of interest and providing a local voice and local decision-making.

A single unitary authority creates a single voice for Southland in central government, regional sector and cross-boundary issues. Maintaining catchment integrity supports both resource management and economic development outcomes by making the best use of regional resources.

The Southland region is a structure which is familiar to Southlanders and it would be clearer to understand who to contact for regulatory, planning infrastructure and community matters.

Some preliminary work indicates that 16 councillors, eight elected from urban Invercargill and eight elected from the remaining five wards, provides for the requirements in the Local Electoral Act 2001 of fair and effective representation of electors to be met.

There would not be a need for joint subcommittees. Council will be able to review its framework of committees and CCOs.

Trade-offs and Risks

The only significant trade-off for consideration in relation to simplifying Local Government is the ~~(potential)~~ lack of support from ~~the Gore District Council and~~ Southland District Council. Should the proposal proceed, this would need to be carefully managed through the transition process. There are minor potential impacts on neighbouring Councils in Otago which are discussed further below.

A related implementation risk is that the wider community may remain divided between a one-unitary model and a two-unitary model, particularly if some communities or councils continue to support a different structure. This should be acknowledged directly and managed through clear evidence about why regional functions and catchments are best kept whole, meaningful local board arrangements, transparent delegations and funding, continued engagement with affected communities and a transition process that builds confidence that local identity and local decision-making will not be lost.

Still to be worked through...

Following the submission of our outline proposal as part of the work Council intends to continue conversations with the southland region community about:

- the numbers of councillors and potential boundaries of wards from which they will be elected.
- the number and boundaries of Local Boards and number of members of each Local Board.

Assessment Criteria: Economies of Scale

High level financial modelling suggests the proposed amalgamation will provide value, with estimated savings of 3.4% to be realised from 2034 onwards over the current arrangements – representing an annual saving of \$9.8 million from 2034 onwards. Total transition costs of \$23.5 million have been forecasted, to be incurred starting from the 2028/2029 financial year. Transition costs are expected to be ‘front-loaded’ with a greater cost incurred in earlier year. As a result, the first projected year of break-even is 2033.

A financial model has been ~~prepared~~ commissioned by Environment Southland with the results published publicly in June 2026. The model projects that there will be a saving of 8% across corporate overhead costs, representing total corporate overhead savings of \$30.8 million through to 2034. The model additionally predicts that there will be a saving of \$15.7 million on core council services, representing an additional 2% saving across core services for the three existing territorial authorities.

Regional and Infrastructure Planning

The proposal supports regional planning, economic development, and land and public transport planning, as all these items are already coordinated or delivered for the region as a whole. Coordination costs for economic development, regional spatial and climate change planning will be reduced.

Combined procurement, integrated network management and improved ability to attract talent and invest in data are forecast to make improvements and efficiencies to asset management and investment outcomes. Southland has one of the largest roading networks in the country and as a result, asset management improvements will have a significant potential impact.

Catchments would remain whole under the proposal, the catchment management liaison committees sit within the regional boundary and it is proposed that these groups would continue unchanged.

Integration of functions

Territorial authorities and regional councils bring different but complementary strengths to a unitary model. Territorial authorities are often closest to local place-based services, housing, growth, infrastructure provision and community facilities, while regional councils hold specialist responsibilities for environmental stewardship, natural resource management, catchment management, environmental monitoring, flood resilience, biosecurity and regional-scale planning. Bringing these functions together within a single organisation creates an opportunity to better balance development, infrastructure, local services and environmental outcomes, provided the design protects both local voice and the specialist regional capability needed for effective environmental stewardship.

Efficient service delivery

A unitary authority serving a population of over 100,000 will be of a size to enable efficient delivery of services which are currently outsourced often at higher cost via contracts with third party suppliers. With increased scale, there is the potential to facilitate some activities to be managed in-house. This includes parks and reserves operations and roading planning and coordination, and some aspects of delivery, with the details to be determined during transition.

Detailed analysis needs to be completed if the proposal progresses and the work completed by the Local Government Commission may provide key areas to be considered.

Economic development is already delivered at a regional level, with some potential for some efficiencies through integrating this structure more closely with the unitary authority.

There are opportunities for innovation, particularly through explore the opportunity for scientific and technical staff to be housed within a Takiwā-wide council controlled advisory function. Council would support innovative flexible employment practices to support employees to live throughout the Takiwā, including Southland rather than being centralised.

Additional benefits

Regional economic development will be supported through enhanced and streamlined regulatory services and integrated catchment management. Growth is forecast to be supported under the model, if funding mechanisms can be aligned to ensure that Local Government is in the position to be able to make the appropriate infrastructure investment and provide the community facilities needed to attract and retain a skilled workforce.

Rates

Any future amalgamation will require a full rating review to ensure that future rates continue to be levied in accordance with the Local Government (Rating) Act 2002. Significant differences exist in the Rating Policies of the existing local authorities.

Invercargill City Council sets general rates based upon a rate in the dollar on capital value, combined with a uniform annual general charge. Differentials are applied to different land use categories. Targeted rates are applied for the provision of community board services, the city-centre coordinator Rate, transportation, stormwater drainage, water and wastewater.

Southland District Council, while also applying a general rate in the dollar based upon capital value, and a uniform annual general charge, levies a significantly broader range of targeted rates to reflect the differing activities and levels of service provided across the wider Southland District. Such examples include targeted rates for community boards (urban, semi-urban and rural), roading, community facilities, rubbish bin collection and the Te Anau Airport Manapouri targeted rate.

Gore District Council also applies a wide range of targeted rates, although not to the same extent as Southland District Council.

Environment Southland also sets general rates based upon a rate in the dollar on capital value, combined with a Uniform General Charge, and has a number of targeted rates. As Environment Southland are rating across the district, land and capital values are calculated on equalised values. Equalisation is required because each of the other Councils revalue once per annum on a 3 year rotational basis. The equalisation value is provided to us by QV and reflects what values would be if all 3 Councils had QV revaluations done at the same time. Environment Southland's targeted rates are its Flood Infrastructure Investment rate (levied on the basis of the capital value of rateable land), River Management Rate (also levied on the capital value of rateable land), Rabbit Control Rate (set on land greater than 4 hectares in certain locations and levied per hectare), a separate Wairau Rating District scheme (levied on the capital value of land) and Land Drainage Rates (levied per scheme on a per hectare basis in some cases and on the capital value of land in others).

The ultimate rating structure would be designed to enable items delegated to Local Boards to be funded by the community of interest represented by the Board. This approach is intended to ensure efficient delivery of financial and planning functions while enabling local democratic mandate. Local Boards would have the flexibility to request additional funding to meet extraordinary circumstances.

An up to ten year ~~three year~~ harmonisation phase would be utilised to reduce significant changes to rating impacts on particular communities, with the final term agreed by the transitional board, based on principles of equity to be agreed by the transition advisory group. It is expected that a greater impact may be observed in rural communities particularly in the Southland District and Gore District which currently pay a higher proportion of targeted rates and the length of time for the harmonisation will be agreed to mitigate this impact.

Debt management

It is proposed that the treasury function would be centrally managed through the unitary council and all CCOs. The increased size of the entity, along with the increased debt book and consolidated revenue would provide an opportunity to bring the treasury services in-house and offer efficiency savings on consultancy costs.

An amalgamated council will provide an opportunity for increased debt headroom to support a greater magnitude of capital expenditure and renewals. An increase in debt headroom will provide greater resilience in the event of a natural disaster or emergency, improving the debt profile of the organisation.

It is proposed that for the initial transitional period, existing debts and the associated interest cost could be ringfenced to particular communities and/or projects with which the debt is associated. The servicing of interest expense could be levied through targeted rates based upon the source of origination of the debt. As noted, a transitional period is suggested, based upon the estimated useful life of the associated asset. Following the expiration of this transitional period, the relevant debt will be absorbed into the wider unitary council for funding purposes. Ten years is suggested as the period for debt harmonisation. Debt costs for local community assets within the remit of the local boards would remain funded locally.

Financial Impacts

The One Southland model is predicted to achieve annual operational savings of \$9.8 million from 2034 onwards – equating to an annual saving of 3.4%. Cumulative savings to 2034 (taking into account amalgamation costs) are expected to be \$23.0 million. These savings are expected to be achieved through an 8% saving in corporate overheads across all four local authorities and a 2% saving across core council services at the three existing territorial authorities.

It is assumed that the full capital programmes of all four current local authorities will continue, so no savings are expected to be realised in capital expenditure or depreciation. However, it is expected that over time that there will be savings to be realised from more efficient asset management and procurement.

The three territorial local authorities are all running an unbalanced budget for the 2026/2027 Financial Year. As a result, it can be assumed that there is an element of debt funding being

applied to operational expenditure. Therefore, any forecast savings in operational expenditure will have a positive impact upon debt levels and subsequent interest expense.

It is proposed that the shareholding of all relevant Council Controlled Trading Organisations and subsidiaries remain within the four councils until a successor holding company is established. This will include but not limited to the following organisations:

- Invercargill City Holdings Limited
- Invercargill Airport Limited
- South Port New Zealand Limited
- Electricity Invercargill Limited (whilst not a CCO or CCTO, this entity is a subsidiary of Invercargill City Holdings Limited)
- The trading activities of Southland Regional Development Agency Limited (trading as Great South)

This approach would also apply to non-trading CCOs:

- Te Kupeka Tiaki Taoka Southern Regional Collections Trust
- Bluff Maritime Museum Trust
- Invercargill City Charitable Trust
- Milford Community Trust

It is worth noting that there are likely to be further potential savings from a Takiwā-wide “centre of expertise” model proposed by Ngāi Tahu. In addition, it is believed that the model likely under-represents the potential efficiencies which can be achieved from region-wide asset management and enhanced procurement practices, noting the further flow-on benefits to the wider market of a more skilled resilient contractor market.

The historic funding agreement for the electricity provision within the Gore urban area “the penny per unit” will continue, covering the same area as present.

Sources of efficiencies

There are opportunities to explore centralised services and efficiencies across the majority of Council activities.

At a high level the areas where efficiencies can be found are:

- Efficiencies in planning and procurement of infrastructure asset management which can be achieved through network level management and improved contract scale and management processes, with the strategic opportunity to build the resilience of the contractor market enhancing delivery and ability to service other commercial operations and industries new to the region.
- Shared head office facility for those areas already housed in Invercargill (Invercargill City Council, Environment Southland and Southland District Council) noting that Invercargill City Council has just entered into commercial arrangements for development of a scalable head office which will speed up this process and along with the maintenance of a potential satellite office in Gore.
- Information technology hardware, software and support, noting that Council's Enterprise Management technology change programme will enable an efficient on-boarding and harmonisation of software and systems processes as the Councils come together.
- Corporate services such as Finance, Human Resources, Training and Development, Legal, Information Services and other corporate departments, with opportunities to consider how some of these, along with technical and scientific services may be provided more efficiently at a Takiwā level.

- Streamlining of front facing services and processes involving residents, developers, customers of Councils.
- Potential revenue from sale of surplus assets.
- Activities which are currently contracted to third parties, with scale and improved ability to attract talent creating potential to in-source these reducing consultant overhead.
- Support for a more efficient and enduring partnership relationship with Mana whenua than is possible through four separate agencies.
- Reduced audit fees and other corporate oversight overheads (for example internal audit functionality).

Activities which already are provided via a shared service model such as emergency management, regional development and solid waste may not create large savings but there will be some efficiencies in terms of time and resources needed to manage the joint committee, joint shareholding and other governance structures.

Over time there would be harmonisation of levels of service through the corporate planning process. Those communities which wished to have an enhanced level of service for community facilities and local services would have the ability to raise funds for these locally.

Areas which need to be reviewed and clarified as to whether there will be any efficiencies are:

- Governance – due to the geographic distance and need to support a range of local boards to provide for local voice
- A review of the Water in-house entities that ICC and SDC operation of which will be harmonised, which may include implementation of a CCO and to also include reconsideration of the benefits of the whole region joining the Southern Waters CCO, noting the option that waters services for the Gore area remains separate and delivered by Southern Waters, which is the preference of the Gore District Council.

Potentially, one Unitary Authority would provide a better workforce opportunity within the Local Government sector in Southland. With more career options, greater scale of role at a regional level and scope to bring functions back in house, this is a more sustainable model compared to the current situation of staff moving between entities to do the same job leaving gaps in other entities.

Trade-offs and risks

A unitary authority will achieve economies of scale which must be balanced by implementation of appropriate structures to maintain the local voice. The recommended structure of local boards will require appropriate resourcing through planning and governance support to enable them to function effectively. The recommended funding approach for Local Boards is intended to enable representation of local voice while still achieving economies of scale.

There are a number of skills shortages within the region which are expected to be eased through this process. This also provides the opportunity to enhance the local workforce so there is greater scale and opportunities to retain talent. Equally, due to shortages across the workforce nationally, it is likely to mean that in some areas efficiencies may be lower as a result of roles being unfilled or under-resourced.

Still to be worked through...

- More accurate assessment of the time and cost to centralise Information Technology, shared services and asset management and corporate functions, along with more accurate forecasts for associated period of realised benefits. This is likely to have a significant impact given the forecast amounts involved.
- Detailed review of organisation charts, employment contract provisions and other financial factors in order to fully assess the benefits and potential savings associated with staff costs.
- Impact of talent management over a period of uncertainty.
- Impact of redundancies in Invercargill area.
- Details of harmonisation approach for rating and debt management across the region.
- Appropriate design and scope for the new entity's Holding Company.
- Identification of surplus assets and forecast revenue from disposal.
- Details of Local Boards delegations and funding requirements.

Assessment Criteria: Maintains Local Voice

Election of representatives

It is proposed that Councillors would be elected via wards. Local board members would be elected from local board areas, with a Councillor also in place from each ward. This would maintain consistency with how we elect representatives now, with the exception of elections for regional councils. Feedback from consultation supported that maintaining a local voice was critical especially in rural areas.

Representation for communities

Communities would be represented both by councillors from wards and local boards elected across the whole of the district. Local boards would ensure a strong local voice, representation and decision-making for communities of interest.

The proposal includes a structure of local boards across the whole of the Council area. It is envisaged that given the geographic spread of local communities and distances between them a larger number of local boards would be required than the number of wards proposed. There are nine community boards in the current Southland district council area and one each in Gore and Invercargill. Incorporating as many of the current community board areas in a new local board structure would give a sense of familiarity and enable continuity of relationships with groups and organisations on the area. There is the potential to refine this over time.

To assist in the relationship between the governing body and Local Boards Council would be seeking in legislation, the ability to appoint Councillors to the local boards. This is seen as critical in strengthening the relationship between the governing body and the Local Board and establishing and maintaining links between local communities in the board areas and the governing body.

Local Boards roles and powers are set through legislation with specific decision-making responsibilities to be reviewed by Council. This provides a structured governance framework which gives the community greater comfort that a local decision-making approach is stronger and has greater permanence than a system of Community Boards which can be reviewed

and removed through the representation review. The roles and responsibilities of the governing body and local boards will be more clearly set out and easier to understand by the public.

Roles and responsibilities

As a starting point the proposed breakdown in responsibilities is proposed.

Responsibilities for Council could include:

- Planning and regulation, with decision making structures to support separation of regulatory functions.
- Infrastructure including transport planning.
- Infrastructure asset network management and delivery.
- Economic development.
- Environmental management (regional).
- Emergency management.
- Use of natural resources and marine issues.
- Council-controlled organisations.
- Risk and assurance, including overview of procurement.
- Service delivery, with a general principle of harmonised levels of service and consistent delivery mechanisms, noting the specific importance which Gore District Council places on this in the context of roading, with the ambition to achieve this within five years in comparison to the Southland District.

Responsibilities for the Local Boards could include:

- Adopt a Local Board plan.
- Together with the governing body set a Local Board agreement and annual budgets.
- Make decisions on local matters including local events, parks and reserves, playgrounds, community centres and community programmes.
- identify and communicate the views of local people on regional strategies, policies, plans and bylaws.
- communicate with community organisations and special interest groups within their Board area.
- consider and report to the Council on any matter of interest or concern to the Local Board.
- local response and emergency preparedness.

Iwi / Māori participation in decision making

Ngāi Tahu ki Murihiku have helped shape this proposal.

The Council supports working collaboratively with Ngāi Tahu ki Murihiku through the detailed design phase to strengthen partnership arrangements within the future local government system. The reform process provides an opportunity to establish consistent and enduring partnership arrangements across any new authority structure. The detailed design phase will also identify whether broader iwi engagement is needed on matters of national significance. Any such engagement would be undertaken without predetermining or characterising iwi interests, rights, or statutory responsibilities. Council would work with Mana whenua in determining appropriate governance structures through the transition.

Trade-offs and risks

The most significant risk is that local communities feel that they do not have the most appropriate level of delegation for decisions. This has been the primary focus of community discussion and concern with a One Southland Unitary Authority Model.

The community has provided feedback on proposed areas of decision making as part of the Local Government Commission process. Feedback included in a survey conducted by the Local Government Commission indicated 41% of respondents thought that community services noted above should be decided upon in their local neighbourhood or town, with a further 20 % being delivered in their wider local area.

The proposed Local Board structure is designed to address this risk. The current Local Government Act 2001 provides for greater delegations to Local Boards than community boards which are more advisory in nature and delegations are at the behest of the Council. There is, of course, a trade-off that this structure comes with increased governance, planning and administration resources for each local area. It is intended to operate a harmonisation pathway to enable delegations to be refined over time as communities become used to the new structure to ensure efficiencies are achieved as modelled.

Still to be worked through...

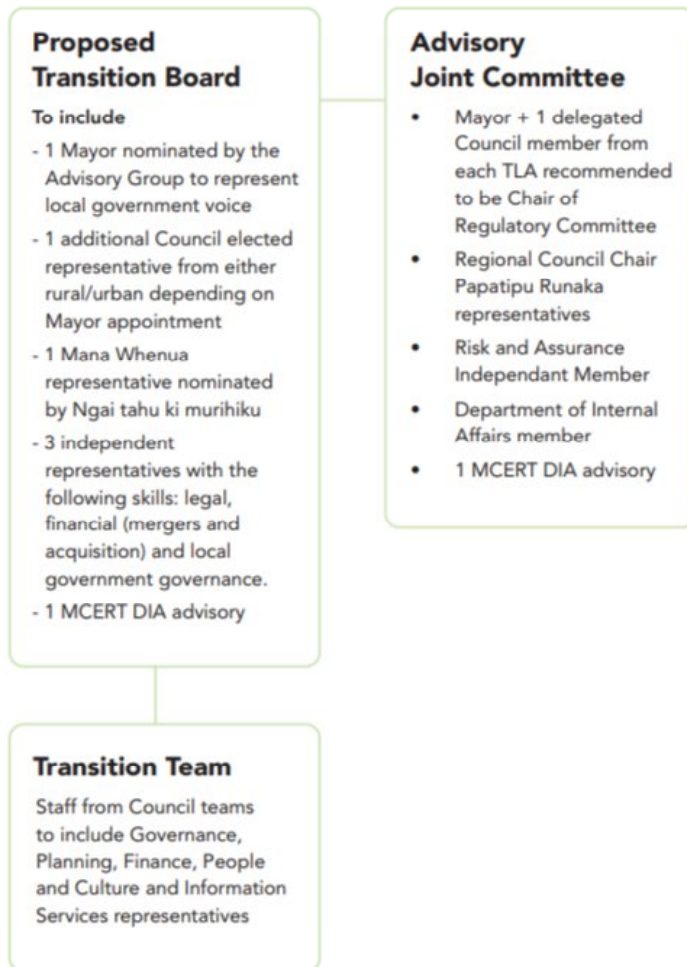
- The number and boundaries of local boards and number of members of each Local Board.
- If the draft proposal is accepted, it is Council's intention to work with the other councils and communities to draw up the local board boundaries and discuss the number of representatives required and areas of local decision-making.
- Clarification of the roles and delegations for Local Boards.
- Details of rates harmonisation and funding arrangements for Local Boards.

Assessment Criteria: Deliverability

Implementation

Governance and oversight would need to be established for the transition phase.

Proposed Transition Governance Structure



There will need to be clear direction from Government on the transition body's decision-making authority. It is noted that any independent members would be impacted by the current direction by Government to limit decision making for those members via the Local Government (Systems Improvements) Bill.

Underneath this transition governance structure would be key operational staff from each Council, seconded to analyse, investigate and bring to life the operations of the new Unitary Authority. They would report through to a central senior leader and would report to the transition board regularly with a detailed transition plan for adoption by August 2028. To maintain services, these staff would need to be funded so their roles can be back filled.

A dedicated service-continuity workstream would sit within this transition structure. Its role would be to protect core operational services, including flood warning, incident response, biosecurity and catchment operations.

Similar to the transition plans linked to Local Water Done Well, it is proposed that this transition plan would be completed before the 2028 Election cycle and mahi would continue post the election. It would be proposed the search for a Chief Executive to lead the new Unitary Authority would begin in May 2028 so they are established immediately post the election. During detailed design, there will be a need to review all current CE contracts to limit additional expenditure or contract issues.

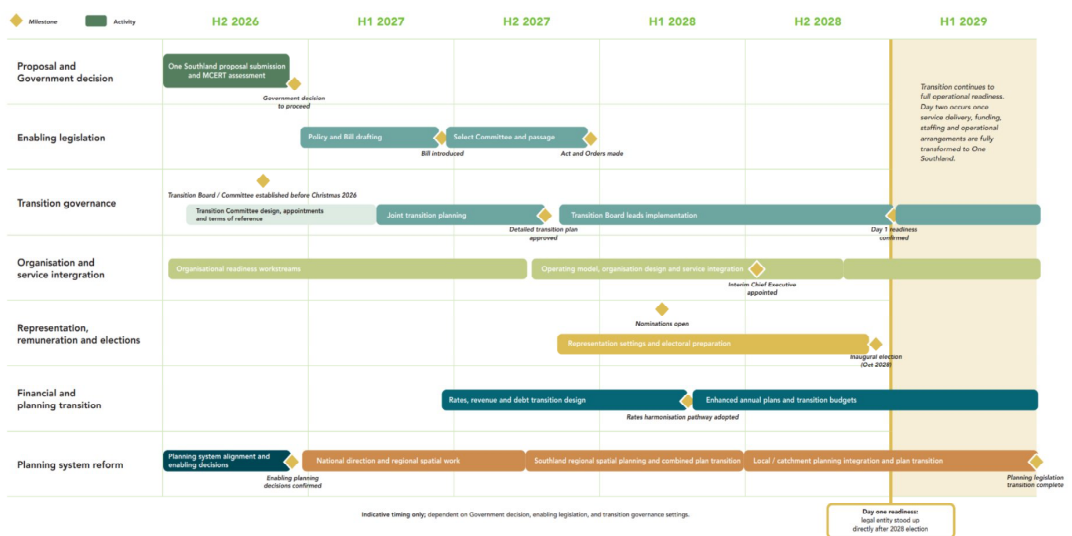
Timing

The diagram below outlines the mahi that will need to run in parallel to enable the change for November 2028.

The timing to complete this mahi is ambitious and likely to require external funding support as noted below.

A phased transition to establish One Southland as a single Unitary Council

Indicative programme aligned to the Head Start pathway, with transition governance established before Christmas 2026.



Trade-offs and risks

Contracting the transition period creates risks for system and process failure which could impact levels of service and realisation of long-term savings.

Careful management of the transition process will be required in order to maintain corporate and community knowledge and avoid embedding rural/ urban division.

There is significant risk of loss and challenges with attracting talent which may impact services.

Still to be worked through...

- Assessment of time and cost to centralise information technology.
- Talent management over a period of uncertainty.
- Redundancies in Invercargill area.
- Risk that Elected Members will create a governance issue if they cannot reduce services which are not economic i.e. halls and bridges, offices, libraries etc.

- Community resentment – the reality is there are a lot of uneconomic and inefficient activities that need to be removed, it is unlikely a new entity will want to allow this and it will continue to be a drain on ratepayers.
- Rating is varied across the Councils, the administration required to keep this all working.

Further, over the detailed design phase, the following opportunities exist

- Some activities of Council could be identified as moving to one Authority in 2027 rather than wait.
- Head Office accommodation options due to an existing co-location project between ES and ICC.
- Standardisation of Governance processes and procedures.
- Alignment of Procurement and Information Technology functions, with an agreement of IT procurement in line with the harmonisation pathway benefitting from the ICC IT change programme.
- Enable a regional People team to manage FTE, contracts and salary spend with a temporary pause in recruitment during the transition phase.

Interactions with other Local Government programmes

Local Water Done Well

Southland District Council and Invercargill City Council have both opted to operate enhanced in-house services. Gore District Council has chosen to provide water services through Southern Waters Limited. The new unitary authority would need to determine a harmonisation pathway for management of water within the Invercargill and Southland Districts which have different operations based on the different urban network and rural dispersed system models. It would be a choice for the new entity and other successor organisations within the Otago area whether to make changes to the delivery of services within the current Gore District area, noting the preference of the Gore District Council to remain within the Southern Waters CCO and that the rest of the region joining this wider CCO will be considered during the transition phase.

City and Regional Deals

Southland has submitted a joint regional deal focused on housing, energy, workforce development transport and roading infrastructure. An outcome on this has not yet been received but all of these items could be delivered at a regional level by a new unitary authority. We would look to expand on this and look forward to exploring this further with Government following the proposal.

Proposals for Government support for Implementation

Transition advice and support

Provision of a DIA/ MCERT advisor for the Transitional Joint Committees for the process

Statutory relief

To reduce complexity and achieve value for the community it is proposed that the Government provide statutory relief to enable Councils to focus on implementing a successful transition. It is proposed that this include (for the period of the transition only):

- A pause to any further changes to Local Government and Resource management reform, other than that required to enable the transition, with a request for a lengthening of regional spatial planning timeframes to enable smaller communities, including Gore, to participate fully where there are resource constraints.
- Forego Representation Reviews separate to transition process.
- Forego audit for the Long-term plans, delaying audit for review of the new entity's transitional annual plan, with request that Government consider broader relief of Long-term planning requirements while maintaining the robust integrity of the planning process to support transition.
- Delay rates capping implementation until Year 3 of the new organisations Long-term plan allowing time for benchmarks to be set and approve transitional costs to be excluded from rates capping formula.

Funding

Transition

Funding to support back-filling of roles and for expert advice on matters such as rates harmonisation or asset management integration is requested.

System transition and staff restructuring are seen as significant activities which cannot be resourced based upon existing funding levels. Funding is requested to support the planning, mobilisation and fulfilment of these activities to an effective level that ensure that forecasted cost savings are realised.

Roading

It is important that the different needs for funding of roading across different areas is honoured through this process. The current FAR structure of 61% funding for the Gore district area, 55% for Southland District area and 51% for the Invercargill District area should be protected.

Host Region Benefit Framework

This proposal seeks to explore new funding mechanisms for the new unified council that better recognise the region's contribution to New Zealand's prosperity. These could form part of future region/ city deals.

Southland hosts nationally significant assets and industries that generate substantial national economic benefits, including some of New Zealand's most productive farmland, the Manapōuri hydroelectric scheme, Milford Sound/Piopiotahi, Tiwai Point aluminium smelter, as well as significant opportunities for future investment in renewable energy and hi-tech and the

largest identified industrial land zone for development just south of Invercargill. While the benefits of these assets are shared nationally, many of the environmental, infrastructure and growth pressures are experienced locally and are currently funded largely through rates.

It is proposed that through the detailed design phase that the Government work with Southland to develop a Host Region Benefit Framework, enabling a proportion of the value generated by nationally significant infrastructure and destinations to be reinvested in the communities that host them. This could include mechanisms such as sharing a portion of Crown dividends from state-owned enterprises, allocating a share of tourism concession or visitor levy revenue, mineral extraction royalties, GST for new buildings, or establishing nationally consistent host community dividend arrangements for major new developments. Other options could include relief of GST on rates and distribution of a portion of RUC, FED and other relevant tax revenue for roading investment. Such an approach would recognise that regions enabling national prosperity should share fairly in the long-term benefits they help create.

Revenue generated through these mechanisms could be invested in priorities that strengthen both the region and New Zealand, including transport and community infrastructure, housing to support workforce growth, and economic diversification, flood resilience, freshwater and biodiversity restoration and climate adaptation. This is not about imposing additional burdens on investment, but about creating enduring partnerships that ensure nationally significant development delivers lasting benefits for the communities and environments that sustain it.

As New Zealand seeks to unlock economic growth through renewable energy, strategic infrastructure and export industries, Southland provides an opportunity to pilot a new model of regional fiscal empowerment. A unified council would provide the scale, capability and accountability needed to negotiate, administer and invest these funding streams strategically, ensuring that the benefits of nationally significant assets are shared more equitably while reducing long-term reliance on property rates.

Ngāi Tahu Partnership and Existing Iwi Relationship Arrangements

Ngāi Tahu ki Murihiku have helped shape this proposal.

The Council supports working collaboratively with Ngāi Tahu ki Murihiku through the detailed design phase to strengthen partnership arrangements within the future local government system. The reform process provides an opportunity to establish consistent and enduring partnership arrangements across any new authority structure. The detailed design phase will also identify whether broader iwi engagement is needed on matters of national significance. Any such engagement would be undertaken without predetermining or characterising iwi interests, rights, or statutory responsibilities.

Through the detailed design stage Council will work with Papatipu Rūnaka to uphold Treaty obligations, existing Charter arrangements, and enduring partnership with Ngāi Tahu ki Murihiku.

Impact on Councils not included in the model

There are only minor impacts on Councils not included, primarily in the following areas:

- Clutha District Council – A negotiation would be opened as to whether there was support for communities of interest including Tapanui and Clinton to join this proposal.

- Central Otago, Clutha and Waitaki Councils in the Southern Waters Done Well Joint CCO, it is proposed that this water arrangement continue but that the future unitary authority may choose with partners to develop a CCO, bring waters in house or another arrangement to service the water services functions for the current Gore District.
- Councils for whom Invercargill City Council delivers services on behalf, it is proposed these services arrangements continue until such a time as the supplied Councils wish to amend the arrangement (Clutha Council).
- Shared strategic transport planning for the Southland-Otago region would continue governed by the successor organisations.
- The Te Roopu Taiao arrangement with the Otago Councils continue with the successor Councils in a similar form or another form preferred by Ngāi Tahu ki Murihiku.

The proposal covers the whole region so it is not considered at this time that other Councils would join the arrangement, although of course further amalgamation remains a possibility.

Supporting Information

The following supported information is appended:

Letters of support

Environment Southland, The Southland Amalgamation Model, 2026

Contact information

For more information, please contact

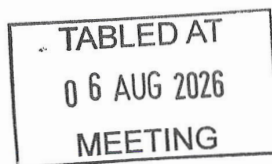
Michael Day, Chief Executive

Invercargill City Council

Michael.day@icc.govt.nz

A6580116

Our reference: A1535499



6 August 2026

Mayor T Campbell
Invercargill City Council
Via email – tom.campbell@icc.govt.nz



Kia ora Tom

Environment Southland feedback on draft Head Start outline proposal

Thank you for the opportunity to review Invercargill City Council's draft Head Start outline proposal for a single Southland-wide unitary authority.

Environment Southland acknowledges the significant work that has gone into developing the draft proposal in a short period of time, and the constructive engagement with Environment Southland as the proposal has developed. The proposal is for a unitary authority across the current Southland Regional Council boundary, with local boards proposed to maintain local voice and a governance structure linked to Southland's freshwater management units and urban communities.

Overall, Environment Southland considers the draft proposal to be broadly consistent with its regional function principles at the strategic level. It provides a credible basis for our continued conditional support for a single Southland-wide unitary authority, particularly because it:

- follows the current Southland regional boundary;
- keeps Southland's major catchments and freshwater management units within one authority;
- supports integrated regional planning, environmental management and catchment management;
- avoids unnecessary duplication of regional functions;
- proposes local boards as a mechanism to protect local voice; and
- recognises the importance of retaining specialist regional capability through transition.

However, Environment Southland's support has always been conditional. The draft proposal is strong in principle, but a number of matters on which our support depends remain to be worked through during detailed design. For example, both the transition governance structure and final form of the future governance structures. Environment Southland therefore considers the proposal suitable for continued conditional support, provided these matters are carried forward into the next phase.

For now
& our future



The appended table identifies targeted amendments that would strengthen the proposal's alignment with Environment Southland's regional function principles and provide additional clarity.

Environment Southland remains committed to working constructively with all parties through the next stage of the process.

Ngā mihi nui

A handwritten signature in black ink, appearing to read 'J A McPhail', with a stylized flourish at the end.

J A McPhail
Chair

Encl

Environment Southland suggested amendments to the draft proposal:

Priority	Location of proposed change	Reason for change	Suggested wording/action
1	Assessment Criteria: Deliverability, transition governance structure	Needs to be worked through with all parties. All councils should have equal representation on the different entities. Key role for regional council in supporting the transition to the new planning system.	Delete the proposed governance structure or lift to heading level.
2	Opening/proposal summary, after the description of the proposed structure	Makes clear that functions should sit where they are best delivered.	Add the following text: The proposal has been developed on a function-first basis. Local services, community facilities and place-based priorities would remain close to communities through local boards, while regional environmental, catchment, science, monitoring, regulatory and resilience functions would remain organised at regional scale noting some of these functions are subject to pending legislative change.
3	Interactions with other Local Government programmes	Identifies another programme	Add the following text: Kānoa/Regional Infrastructure Fund Environment Southland is currently delivering a significant flood resilience programme supported by central government co-investment through Kānoa and the Regional Infrastructure Fund. This funding is enabling strengthening of priority flood protection assets, modelling and catchment resilience work to be delivered sooner than could be achieved through local funding alone. Any new unitary authority would need to preserve the specialist capability and capacity, systems, local co-funding, reporting arrangements and delivery partnerships needed to meet existing Kānoa funding commitments and maintain momentum on flood resilience investment.
4	Assessment Criteria: Deliverability, under Implementation or immediately after the transition governance structure	Highlights the need to protect core operational regional functions through transition.	Add the following text: A dedicated regional functions workstream will be established through the transition to ensure core operational regional services such as science and environmental monitoring, hydrology and flood warning, river and drainage management, biosecurity and natural

Priority	Location of proposed change	Reason for change	Suggested wording/action
			hazards continue without disruption from day one of the new entity.
5	Assessment Criteria: Deliverability, Trade-offs and risks section	Current language could undermine regional cohesion. The suggested change reframes service changes as matters to be tested transparently with communities.	Replace existing wording in bullet points four and five with: Some local assets and services may require difficult conversations about affordability, use, condition and future levels of service. The community may react adversely if these matters are seen as being driven only by efficiency or cost reduction. This should be managed through transparent evidence, council and local board input, and meaningful community engagement, so decisions about service levels, funding and future asset provision reflect both long-term affordability and local priorities.
6	Economies of Scale / Regional and Infrastructure Planning section, where catchment liaison committees are described	Strengthens wording.	Replace existing wording with: Catchments would remain whole under the proposal, and existing catchment liaison arrangements sit within the regional boundary. These arrangements should be preserved or enhanced through transition so local catchment knowledge continues to inform flood, drainage, river management and environmental decisions.
7	Economies of Scale/Financial Impacts section, where forecast savings are described	Avoids over-reliance on financial benefits and presents modelling as decision support rather than a promise of rates reductions.	Add the following text: Current modelling indicates potential savings, but these should be treated as indicative and subject to detailed design, transition costs, staff retention, implementation sequencing, rating harmonisation and final service arrangements. The primary purpose of the proposal is to achieve better long-term outcomes, including stronger capability, clearer accountability, improved resilience and more integrated environmental and infrastructure decisions.