AGENDA

Extraordinary Council Meeting

Membership:

Kahika - Mayor Moko Tepania - Chairperson
Kohepu - Deputy Mayor Chicky Rudkin
Cr Arohanui Allen
Cr Rachel Baucke
Cr Ann Court
Cr Felicity Foy
Cr Hilda Halkyard-Harawira
Cr Tāmati Rākena
Cr Davina Smolders
Cr Kelly Stratford
Cr John Vujcich

Thursday, 16 July 2026

Time: 11:00 am

Council Chamber

Memorial Ave

Kaikohe

Te Kaunihera o Te Hiku o te Ika
Far North District Council

Far North District Council
Extraordinary Council Meeting
will be held in the Council Chamber, Memorial Ave, Kaikohe on:
Thursday 16 July 2026 at 11:00 am

Te Paeroa Mahi / Order of Business

Far North District Council Values

The Code of Conduct is designed to give effect to the following values:

1. **Public interest:** members will serve the best interests of the people within their community, district or region and discharge their duties conscientiously, to the best of their ability.

2. **Public trust:** members, in order to foster community confidence and trust in their Council, will work together constructively and uphold the values of honesty, integrity, accountability and transparency;

3. **Ethical behaviour:** members will not place themselves in situations where their honesty and integrity may be questioned, will not behave improperly and will avoid the appearance of any such behaviour;

4. **Objectivity**: members will make decisions on merit; including appointments, awarding contracts, and recommending individuals for rewards or benefits.

5. **Respect for others**: will treat people, including other members, with respect and courtesy, regardless of their race, age, religion, gender, sexual orientation, or disability. Members will respect the impartiality and integrity of officials;

6. **Duty to uphold the law:** members will comply with all legislative requirements concerning their role, abide by this Code of Conduct, and act in accordance with the trust placed in them by the public;

7. **Equitable contribution:** members will take all reasonable steps to ensure they fulfil the duties and responsibilities of office, including attendance at meetings and workshops, background reading, attendance at civic events, and participation in relevant training seminars organised by the Council.

8. **Leadership**: members will actively promote and support these principles and ensure they are reflected in the way in which the Council operates including regular review and assessment.

These values complement, and work in conjunction with, the principles of s.14 of the LGA 2002 and the governance principles of s.39 of the LGA 2002.

1 KARAKIA TĪMATANGA / OPENING PRAYER

Ka tuku mātou kia kaha mai ngā māngai kua whiriwhirihia mō Te Kaunihera o Te Hiku o te Ika ki te mahi me te ngākau auaha me te whakamahi i ngā pūkenga me te mātauranga i roto i ngā wānanga me ngā whakataunga kia whakatūria ai tētahi Hapori e matatika ana, e tū kotahi ana ka mutu ka whakapiki anō i te oranga o tō tātou rohe, ka whakatau anō i ngā take o te rohe i runga i te tika me te pono.

We ask that through Council discussions and decisions the representatives we have elected may govern the Far North District with imagination, skill and wisdom to achieve a fairer and more united Community that enhances the wellbeing of our district and solves the District’s problems efficiently and effectively.

2 NGĀ WHAKAPĀHA ME NGĀ PĀNGA MEMA / APOLOGIES AND DECLARATIONS OF INTEREST

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive Officer or the Manager - Democracy Services (preferably before the meeting).

It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

Elected Member - Register of Interests

3 NGĀ TONO KŌRERO / DEPUTATIONS

No requests for deputations were received at the time of the Agenda going to print.

4 NGĀ KŌRERO A TE KAHIKA / MAYORAL ANNOUNCEMENTS

5 NGĀ PŪRONGO / REPORTS

5.1 LOCAL GOVERNMENT REFORM HEAD START PROPOSAL – DECISION ON PREFERRED MODEL

File Number: **A5860240**

Author: **Roger Ackers, Head of Strategic Reform Initiatives**

Authoriser: **Guy Holroyd, Chief Executive Officer**

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide council with the recommendations from the Local Government Reform Elected Member Steering Group (EMSG) and seek approval on a preferred model for progressing Northland's Head Start Proposal.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- In June 2026, participating Northland councils directed staff to further investigate potential local government reform models that could form the basis of a Northland Head Start Proposal. Morrison Low Advisory was engaged to undertake an options analysis assessing how the identified models perform against the Government's reform objectives and criteria. Four options were ultimately assessed, comprising the two broad structural approaches originally requested by councils, along with two related sub-options.
- Alongside the options analysis, early community engagement was undertaken across Northland, generating more than 2,300 responses. While the survey results are not statistically representative and do not constitute formal consultation, they provide useful early insights into community views on local government reform and the issues communities consider most important.
- On 3 July 2026 Far North District Council Elected Members workshopped the survey results and Options Analysis. An output from this workshop was a set of conditions that Far North Elected Members identified as to protect in any Outline Proposal submitted to the Head Start Process where the Far North District Council was a co submitter. These conditions can be found in Attachment 3 to this report.
- On 6 July 2026, the EMSG considered both the options analysis and the engagement findings. Following discussion, the EMSG resolved to recommend that the Northland Head Start Proposal be developed based on Option 4 – the Staged Transition Model. While the EMSG supported the staged transition approach, no agreement was reached on the length of the transition period, which would be considered as part of any future proposal development and design process.
- This report provides Council with the options analysis, engagement findings and EMSG recommendation, and seeks a decision on the preferred model to be used as the basis for the continued development of Northland's Head Start Proposal.

TŪTOHUNGA / RECOMMENDATION

That Council:

a. **Note the options analysis for local government reform in Northland, provided by Morrison Low Advisory (Attachment 1)**

b. **Note the results of the public surveys for local government reform conducted by each of the Northland Councils (Attachment 2)**

c. **Note the recommendations outlined in this report from the local government reform elected member steering group, following the meeting held 6 July 2026**

d. **Agree to progress the development of a Head Start proposal for Northland using the staged transition model as outlined in Attachment 1 except that the transition period is to be determined during the detailed design phase of the programme**

e. **Note that the local government reform elected member steering group will progress the development of a final Headstart Pathway Proposal with staff and make a recommendation back to councils in early August 2026 for submission prior to 9 August 2026.**

1) TĀHUHU KŌRERO / BACKGROUND

In November 2025, Government indicated their intention to reform and simplify Local Government across New Zealand. A Head Start pathway was announced in May 2026 which provided the opportunity for regions to work together to design proposals for how reorganisation could look in their area.

In Northland, councils had already been working towards a "By Northland, For Northland" approach to reform that aligned well with the Head Start pathway. Whangārei District Council, Far North District Council, Northland Regional Council and Kaipara District Council all agreed to participate in an Elected Member Steering Group who have been meeting to consider the information and provide recommendations back to the participating councils.

In June 2026, all Councils agreed to participate in the Head Start approach and directed staff to further investigate and provide options analysis for two models – 1 Unitary Authority, or 2 Unitary authorities.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

Staff engaged Morrison Low Advisory to undertake an options analysis of potential local government reform models that could form the basis of a Head Start proposal for Northland.

Councils initially directed staff to investigate two broad structural approaches: a single Northland-wide unitary authority or a two-unitary authority model. Through the development of the options analysis, two additional sub-options were identified through discussions and consideration of potential governance arrangements that may be relevant in the Northland context. As a result, four options were assessed and are outlined in this report. Detailed analysis of each option is provided in Attachment 1.

Morrison Low Advisory's role in this report was not to recommend a preferred option, but rather to assess how each model performs against the Government's reform objectives and criteria. While the analysis identifies areas where particular models may perform more strongly or face greater challenges, it does not conclude which option represents the best outcome for Northland. Determining a preferred approach ultimately requires consideration of the region's priorities and the trade-offs councils are willing to make between factors such as efficiency, local representation, regional coordination and governance complexity.

The analysis also notes that a number of important design considerations are relevant across all options, including representation arrangements, service delivery models, funding approaches, transition planning, and engagement with communities and iwi/hapū. These matters are not required to be resolved at this stage and would be considered in more detail as part of any future proposal development process.

Early Engagement and Community Feedback

Early engagement was undertaken across Northland through council-led surveys, with more than 2,300 responses received across the four councils. While the surveys provide useful insights into community views, they were not designed to be statistically representative and varied in methodology, question wording and survey structure between councils. As a result, the findings should be interpreted as indicative rather than definitive. A summary of the regional engagement findings is provided in Attachment 2.

Across Northland, respondents generally showed greater support for some form of two-unitary authority arrangement than for a single Northland-wide unitary authority. While preferences varied between districts, no single two-unitary authority configuration emerged as a clear regional preference.

Across all councils, recurring themes included the importance of maintaining local voice and representation, concerns about whether anticipated efficiencies and cost savings would be realised, and a desire to ensure rates remain affordable. Respondents also emphasised the need to protect services, support rural communities, and carefully manage any transition process.

It is important to note that this engagement occurred at a very early stage of the process. Survey participants were not provided with detailed information on how each governance model might operate in practice, nor were the advantages, disadvantages or implementation implications of each option presented in detail. No formal consultation has occurred at this stage. The survey results therefore reflect initial community views rather than informed preferences based on fully developed proposals.

On 3 July 2026 Far North District Council conducted a workshop with all Elected Members[1] on;

a. the survey results and
b. the 4 options within the Morrison Low Advisory report

An output of the workshop was a set of conditions to protect in any Outline Proposal that the Far North District Council will participate in. These conditions are as follows (not in any order);

- Local voice and decision-making close to communities
- Strong Community Boards or Local Boards with real powers
- Māori representation, Māori wards, and Tiriti-based relationships
- Rural and small community voice
- Equal access to regional wealth, assets, and investment
- Fair funding, local budgets, and financial accountability
- Service levels, local access, and essential infrastructure
- Rates affordability, value for money, and financial sustainability
- Clear allocation of regional and local functions

The full set of conditions can be found in Attachment 3.

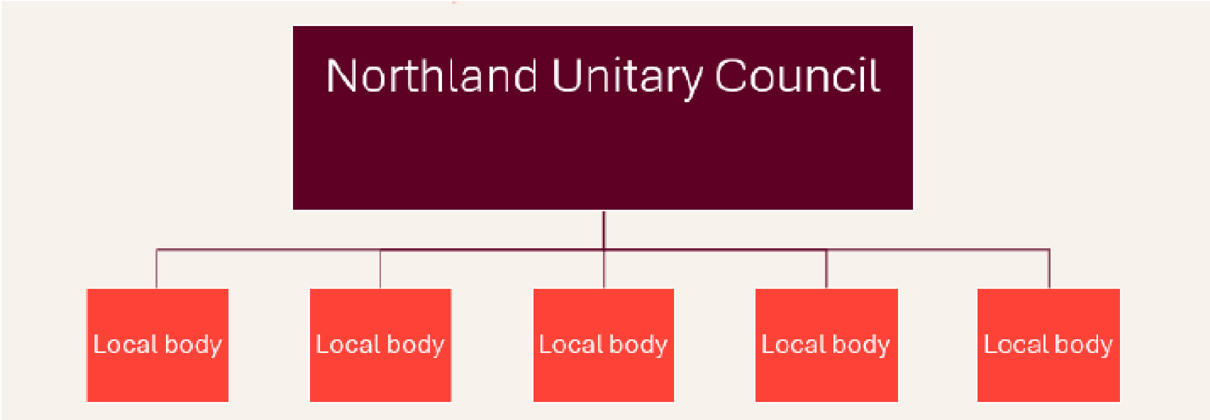
Each attendee at the workshop was then asked by the mayor to rank each of the Options presented in the Morison Low Advisory Report from 1 (best) to 4 (worst). Most favoured Two Unitary Authorities (Option 3) or One Unitary Authority (Option 1) often with caveats regarding local representation and Māori wards, with many attendees identifying a staged transition (Option 4) as their second choice ranking.

The outputs from this workshop were taken by the FNDC EMSG representatives to the 6 July 2026 Elected Member Steering Group Meeting.

Option 1: One Unitary Authority Model

Figure 1: One Unitary Authority Model (please note the number of local bodies is indicative only)

[1] All Elected Members at FNDC includes the Mayor, Councillors, Community Board Chairs and Community Board Members



Under this model, a single Northland-wide unitary authority would be established, bringing together all current regional and territorial local government functions into one organisation. Local representation arrangements would be required to ensure communities continue to have input into decision-making. Morrison Low's assessment found this model aligns most strongly with the Government's objectives for simplification, efficiency, service integration and regional coordination.

Key advantages:

- Provides a single point of accountability for governance, planning and service delivery.
- Maximises opportunities to reduce duplication and achieve efficiencies through scale.
- Supports integrated infrastructure planning and investment across Northland.
- Provides the strongest ability to address region-wide strategic issues.
- Aligns most closely with the Government's objective of simplifying local government structures.

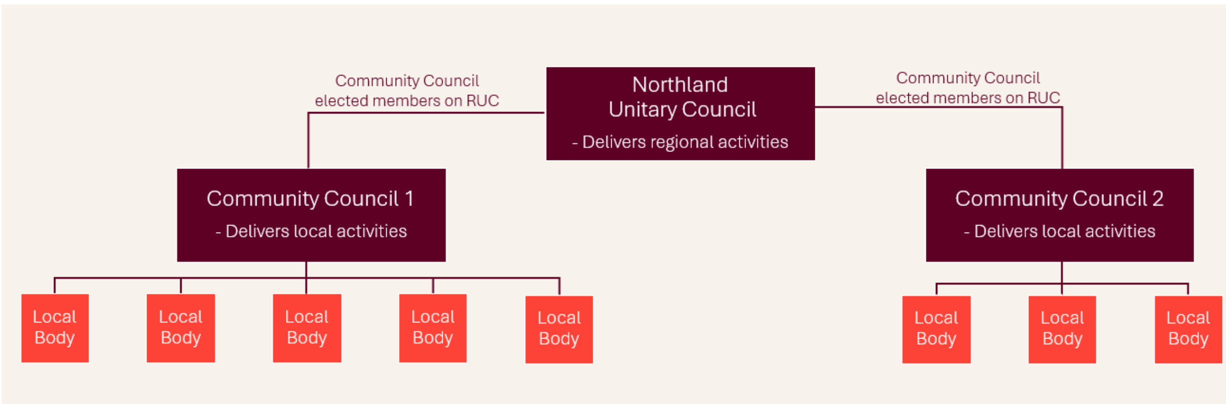
Key challenges:

- May be perceived as reducing local influence over decisions.
- Requires strong local representation arrangements to maintain community voice.
- Less flexibility to accommodate differing local priorities and approaches.
- Significant transition and implementation requirements.

The key difference between this model and the other options is that it places the strongest emphasis on regional integration, efficiency and system simplification, while relying on local representation mechanisms to maintain community connection and influence.

Option 2: One Unitary Authority with Community Councils Model

Figure 2: One Unitary Authority with Community Councils Model (please note the number of local bodies is indicative only)



This model would establish a single Northland unitary authority supported by two Community Councils responsible for many local-level functions. It seeks to balance the efficiencies and strategic benefits of a single organisation with greater local involvement in decision-making.

Key advantages:

- Retains a single regional organisation and many of the associated efficiency benefits.
- Provides a stronger local decision-making presence than a traditional single unitary authority.
- Supports regional consistency while allowing some responsiveness to local needs.
- May address concerns regarding local representation and community identity.

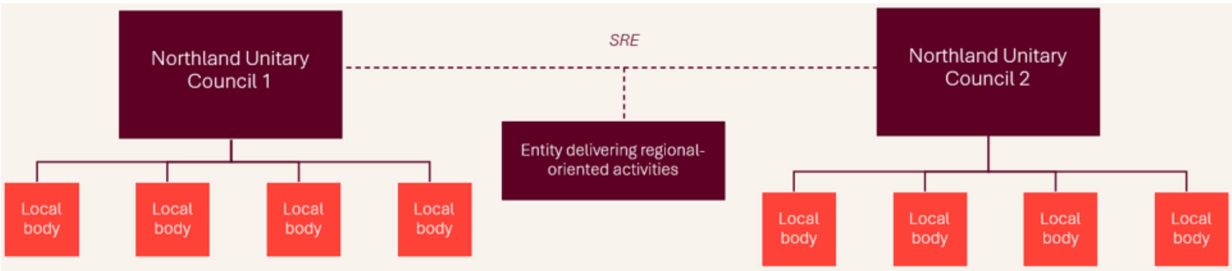
Key challenges:

- Creates additional governance complexity through multiple layers of decision-making.
- Accountability may be less clear than under a single governing body.
- Some efficiency benefits may be reduced due to the additional governance layer.
- Requires bespoke legislative arrangements and is not a proven model in New Zealand.

The key difference between this model and the others is that it attempts to achieve both regional integration and local decision-making. While this may improve representation outcomes, it also creates greater complexity and aligns less strongly with the Government's objective of simplifying local government structures.

Option 3: Two Unitary Authorities Model

Figure 3: Two Unitary Authorities Model (Please note the number of local bodies is indicative only)



Under this model, Northland would be divided into two separate unitary authorities, each responsible for both regional and territorial functions within their area. Arrangements would need to be established to coordinate region-wide activities and strategic issues.

Key Advantages:

- Maintains decision-making closer to communities.
- Allows different governance and representation arrangements to reflect local preferences.
- Preserves stronger local identity and local accountability.
- May better address concerns regarding local voice and representation.

Key Challenges:

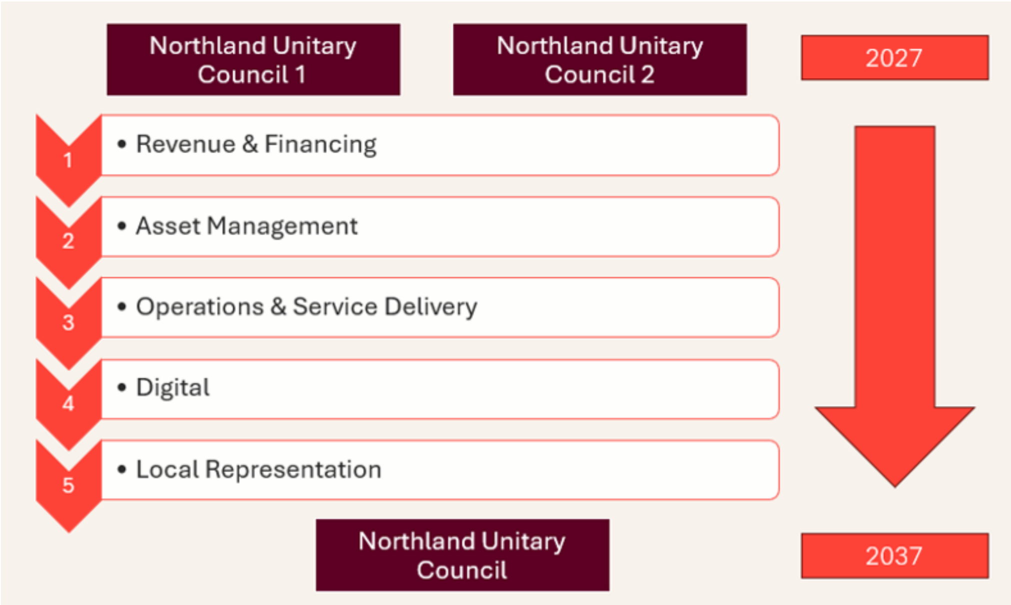
- Retains more duplication than a single unitary authority model.
- Delivers fewer opportunities for efficiency gains and economies of scale.
- Would require formal coordination arrangements for regional issues.

- Potential for inconsistent approaches to region-wide challenges.

The key difference between this model and the unitary authority options is that it places greater weight on local autonomy and representation. While it performs more strongly against local democracy considerations, it aligns less strongly with the Government's objectives relating to simplification, efficiency and integrated regional decision-making.

Option 4: Staged Transition Model: EMSG recommended

Figure 4: Staged Transition Model (please note the timeframe is indicative only)



The staged transition model would establish two unitary authorities initially, with a future transition to a single Northland-wide unitary authority. This approach is intended to provide a gradual pathway towards a more integrated governance structure, allowing time to resolve implementation challenges and work through areas where regional alignment may not be achievable in the short term.

Key Advantages:

- Allows reform to occur progressively over time.
- Provides an opportunity to test and refine governance arrangements before full integration.
- May reduce some short-term implementation risks.
- Allows communities and organisations more time to adapt to change.

Key Challenges:

- Increases the complexity and duration of the reform process.
- Delays the realisation of long-term efficiency and integration benefits.
- Creates uncertainty regarding future governance arrangements.
- Requires multiple transition phases and associated costs.

The key difference between this model and the others is that it focuses on the pathway to reform rather than a single end-state. The staged approach provides additional time to build alignment on complex issues and refine governance arrangements before progressing to a fully integrated model. While this may make change more manageable, it also creates additional complexity, cost and uncertainty, and delays the realisation of benefits associated with the final governance structure.

TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

The EMSG met on 6 July 2026 to consider the results of the early community engagement and the options analysis undertaken by Morrison Low Advisory. Following discussion of the opportunities, challenges and trade-offs associated with each option, the EMSG resolved to recommend that the Northland Head Start Proposal be developed based on Option 4 – the Staged Transition Model.

In reaching this recommendation, EMSG members acknowledged that the staged approach provides a pathway towards greater regional integration while allowing additional time to work through complex design matters and areas where regional alignment may require further consideration. Members also recognised that a number of important decisions relating to governance, representation, service delivery and implementation would need to be worked through as part of the detailed design phase.

The EMSG did not reach agreement on the length of the transition period. As a result, the recommendation to councils is based on the Staged Transition Model, with the duration and timing of the transition still to be determined in the next phase.

3) PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

WDC, FNDC and NRC have each made provision to support the Local Government Reform programme through initial budget allocations to support programme establishment, governance arrangements, and early-stage analysis, including development of options and supporting evidence.

The overall programme budget is indicative at this stage, with further detailed financial analysis and cost estimates to be developed as the programme progresses. Longer-term costs, including any potential transition and implementation costs, will be dependent on the final form of local government arrangements and will require future council decisions.

KDC has not, at this stage, confirmed a budget allocation for participation in the programme.

ĀPITIHANGA / ATTACHMENTS

1. **Morrison Low Advisory Options Analysis - A5860529** ⇩
2. **Simplifying Local Government for Northland – Survey and Community Feedback Report - A5860527** ⇩
3. **Conditions for Local Government Reform Briefing Paper - A5864740** ⇩

Hōtaka Take Ōkawa / Compliance Schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
   a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
   b) Assess the options in terms of their advantages and disadvantages; and
   c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	In accordance with Council's Significance and Engagement Policy this matter is assessed as being significant due to its potential long-term impact on Council's direction and the associated level of public interest. At this stage, councils are being asked to identify a preferred model to form the basis of a Head Start proposal. This does not constitute a decision to proceed with local government reorganisation or implement any specific structural, governance or service delivery changes, which would require further work, community consultation and future decision-making. Accordingly, engagement will be proportionate to this stage of the process and falls within the inform to involve range of the engagement spectrum. As outlined in the Northland Head Start Communications and Engagement and Communication Plan, engagement during this phase will be targeted and focused on informing the development of options. Should a proposal progress beyond this stage, further and more comprehensive engagement and consultation will be undertaken in line with statutory requirements and Council policy.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	This report relates to the Local Government Act 2002, including sections 10, 14, 76–82 relating to decision-making and consultation principles, and the Government's Head Start pathway for local government reform. Relevant Council policies include the Far North District Council Significance and Engagement Policy and associated governance and decision-making provisions. The report also supports Council's long-term objectives relating to effective governance, sustainable service delivery, financial prudence, community wellbeing and strong regional partnerships.
State whether this issue or proposal has a District wide relevance and, if	

not, the ways in which the appropriate Community Board's views have been sought.	This matter has district-wide and regional significance as it concerns potential future local government arrangements across Northland. The decision affects all communities within the Far North District and is therefore not limited to a particular ward, community board area or locality. Community Board views have not been specifically sought at this stage as Council is being asked only to identify a preferred model for further development as part of the Head Start process. Further engagement would occur should a formal proposal be progressed.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	As per guidelines all Councils have engaged with the relevant Post Settlement Governance Entities that they have a relationship with. Te Kahu o Taionu has also been contacted and were invited to a hui with the Mayor of Whangarei District Council in his capacity as the chair and spokesperson for the Elected Member Steering Group. The Far North District Council conducted three hui with Hapū representatives in Kaikohe, Waitangi and Kaitaia. These hui were opened up to the public. FNDC received significant feedback in these hui. Local government reform may have implications for Māori representation, participation in local governance, partnership arrangements and the way councils engage with iwi and hapū across Northland. No decisions on governance structures, representation arrangements or service delivery models are being made through this report. The recommendation is limited to identifying a preferred model for further investigation and development. As the programme progresses, engagement with iwi, hapū and Māori organisations will continue to inform the design of any future proposal. The report is consistent with the principles of Te Tiriti o Waitangi by recognising the importance of Māori participation in decision-making and the need for ongoing partnership and engagement throughout any future reform process.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example – youth, the aged and those with disabilities).	Persons with an interest in this matter include residents, ratepayers, businesses, iwi and hapū, community organisations, elected members, council staff, central government and other stakeholders across Northland. Council has considered the results of both Far North District Council surveys, which received 611 and 472 responses respectively, together with the wider Northland engagement programme that received 2,305 responses across the region. While the surveys are not statistically representative and do not constitute formal consultation, they provide a significant evidence base that has been considered alongside the independent options analysis and EMSG recommendations in developing the advice contained in this report.

State the financial implications and where budgetary provisions have been made to support this decision.	Financial implications are outlined in Section 3 of this report. WDC, FNDC and NRC have made budget provision to support programme establishment, governance arrangements and early-stage analysis associated with the Local Government Reform programme. Further costs associated with proposal development, transition planning or implementation have not yet been determined and would be subject to future analysis and council decision-making. KDC has not yet confirmed a budget allocation for participation in the programme.
Chief Financial Officer review.	The Chief Financial Officer has reviewed this report.

Morrison Low Advisory

Comparison of Head Start options

Whangārei District Council

Far North District Council

Kaipara District Council

Northland Regional Council

JUNE 2026

Contents

Tables

Figures

Table 1 Acronym list

Acronym	Definition
CC	Community Council
CCO	Council Controlled Organisation
CCTO	Council Controlled Trading Organisation
DIA	Department of Internal Affairs (local government function is transferring to MCERT on 1 July 2026)
FAR	Funding Assistance Rate
FNDC	Far North District Council
KDC	Kaipara District Council
LUP	Land Use Plan
LTP	Long Term Plan
MCERT	Ministry for Cities, Environment, Regions, and Transport
NEP	Natural Environment Plan
NRC	Northland Regional Council
NUC	Northland Unitary Council
OPEX	Operating Expenditure
RSP	Regional Spatial Plan
SRE	Shared Regional Entity
UC	Unitary Council
WDC	Whangārei District Council

Executive Summary

Head Start

The Head Start Pathway was announced by the Government on 5 May 2026. It enables two or more Councils to submit an outline proposal to the Minister of Local Government by 9 August to form a Unitary Council. Following initial assessment by Cabinet, a final proposal is then submitted by the Councils with Cabinet approval expected in May 2027. The new Council would then begin in October 2028. Head Start significantly shortens the existing legislative process for a merger and removes the Local Government Commission review and any need for a poll of electors to approve a merger.

> *It is part of a broader direction to simplify local government and improve the effectiveness of regional systems over time. At a high level, this includes a shift toward fewer, larger entities with clearer accountability and stronger capability to deliver key regional functions such as planning, transport, and catchment management.*

The guidance is explicit that outline proposals should rely on existing information, distinguish between evidence and assumption, and be transparent about uncertainty. The intent is said to be to provide Cabinet with sufficient confidence that the proposal is credible, internally consistent, and that the implications of the proposed option are understood well enough to justify progressing to detailed design.

The deadline to submit proposals by 9 August has left Councils with very little time to undertake the sort of analysis that would normally be expected for a decision of this magnitude or engage and consult with their communities in the traditional way.

Options assessed

This report considers four options for the future structure of Local Government in Northland:

- Option one – Northland Unitary council
- Option two – Northland Unitary council with Community Councils
- Option three – Two Unitary councils
- Option four – Staged transition

Approach

The analysis focuses on assessing the four options using the Government's five criteria. The assessment is undertaken using a structured analytical approach, drawing on available data and evidence at a regional and national level. It uses comparative analysis with other councils and unitary authorities.

The emphasis in this report is not on detailed modelling but on providing clear evidence that shows how the different options perform against the five Head Start criteria, where the benefits arise, and what trade-offs and risks are involved. The report is intended to support consistent understanding across the region, rather than to advocate for any particular outcome.

Assessment

None of the options considered achieve all that the councils and communities of Northland will seek from their Local government. The choice about what is the best Local Government Structure requires balancing difficult trade-offs.

While four options are considered in this report, the fundamental choice for Northland is between a single unitary council for all of Northland (option one) and two unitary councils (option three). The other two options provide novel approaches to address the trade-offs. But in our view the risks they introduce are not outweighed by the benefits.

If the councils chose to submit a proposal for anything other than a single unitary council (Option 1), there is a need to demonstrate in the Outline Proposal that Northland is a large and complex region, and how the preferred option addresses that complexity. Should that be the decision, then in our view there is sufficient evidence in this report to make that case. It would in effect be the reasons why the councils chose that option.

A single unitary council maximises the potential benefits of scale. It brings together resources, capability, and systems into one organisation, reducing duplication and enabling more effective and efficient service delivery in functions where scale matters.

However, a larger organisation can feel more distant from the communities it serves. Local priorities must be expressed through delegated structures such as local bodies. Delegating meaningful authority to local bodies can mitigate this perception, however this needs to be consistent across the unitary council area and adequately supported by the council organisation.

A two unitary model retains decision-making closer to communities through smaller organisations with their own mandates. They retain flexibility to allow for each unitary council to have their own representation structure, including their own approach to Māori wards, and design their own local body, or second-tier representation layer in terms of how many bodies there may be and what level of delegation is given to them. This flexibility comes at the cost of creating complexity around the management of the regional functions and the lost opportunity for maximising the benefits of scale.

Head Start has a very a short window for councils to identify options, consider those and develop outline proposals. More time would allow for all of the options to be better refined with more detail and in some cases that more detail may result in addressing some of the risks and challenges we have identified. However, that time is not available and the assessment has been made on the best information and evidence available in the time provided.

A summary of the assessment of each option is set out in the table below with a short description of benefits, challenges, risks, and key trade-offs of each option described following.

Table 2 Summary of assessment against Head Start Criteria

Criteria	Option 1 Northland Unitary council	Option 2 Northland Unitary council with Community Councils	Option 3 Two Unitary councils	Option 4 Staged transition
1. Supports the new planning system				
2. Simplifies local governance				
3. Economies of scale				
4. Maintains local voice				
5. Deliverability				

Option one – Northland Unitary council

- Brings planning, funding, and delivery into one organisation, providing a single point of accountability and making trade-offs transparent.
- Offers the greatest opportunity to realise benefits of scale, particularly in capability, coordination, and potential efficiency gains, although financial impacts are likely to be modest and take time to emerge.
- Simplifies the system externally, with one council responsible for all functions, but requires strong internal capability and well-designed local representation to maintain connection with communities.
- Requires region-wide consistency in governance and representation settings, limiting the ability to reflect different local preferences across Northland.

Option two – Northland Unitary council with local Community Councils

- Retains a single regional authority while introducing subregional governance, providing the appearance of a stronger local presence than Option One.
- Splits governance and delivery responsibilities across multiple layers, complicating accountability and increasing reliance on clear delegation and strong organisational support.
- Reduces the potential to realise efficiencies compared to a fully integrated unitary model, as service delivery is partially separated. Savings from shared services are likely to be reduced by additional operational complexity.
- Is a more complex and untested model in New Zealand, requiring bespoke legislation and significant effort to implement and operate effectively.

Option three – Two Unitary councils

- Maintains locally focused decision-making through two independent unitary councils with their own mandates, allowing representation and governance arrangements to reflect different community preferences.
- Retains a need for regional coordination through a shared entity, meaning key decisions on planning, strategic infrastructure, and environmental management must be agreed regionally through a legislated process.
- Delivers minimal benefits of scale compared to a single unitary model, with duplication of governance, policy, and corporate functions only slightly reduced from the status quo.
- Creates a system where regional alignment must be actively maintained through legislation. Careful design and legislative drafting are required to prevent delays on cross-boundary issues.

Option four – Staged transition

- Provides a pathway to a single unitary council over time, allowing transition risks and design challenges to be managed in stages.
- Combines the complexity and risks of both the two unitary model (initially) and single unitary model (end state).
- Delays the realisation of any benefits of full integration and introduces uncertainty about whether the final structure will be achieved.
- Requires more complex legislative and implementation arrangements than either Option One or Option Three. The two stage transition, even where programmed from the outset, introduces additional complexity and costs over and above that required for either Option One or Three.

Key trade offs

The differences in the options are summarised in the following key trade-offs that must be addressed when selecting between a one unitary and two unitary model. No option can provide all the benefits.

One unitary features		Two unitary features
Simplicity and clarity		Flexibility and local variation
Single point of accountability		Shared accountability requiring coordination
Regional consistency	V	Ability to maintain different local governance arrangements
Benefits of scale		Benefits of being local
Resolving competing priorities internally		Resolving competing priorities externally

Section 1: Setting the scene

1. Introduction

1.1. Background

The Government's Head Start Pathway (Head Start) is a voluntary programme established as part of the Simplifying Local Government reform programme. It provides councils with an opportunity to proactively develop and submit proposals for new local government arrangements ahead of the Government's planned backstop reforms, which are expected to apply to regions that do not progress through Head Start following the 2028 local elections.

Head Start is intended to enable locally led solutions that simplify governance arrangements, improve accountability, strengthen strategic planning, and support more effective delivery of local and regional functions. It recognises that councils are best placed to understand the unique needs, opportunities and challenges of their communities and provides an opportunity for regions to shape future governance arrangements that reflect local circumstances rather than relying on nationally determined models.

Head Start requires the formation of unitary councils. Unitary councils combine the functions of both territorial authorities and regional councils into a single new council. The Head Start process has also confirmed that there will be no Regional Councillors beyond 2028 with either new unitary councils being formed or the Backstop Process being initiated.

If the councils chose to submit a proposal for anything other than a single unitary council (Option 1), there is a need to demonstrate in the Outline Proposal that Northland is a large and complex region, and how the preferred option addresses that complexity. Should that be the decision, then in our view there is sufficient evidence in this report to make that case. It would in effect be the reasons why the councils chose that option.

Far North District Council (FNDC), Whangārei District Council (WDC), Kaipara District Council (KDC), and the Northland Regional Council (NRC) have come together to consider and assess the potential options for Head Start which would need to be submitted by 9 August 2026, otherwise the backstop reforms would apply. The councils acknowledge that this is an opportunity to ensure that any future governance arrangements are designed around the specific needs of Northland communities and support long-term regional success, which can better serve current and future communities while preserving the unique characteristics and identities that make Northland distinct.

1.1.1. The 'regional vs local' issue

The Head Start pathway exists partly because the Government sees the current structure as a barrier to efficient service delivery and wants reorganisation that is fit for the new planning system.

The new planning system is explicitly moving away from more than 100 overlapping plans across local authorities toward 17 regional combined plans, with regional spatial planning sitting above more detailed plan components. That makes the existence of a regional layer harder to avoid.

At the same time, there is a strong expectation that governance remains connected to local communities. Northland is characterised by distinct communities of interest with different identities, priorities, and service expectations.

Any future arrangement therefore needs to balance effective decision-making at a regional scale with maintaining meaningful local representation and influence over place-based decisions.

This creates a fundamental tension. The functions that benefit from scale, integration, and coordination increasingly sit at a regional level, while the expectation for representation, responsiveness, and community identity sits at a more local level. The question is how they are brought together within a coherent governance model.

1.2. Purpose

The purpose of this report is to provide the Elected Member Steering Group with sufficient information on the potential governance options to enable them to make an informed decision on the preferred option to progress with development of an Outline Proposal.

This report has several purposes:

- Provides a detailed analysis for each option, how each governance structure would operate and the key differences between each.
- Provides the evidence base that supports the analysis for each option.

Given the timeframe available to develop this report, it is important to note the following qualifications:

- The Planning Bill and Natural Environment Bill are currently undergoing the select committee process and are subject to change. The versions released in December 2025 are drafted around the current 'regional' and 'territorial' council structure. Some interpretation is required as to how these may be applied to the options presented in this report.
- Given the short timeframes available within the Head Start process, this report has been prepared primarily with publicly available information, with sources quoted as applicable.

1.3. Report Structure

There is a significant amount of information provided in this report and to help with navigating the information, we have highlighted the sections:

- **Section 1: Setting the Scene**

  This section contains background information about the Northland region, each of the four councils, and describes the options being compared.

  1. Introduction
  2. Northland context
  3. Description of options
  4. Key concepts
  5. Important factors that follow this decision
- **Section 2: Evidence Base**

  This section assesses the options against the Head Start criteria, using data, case studies, and MLA experience to support the outcomes. At the end of each section there is a summary of the key differences between the options.

  6. Supports the new planning system

7. Simplifies local governance
8. Economies of scale
9. Maintains local voice
10. Deliverability
11. Summary: Key trade offs

- **Section 3: Appendices**

  This section contains flow charts showing how the Regional Spatial Plan is developed and adopted under each option and contains six case studies relevant to this assessment:
  - A. Auckland Council – Regional integration vs local voice
  - B. Auckland Council – Scale, efficiency, and savings realisation
  - C. Wellington Water – Delivery responsibility without funding control
  - D. Local Government Commission – Northland reorganisation
  - E. New South Wales – Lessons from 'Fit for the Future'
  - F. Inner West Sydney – Demerger Business Case

1.4. Key Terms

For consistency, it is useful to define a few key terms at the beginning of this report:

- Community Councils = (Option 2 only) An additional layer of governance between the unitary council and the local body.
- Joint council = (Option 3 only) The governing body of the shared regional entity, comprising elected members of both unitary councils.
- Local body = the layer of representation below the unitary council that is closest to the community should they be formed. This could be community boards, local boards, or a newly designed type of body.
- Region = the Northland Region currently managed by Northland Regional Council
- Shared Regional Entity = (Option 3 only) A separate entity jointly governed by the two unitary authorities to deliver regional functions.
- Subregional council = Either/both community councils in Option 2 or subregional unitary councils in Option 3.

2. Northland context

Northland is New Zealand's northernmost region and comprises the Far North, Whangārei and Kaipara districts. Together, these districts form a single regional council area administered by Northland Regional Council and are home to approximately 200,800 residents which is expected to reach 225,000 by 2034[1].

[1] Amended Long Term Plan 2023-2034

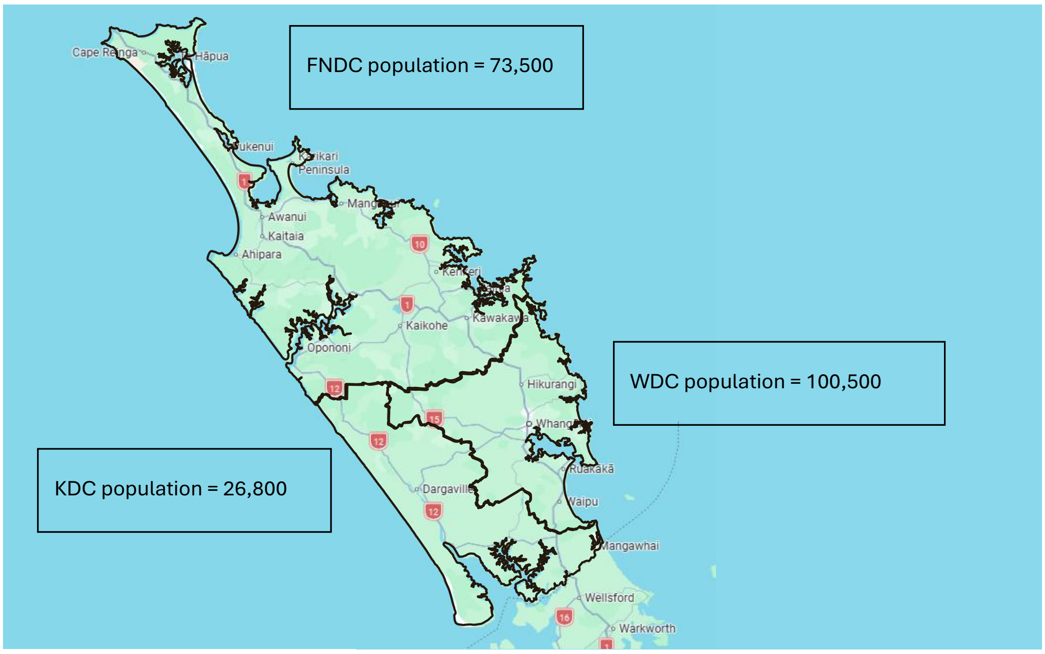


Figure 1 Existing Northland district boundaries

Northland is geographically large, covering approximately 12,500 square kilometres, and contains a diverse mix of urban, rural, coastal, and remote communities. Whangārei is the region's primary urban centre, but a significant proportion of the population lives in smaller towns, rural communities, and coastal settlements.

Māori comprise approximately 37.4 percent of Northland's population, compared with approximately 18 percent nationally, and almost 40 percent of residents identify as being of Māori descent.[2] Māori own a significant asset base across key sectors and make strong economic contributions to forestry, agriculture and fishing sectors, and health and community services.[3]

Northland's communities are connected through common economic, environmental and infrastructure systems. The region operates as a single civil defence and emergency management area, a single regional planning area and a single environmental management region. Northland's river catchments, freshwater systems, flood management schemes, and coastal environments also operate across existing territorial authority boundaries and require coordinated management at a regional scale.

2.1. Communities of interest

2.1.1. Profiles across the region[4]

This section provides a snapshot of the population profiles within the region and how they vary by district, highlighting differences and similarities in how communities are distributed and who lives within them. Together, these factors help to illustrate the diversity of communities across the region and provide important context for understanding current needs and future service demands.

[2] Statistics New Zealand, 2023 Census National and Regional Data
[3] Tai Tokerau Northland Economic Action Plan 2019, page 9
[4] All information in this section from Statistics New Zealand, 2023 Census Data

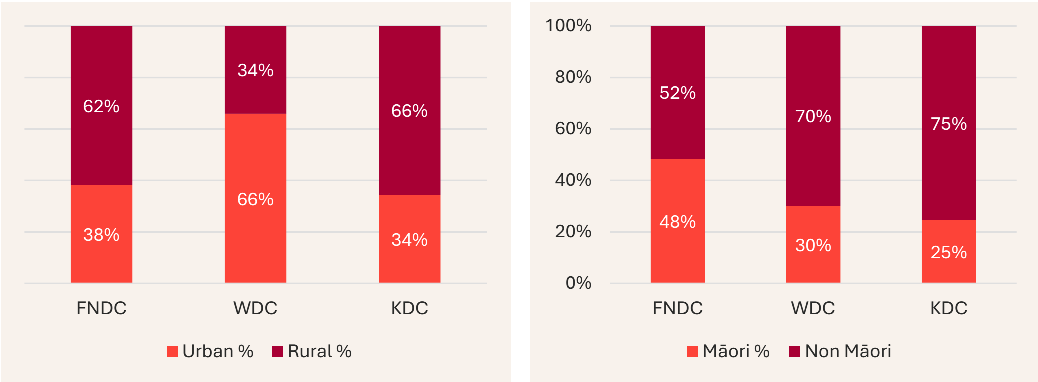


Figure 2 Rural/Urban and Māori / Non-Māori population split

From Figure 2, we see that WDC has a significantly higher proportion of urban population than both FNDC and KDC, and that FNDC has a much higher Māori population than WDC and KDC.

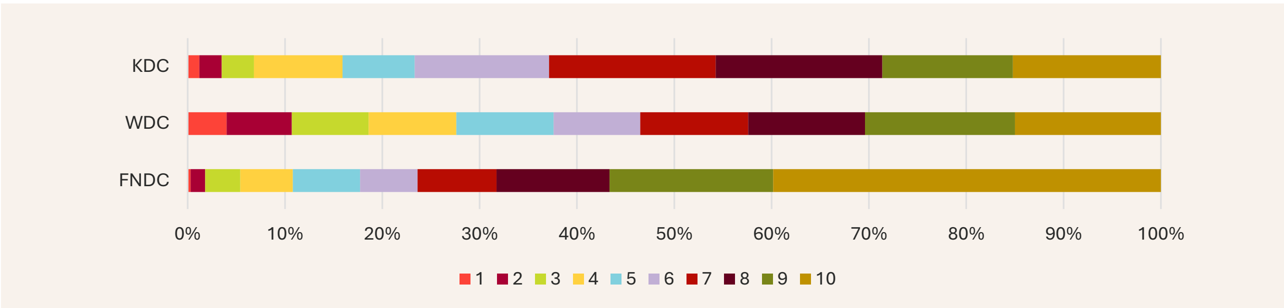


Figure 3 Population profile by deprivation index

Figure 3 shows that FNDC has over 50% of the population living in the most deprived quintile of the population (deprivation index levels 9 and 10). This is more than WDC and KDC, who have approximately 30% of their populations in this category, compared to 20% nationwide.

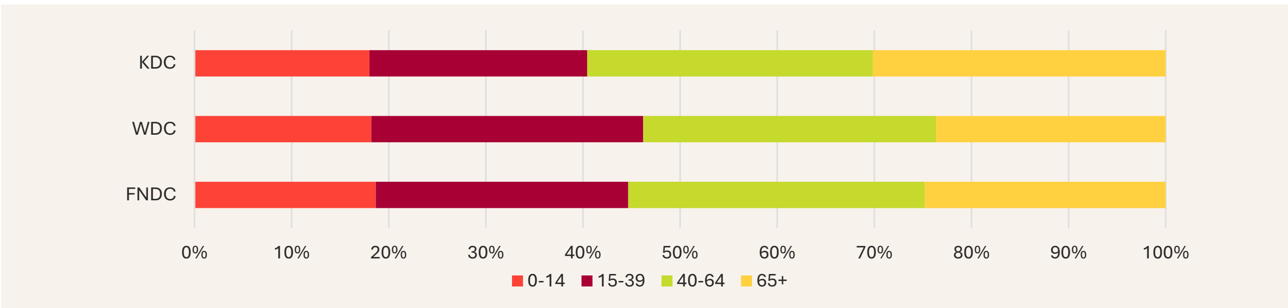


Figure 4 Predicted age profile by 2028

Figure 4 shows age profiles are similar across the three districts, with KDC having a slightly older population base than FNDC and WDC.

2.1.2. Analysis of daily travel information

Analysis of daily travel movements from the 2023 Census travel-to-work and education data shows how Northland can be understood as a set of geographic communities of interest. These communities reflect how people actually live day-to-day. At the same time, the region also operates as a connected system, with economic activity and infrastructure linking these communities together.

This pattern is already reflected in how communities are identified locally. The representation reviews undertaken by the four councils consistently group areas around key settlements and service relationships, although the level of detail and structure varies between councils.

There are five main geographic communities which describe how people live in the region:

- Whangārei urban area - Around 98% of journeys stay within the area, indicating that most people live and work locally.
- Bream Bay (Ruakākā–Waipū) - Around 75% of journeys stay within the area, with the remainder largely travelling into Whangārei.
- Mid-North / Bay of Islands (Kerikeri–Kaikohe) - Around 97–98% of journeys occur within this area, linking multiple towns and surrounding rural communities.
- Far North (Kaitāia) - Around 98% of journeys stay within the area, making this one of the most self-contained parts of the region.
- Kaipara - Around 91% of journeys stay within the area, centred on Dargaville, with some movement toward Auckland in the south.

2.1.3. Alignment with current ward structures

When these communities are considered alongside current representation arrangements as shown in Table 3, a strong degree of alignment is evident, being that the areas identified through observed travel behaviour sit naturally within, and closely reflect, the communities already recognised through current ward structures.

Table 3 Comparison of communities, travel behaviour, and representation arrangements

Functional community (journey data)	% live/work within area	Primary centres	Corresponding council areas
Whangārei urban	~98%	Whangārei	WDC wards
Bream Bay	~75%	Ruakākā, Waipū	WDC southern wards, with strong links to Whangārei
Mid-North / Bay of Islands	~97–98%	Kerikeri, Kaikohe	FNDC (Bay of Islands–Whangaroa, Kaikohe–Hokianga)
Far North	~98%	Kaitāia	FNDC (Te Hiku)
Kaipara	~91%	Dargaville	KDC wards

In summary, across all parts of Northland:

- Most movement is short-distance and local
- People tend to live and work within the same area
- Each area functions as a recognisable, place-based community

2.1.4. How the system operates

While communities are local, the systems that support them operate across wider areas.

At a regional level:

- There are clear flows toward Whangārei, particularly from Bream Bay and parts of Kaipara
- The Mid-North forms a large, internally connected area, with links across coastal and inland centres
- The Far North remains largely self-contained, with limited outward movement.

2.1.5. Infrastructure and economic activity

The Far North economy is strongly anchored in primary industries, particularly agriculture, forestry, and fisheries, alongside a significant contribution from tourism. This reflects a dispersed pattern of economic activity, with communities oriented around local centres and supported by regionally significant services.

Table 4 Top three industries by %GDP[5]

Rank	Whangārei District		Far North District		Kaipara District	
	Industry	% GDP	Industry	% GDP	Industry	% GDP
1	Health care and social assistance	12.1%	Agriculture, forestry, and fishing	11.8%	Agriculture, forestry, and fishing	22.6%
2	Manufacturing	8.4%	Rental, hiring and real estate services	11.1%	Manufacturing	12.4%
3	Construction	7.7%	Construction[6]	7.0%	Construction	8.4%

Whangārei has a more diversified economic base, with activity across manufacturing, construction, professional services, retail, and health care, along with strong links to the Marsden Point industrial and logistics area. This positions Whangārei as a key centre for employment, services, and infrastructure, supporting both its own communities and those in surrounding areas.

Kaipara reflects a mix of agriculture, construction, and property-related activity, alongside a growing influence from connections to both Whangārei and Auckland. This indicates communities that are locally based, but with increasing links to wider employment and service networks.

Across Northland, the industry mix highlights a clear structural pattern:

- Whangārei functions as the primary economic and employment hub
- Far North has a strong base in primary industries alongside service activity
- Kaipara reflects both locally based activity and stronger outward connections

Key infrastructure and economic activity are concentrated in specific locations, particularly around Whangārei:

- Northport at Marsden Point
- Energy and fuel infrastructure serving Northland and Auckland

[5] Infometrics regional economic profile information, year to March 2025.
[6] The Tourism sector, though not a separate industry, contributed 7.4% of FNDC's GDP over the same period.

Sub-regional centres such as Kerikeri also play important economic and service roles, including through transport infrastructure such as the regional airport.

2.1.6. What this means in practice

The combined evidence provides a clear and consistent foundation for understanding communities of interest across Northland. The journey-to-work analysis confirms that the areas identified through current representation arrangements align closely with observed patterns of daily movement, but that those communities operate within a wider regional system shaped by movement toward key centres, infrastructure, and economic activity.

For the purposes of considering the four options, this evidence supports a clear conclusion that the current identification of communities provides a sound and locally grounded foundation, and the journey data strengthens this by providing a consistent, evidence-based view of how those communities function in practice.

2.2. Comparative financial information

The information provided in this section is for comparative purposes and context. To make the analysis more meaningful, the following graphs exclude waters services where possible.

2.2.1. Debt to asset ratio

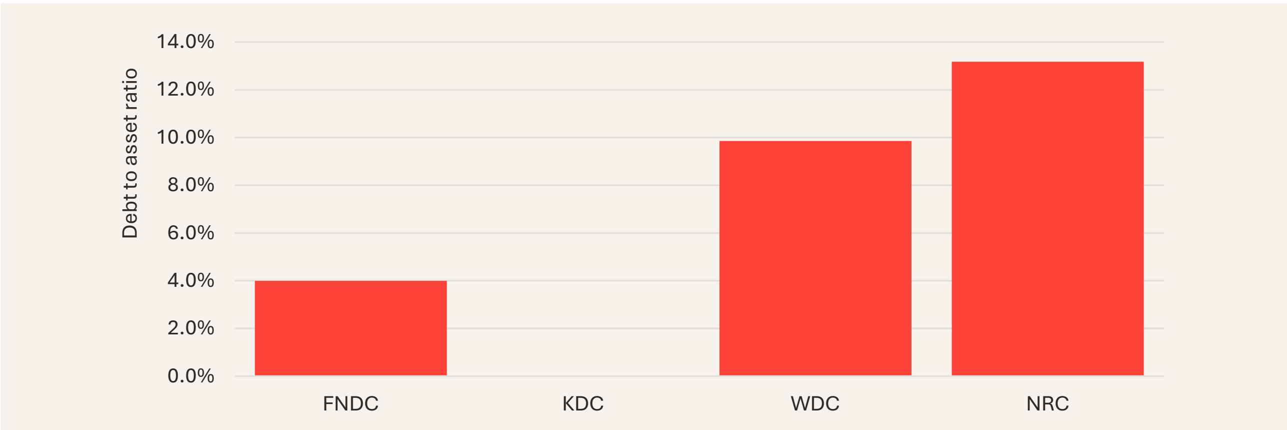


Figure 5 Debt to asset ratio, excluding 3 Waters – higher means more debt or older assets

The debt to asset ratio compares total lending to the value of each council's non-current assets. Because asset value is based on depreciated costs, this shows the amount of debt held by each council relative to its investment in assets. A higher debt to asset ratio indicates that a council has either relied more heavily on borrowing to fund asset investment, has borrowed for other purposes, or has not invested as much into its assets as other councils.

Higher FAR rates in FNDC and KDC may have resulted in less need to use debt to fund investment in roading assets in these districts.

2.2.2. Debt per rateable property

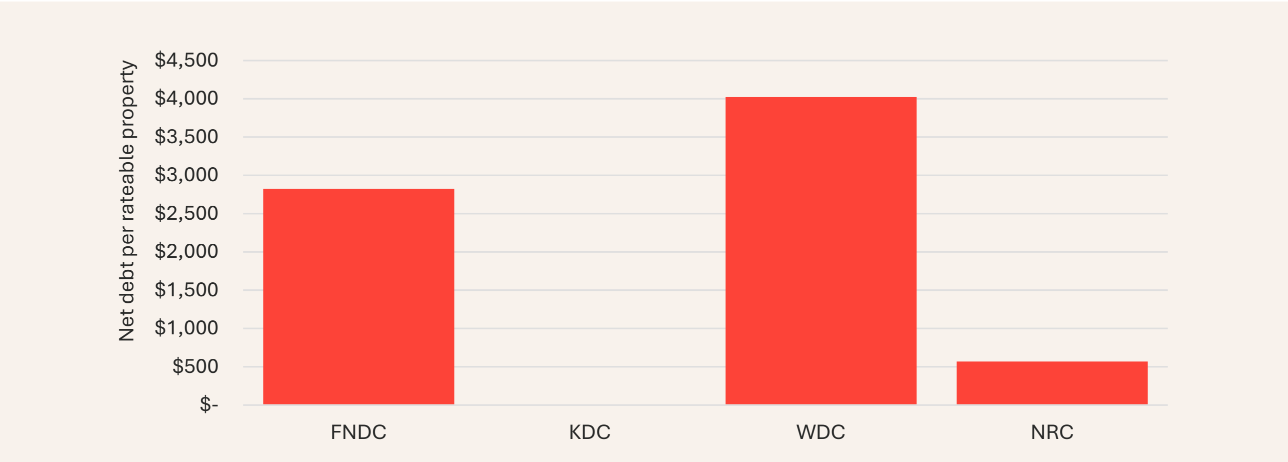


Figure 6 Debt per rateable property, excluding 3 waters

The chart shows debt (excluding three waters) per rateable property across the four councils based on 2024/25 actual results[7]. It shows KDC with no debt (all debt is three waters related) and WDC with the highest level of debt per capita across the group.

2.2.3. Operating cost per rateable property

Operating costs per rateable property are shown in the chart below. It shows FNDC as having the highest operating costs per rateable property, at approximately $4,350, and KDC with the lowest operating costs per property at approximately $3,350 (or 23% lower than FNDC).

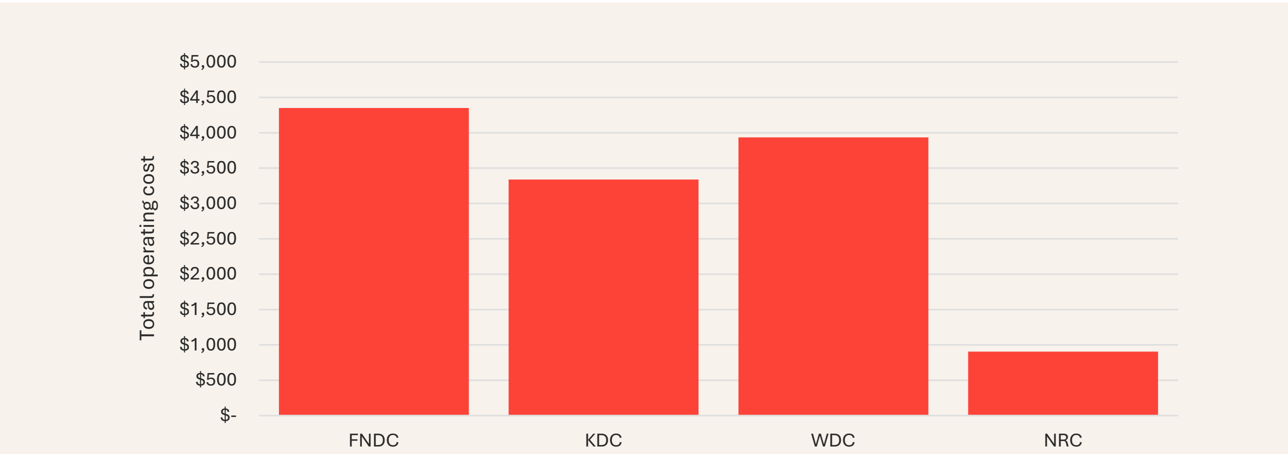


Figure 7 Total operating cost per person, excluding 3 Waters

[7] Three waters debt for KDC and FNDC removed based on proportion of interest costs. Three waters debt for Whangarei determined based on removal of $100 million from projects 2026/27 closing debt balance and removing debt movements between 2024/25 and 2026/27.

2.2.4. Non-rates revenue as a percentage of total revenue

The three territorial authorities currently rely on a similar proportion of their revenue coming from non-rates sources. This indicates that the councils have similar approaches to revenue and financing policy settings. NRC relies on a greater share of non-rate revenue, which is unsurprising as it also receives revenue from its port investment and for a number of government funded programmes.

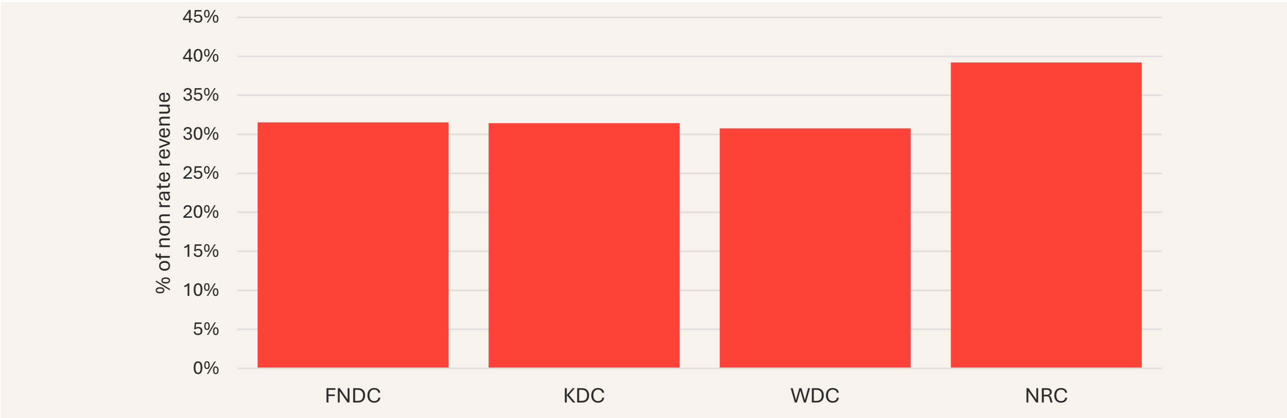


Figure 8 Non-rates revenue as percentage of total operating revenue, excluding 3 Waters

2.3. Road resurfacing

In 2027, water services will be transferred to Northland Water (drinking water and wastewater services only, with stormwater remaining with councils). At that point roading will become by far the largest cost for all three territorial authorities in Northland. The figure below shows the road resurfacing cycle rate of each council and compares that to a minimum benchmark of 20 years[8]. The data is expressed as the estimated number of years to resurface the entire network based on actual resurface rate over 6 years.

All three Councils in Northland are well below the benchmark of 20 years (performing better than the benchmark) and below the NZ average of 22.2 years.

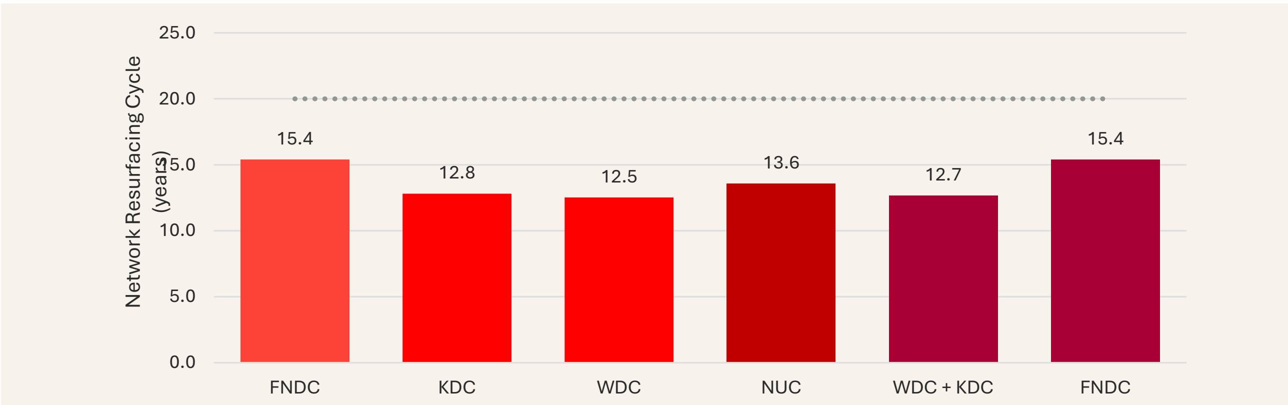


Figure 9 Cycle of road resurfacing in years

[8] This equates to renewing 5% of the network annually

2.4. Depreciation funding

We assessed the level of depreciation funding for each of the existing councils (including waters services in this case) by comparing each council's surplus from operations with their depreciation expense. The depreciation expense was adjusted to remove the proportion of roading depreciation which relates to the FAR subsidy[9].

It shows significant variation in the approach to funding depreciation, ranging from 47% in FNDC through to 156% in KDC.

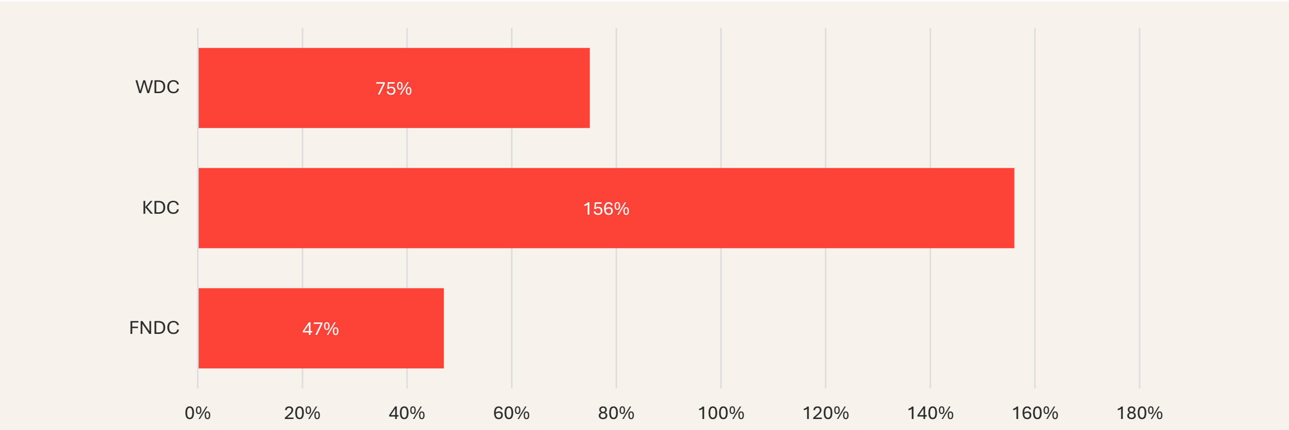


Figure 10 Level of depreciation funded in 2024/25

[9] Depreciation is not funded by the FAR rate, however the initial asset purchase and subsequent renewal are.

3. Description of options

The choice being considered by the councils essentially comes down to whether a single Unitary Council or two Unitary Councils is the most appropriate structure for local government. Within these two options there are however variations and therefore, this report considers four options:

- Option one – Northland Unitary council
- Option two – Northland Unitary council with two local delivery bodies
- Option three – Two Unitary councils
- Option four – Staged transition

An overview of the four options is described in this section with the more detailed analysis set out further in the report that identifies, demonstrates, and assesses the relative benefits, challenges and risks of the differences between them.

To provide substantive analysis on the key differences, a range of assumptions and professional judgement on the structure, functions or operations of each option has been adopted to sufficiently develop each option. These should be viewed as representations of what the option could be for the purposes of this analysis and not the final form of any new Council. Where relevant, assumptions and professional judgements have been made clearly explained and their rationale.

3.1. Option 1: Northland Unitary Council

A single unitary authority for the whole of Northland, combining the current regional and territorial functions into one council. The governing body would hold full statutory responsibility for both regional and local government functions across the region.

A single unitary council covering the whole region, without any form of representation below the governing body, is not considered a feasible model. It would not provide a credible mechanism for maintaining local voice or reflecting the distinct communities of interest that exist across Northland.

Accordingly, Option 1 has been assessed on the basis that a layer of local bodies would sit beneath the unitary council. These bodies are assumed to provide local representation and hold delegated decision-making authority for place-based matters. At this stage, no assumption is made about their specific form. They are not defined as community boards or local boards, but as a functional layer of local governance that can be designed in detail at a later stage.

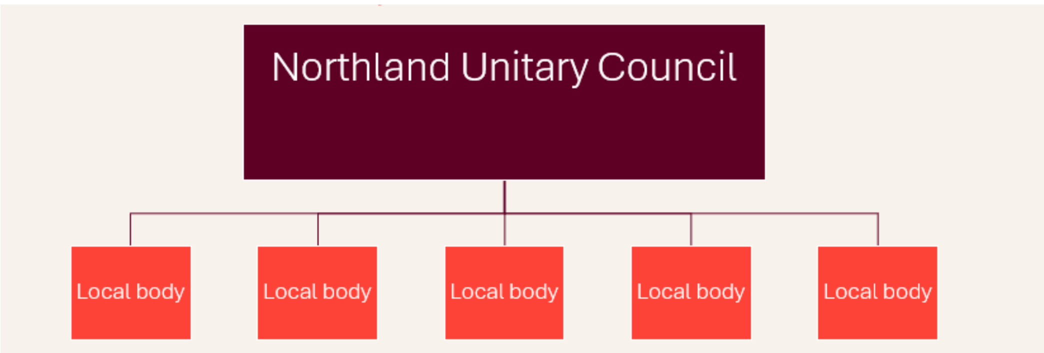


Figure 11 Option 1: Northland Unitary Council

Table 5 Key workings of Option 1: Northland Unitary Council

Aspect	Description
Governance	**1. This is a single unitary council for the whole region.** One governing body holds the full democratic mandate for both regional and local government functions. **2. All decision-making authority sits within one council.** Strategic priorities, trade-offs, and policy decisions are made by a single governing body. **3. A local representation layer is required to maintain community representation.** Local bodies sit beneath the unitary council to represent communities of interest. They are assumed to have defined decision-making powers for place-based matters, within parameters set by the unitary council.
Funding	**4. There is a single funding and rating system.** The unitary council sets rates and allocates funding across the region. This entity also has a single approach to revenue and finance, meaning rating structures, depreciation funding and investment decisions are aligned across the region. **5. Service levels are set either regionally, or vary with local body input** Service levels are set across the region with input from the local bodies on the service levels that matter most to them in their area. Funding for activities reflects the level of service being delivered with targeted rates used to manage variation in service levels.
Service Delivery	**6. All services are delivered through one organisation.** Planning, infrastructure, environmental management, and local services are managed within one system. Staff, systems, and delivery capability are consolidated into a single council organisation. **7. Service delivery is coordinated across the region with local variation achieved through delegation.** Decisions on infrastructure, investment, and delivery are made with a full regional perspective. Services can be tailored to communities through decisions made by local bodies within their delegated scope.
Requires legislation?	Potentially. Not for overall council structure but potentially for delegated authority to local bodies.

3.2. Option 2: Northland Unitary Council with two Community Councils

As with Option 1, a single unitary authority for whole of Northland, but with two sub-regional Community Councils (CCs) sitting inside the unitary council organisation to carry out much of the role that district councils currently perform for their own communities.

In other words, it is not a standard unitary model, where all services are delivered regionally, and it is not the same as an Auckland-style local board model. The CCs are intended to be local governing bodies in their own right, with elected leadership, decision-making powers, and influence over local funding and service priorities, while the unitary authority retains responsibility for functions that need to be managed across the whole region. Local bodies could still sit below the CC as a further layer of local representation.

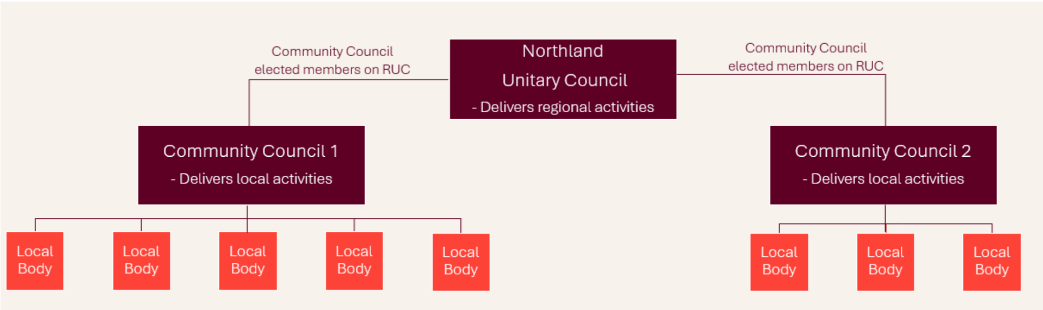


Figure 12 Option 2: Northland Unitary Council with two Community Councils

Table 6 Key workings of Option 2: Northland Unitary Council with two Community Councils

Aspect	Description
Governance	**1. It is still one unitary authority.** This model replaces the current four councils with one legal and political authority for the whole region, not a federation of separate councils. The unitary authority remains the top-level local government body, responsible for resolving all trade-offs. **2. The CCs are not local boards, they are closer to today's district councils.** The CCs are intended to be meaningful governing bodies in their own right, with elected leadership, decision-making authority, and influence over local funding and local service priorities. They carry out much of the role that councils currently perform for their communities. Local bodies could still sit below that level as a further layer of local representation. **3. Governance is split between regional and subregional levels.** Region-wide functions such as catchment management, flood protection, biosecurity, strategic transport, and regional planning stay at unitary level because they depend on natural systems, scale, or cross-boundary coordination. Local place-based services and local priorities are intended to sit with the CCs. **4. Local and regional politics are intended to stay connected.** The model relies on the mayor and some elected members holding roles at both levels, so that local voice is carried directly into regional decision-making.
Funding	**5. Funding operates at both regional and local levels.** The unitary council sets overall funding levels and priorities for the region. Community councils may choose to fund higher service levels or different priorities above the regional baseline. **6. A regional baseline level of service is established while CCs set service levels for the functions they deliver.** This ensures consistency across the region for core services. CCs set service levels within the functions delegated to them and have a role in determining local service levels and priorities within their areas.
Service Delivery	**7. It is one organisation, but with three delivery arms.** It is one organisation, but programmes of work are developed and delivered by the unitary council (regionally) and by each community council (locally). **8. Support functions are shared.** Centralised support services managed directly by the unitary council provide back office and support services for the two CCs e.g. finance, IT, HR, procurement etc.
Requires legislation?	Yes. This model would require bespoke legislation to embed the sub-regional community councils with real decision rights and local funding powers inside a single unitary structure.

3.3. Option 3: Two unitary councils

Two new unitary authorities, supported by a single jointly controlled regional entity for a defined set of regional and cross-boundary functions. The two unitary councils would retain democratic mandate, rating powers, and ultimate accountability to their communities. The shared entity would provide the delivery platform for functions where fragmentation would create material inefficiency, inconsistency, or risk. This is not intended to recreate a general-purpose regional council. It is a limited regional entity designed to preserve coherence where a regional approach remains necessary[10].

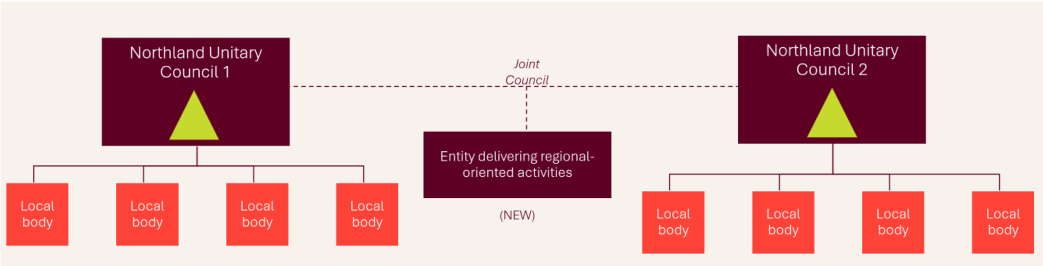


Figure 13 Option 3: Two unitary councils

Table 7 Key workings of Option 3: Two unitary councils

Aspect	Description
Governance	1. **This is a two subregional unitary council model. These councils hold the democratic mandate, rating powers, and ultimate accountability.** The region would be divided into two unitary councils, each with its own mayor, councillors, local mandate, and responsibility for most local government functions in its area. Accountability (funding ability, risk responsibility, and strategic decision-making) sits with each unitary council for its area. 2. **The SRE is the mechanism that keeps a small number of regional functions whole.** The shared regional entity would be a separate legal entity outside the two unitary councils for a defined set of functions that are more suited to a regional approach. 3. **The SRE is governed by a joint council comprising elected members from both unitary councils (plus potentially independent elected members).** The SRE has its own Chief Executive, staff, systems and reports directly to a joint council of elected members from both unitary councils. It is not governed by an external board. (The existing Joint Committee arrangement in legislation may or may not be sufficient, we are using the term joint council to make this distinction.) 4. **The SRE does not have an independent mandate.** The joint council governs the SRE in the collective interest of the region, not as a forum for individual council mandates. A key design principle is that the two councils continue to be the bodies that communities elect, that set rates, and that remain politically answerable for outcomes.
Funding	5. **Each unitary council retains its own rating powers.** Funding for local services and priorities is determined separately within each council. Each unitary council has its own rating structures and sets rates for its area, including the funding required for the SRE.

[10] The final form and functions would be determined through both the Outline Proposal (August 2026) and the Final Proposal (March 2027)

	6. Funding for the SRE has to be guaranteed and not renegotiated each year. If the two councils can re-litigate the funding of regional functions of the SRE every year, this model will be fragile. A durable model needs a binding funding framework. Using the Civil Defence Emergency Management Act as a precedent, the funding formula may either be prescribed in legislation or set in the SRE's founding documents.
Service Delivery	**7. The model assumes local by default, regional only by exception.** The starting point is that functions should be delivered by the two unitary councils unless there is a clear positive case for regional delivery. The working threshold test is that a function should sit in the shared entity where: - there is a strong case for the broader regional interest, - the consequences of fragmentation are unacceptable, or - local variation is not tolerable. **8. The functions most likely to sit with the SRE are the ones that depend on scale, natural systems, or cross-boundary coordination.** Examples of functions most likely to sit with the SRE include civil defence emergency management, regional transport planning, regional spatial planning, biosecurity, and regional environmental monitoring. These are the kinds of activities where fragmented delivery across two councils could weaken outcomes. **9. Everything else would stay with the two unitary councils (or be delegated to local bodies) unless there is a compelling reason otherwise.** Local roads, parks, libraries, local facilities, local bylaws, local service levels, local rates decisions, and other place-based services would generally remain with each unitary council.
Requires legislation?	Yes. For the model to function effectively, a small number of design requirements must be in legislation and supporting instruments. • A joint council of elected members from the participating unitary councils must exist to govern the entity. • Participation by the relevant unitary councils must be compulsory. There must be no unilateral right to opt out. • The purpose of the SRE must be clearly set out in legislation. • The entity must be a stand-alone legal body with power to employ staff, appoint a Chief Executive, and operate independently of any single council. • A binding funding framework must be established, either in legislation or through a legislatively required formula embedded in a statutory plan or founding document. • Funding obligations must be enforceable and must not depend on annual negotiation.

3.4. Option 4: Staged transition

This option only differs from those above in timing. It entails initially forming two unitary councils and following an agreed timetable and plan to transition into a single unitary council, shown in Figure 14. In all other respects the option is the same as Options 1 and 3, albeit that it changes over time.

Essentially, Northland progressively transitions to a single unitary council through an interim two unitary council phase, allowing communities, elected members and organisations to adapt before full regional integration.

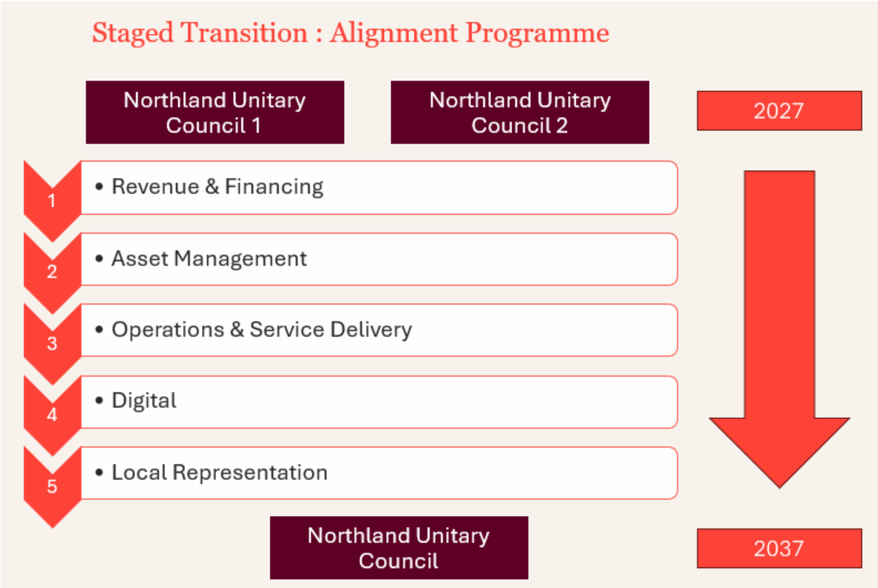


Figure 14 Stage transition plan

Through this report Option 4 is evaluated separately from Option 1 and 3 only where there is a difference that arise from the transitional approach that is the key feature of the option.

3.5. Summary of options

Table 8 Summary of key workings of options

	Option 1	Option 2	Option 3
Basic structure	One legal and political authority for the whole region, with all regional and territorial functions sitting in the same council.	One legal and political authority for the whole region, but with two embedded sub-regional CCs carrying much of the local governing and delivery role.	Two separate unitary councils, each with its own mayor, councillors, and local mandate, plus one shared regional entity for a tightly defined set of regional functions.
How many councils exist?	One.	One, but with an internal sub-regional governing tier.	Two, plus one shared regional entity.
Where regional functions sit	All regional functions sit with the single unitary council.	Regional functions still sit with the single unitary council, while local functions are pushed down to the CCs.	Regional functions shared regional entity; everything else is intended to stay with the two unitary councils.
Design principle for function allocation	One authority holds everything, with any local delegation sitting underneath it.	Regional where scale or natural systems require it, local where place-based decision-making matters.	Local by default, regional where there is a benefit.

Political connection between local and regional decisions	Regional and local decisions are ultimately made within one governing body; local decisions are delegated to local bodies.	The model is intended to keep local and regional politics connected by having the mayor and some elected members hold roles at both levels.	The two unitary councils hold the democratic mandate, while representatives from both UCs form the joint council for the SRE.
Funding model	One rating base and one centre of financial authority.	The unitary authority funds a regional baseline, while CCs can fund local increments above that baseline where their community wants more.	The two unitary councils retain rating powers and financial accountability. Funding for the SRE must be agreed in advance and guaranteed.
Organisation and staffing	One organisation, one chief executive, one leadership structure, one shared workforce.	One organisation, one chief executive and one shared support platform, but with distinct sub-regional delivery arms operating beneath it.	The SRE has its own chief executive, staff, systems, and delivery capability, separate from the two unitary councils.
Ultimate accountability	The single unitary council holds ultimate legal, political, and financial accountability for all functions.	Ultimate accountability still sits with the single unitary council. The CCs may have strong local powers, but final trade-off decisions remain at the unitary level if conflicts arise.	Ultimate democratic accountability sits with the two unitary councils. The SRE exists to deliver selected regional functions, not to replace the core democratic role of the two councils.

4. Key concepts

In order for these models to achieve the desired outcomes over the long term, the following key concepts need to be considered and understood.

4.1. Accountability

Under the Head Start process, councils must be able to demonstrate clearly their proposed model will work in practice, including where accountability sits.

Identifying and testing where accountability sits is therefore central to assessing each option. It provides a practical way to understand how the model would behave under pressure, how decisions would be made, and whether communities can clearly see who is responsible for results.

Figure 15 below shows the relationship between making decisions on priorities/programmes, control over funding and other resources, and responsibility for performance and risk. These must sit together to achieve true accountability.

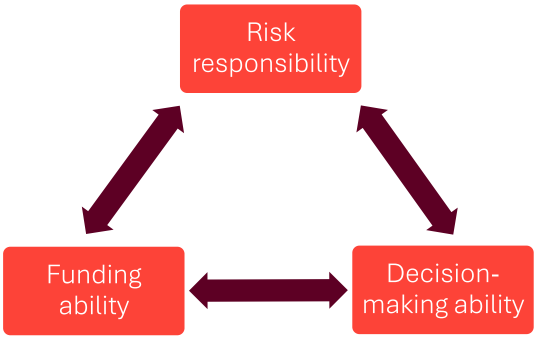


Figure 15 The Accountability triangle

This aligns closely with standard multi-level governance thinking, which emphasises that effective systems need clear assignment of competences, financial decentralisation that matches responsibilities, and transparent accountability/oversight.

When this triangle is not kept intact, one of the following occurs:

- A funding entity (e.g. rates setting) without risk responsibility has no incentive to fund risk reduction.
- A decision-making entity without responsibility may prioritise spend according to ‘want’ and not ‘need’.
- No entity can be held accountable for outcomes without the ability to make decisions (within parameters) and raise the funds needed to address key issues.

Consequently, we consider this true accountability state as a valid diagnostic test, especially for politically sensitive public services where service levels, rates, and investment timing are contestable. In those settings, splitting programme, money, and responsibility across institutions usually creates blame-shifting rather than clarity.

Case Study C. Wellington Water demonstrates that when these elements are split across multiple entities, accountability becomes less transparent.

4.2. Legislated Collaboration

The structure of any future governance model must ensure that the key elements required for effective delivery, including roles, responsibilities, and accountability, are clearly defined and enduring. While collaboration between councils can work well when relationships are strong, no governance model should rely on informal arrangements or assume that collaboration will remain durable across political cycles and changes in leadership.

Northland councils have a mixed history of collaboration under their existing structures, which highlights both the opportunities and the risks of relying on non-legislated arrangements. All four councils previously operated a collaborative delivery model through the Northland Transportation Alliance (NTA), which was established as an alliance arrangement. Prior to its disbanding in 2024, an independent review identified a number of issues which are relevant to the options this report is assessing.

Key insights from the NTA experience include:

- Voluntary collaboration requires stronger governance discipline, not less
  Where collaboration is not mandated, governance structures, performance expectations, and accountability mechanisms must be explicitly defined and actively maintained.
- Clear accountability is critical in shared arrangements
  Where multiple councils retain responsibility, but delivery sits elsewhere, roles must be explicitly defined to avoid blurred accountability.
- Collaboration must be actively managed, not assumed
  Relationships between councils, delivery entities, and suppliers require ongoing attention, communication, and trust-building.
- Strategy must be directly connected to delivery
  High-level planning does not translate into outcomes without strong operational linkages and feedback loops.

More durable examples of collaboration in Northland tend to be those supported by clearer formal structures and in some cases legislative backing (though not always). These include:

- Northland New Zealand (CCO structure)
- Northland Forward Together (collective work programme)
- Civil Defence Emergency Management Group (legislative requirement)
- Regional Transport Committee (legislative requirement)
- Northland Mayoral Forum and Chief Executives Forum

New Zealand local government legislation already provides for coordination mechanisms such as joint committees and transfers of responsibility. The existence of these mechanisms reflects the reality that collaboration must be formalised to be sustained over time.

This was also explicitly identified in the Local Government Commission's 2013 assessment of Northland reorganisation options. When assessing the risks with the two regional council options, it noted that while some efficiency gains could be achieved through voluntary collaboration on regional issues, such arrangements were unlikely to be durable given changes in leadership, priorities, and institutional incentives. As a result, the Commission highlighted the risk that reliance on voluntary coordination would not provide a sufficiently stable foundation for regional functions (refer to Case Study D).

The Head Start pathway provides an opportunity to address this. Where options rely on shared or regional functions, embedding key elements of those arrangements in legislation, including participation, governance, and funding mechanisms, provides a means to ensure that the model functions as intended over time.

5. Important factors that follow this decision

In constructing a coherent operating and governance model there are numerous design choices that can be made to accommodate real or perceived strengths and weaknesses of the selected model.

The considerations in this section are important to the overall structure proposed, however we consider they are variables that can be addressed under any option and are not material to the decision on which option to progress with at this stage.

5.1. Detailed design of local representation

Local representation is an important consideration in assessing the options in this report. There are aspects of local representation that will influence the selection between the options presented in this report, and these are discussed in the 'Maintaining Local Voice' section of Section 3.

However other factors are independent of the option progressed and do not need to be fully resolved at this stage. These matters that do not need to be resolved in order to select between the options are outlined in this section.

5.1.1. Options for local representation

There are two types of sub-local governance; community boards and local boards in current legislation. The key difference is that community boards are used across most of New Zealand and local boards are available to unitary authorities and used only in Auckland Council currently. This is summarised in the table below. There are 110 community boards around the country and 21 local boards in Auckland.

A summary is provided below on the existing community board and local board options, however for the purpose of this comparative analysis, the design of this layer of local representation can be customised under any of the options presented.

Table 9 Comparison of community boards and local boards

Dimension	Community Boards	Local Boards (Auckland Model)
Legal basis	Local Government Act 2002, Part 4, Subpart 2	Local Government Act 2002 (Part 4, Subpart 1A) + Local Government (Auckland Council) Act 2009
Status in governance	Subordinate to council	Part of formal governance structure (shared governance)
Core purpose	Representation, advocacy, local input	Enable democratic decision-making at local level
Strategic role	Limited, advisory	Recognised role in shaping local priorities and outcomes
Decision-making powers	Only what is delegated by council	Statutory decision-making responsibilities + delegated powers
Durability of powers	Delegations can be changed or removed at any time	More stable — embedded in governance model
Budget control	May be given a delegated budget (revocable)	Allocated local board budgets as part of council planning framework
Ability to influence LTP / plans	Provides submissions and advice only	Has formal input rights into regional strategies and plans
Service delivery responsibility	None	Decide on local services, delivery by council staff / CCOs
Revenue raising	None	Not directly, but can influence targeted rates and budgets
Asset ownership / control	None	Not directly, but can influence local asset use

Dimension	Community Boards	Local Boards (Auckland Model)
Staff / contracting authority	None	None directly (via council systems)

Ultimately the key issue for unitary councils to consider when weighing up community or local boards is:

- Do they want a formal structure for local input (community board model), or
- Do they want local decision-making authority (local board model), or
- Do they want a combination of both community boards and local boards to fulfil different communities' needs?

These questions apply to all options, and the level of complexity introduced to achieve the desired balance between local representation and efficiency or simplicity of process is also the same under all options.

Further consideration can be given both before and after submitting an Outline Proposal to additional options not currently existing in legislation, such as:

- Whether local boards may be able to set targeted rates for specific purposes. This option can be explored but it is unclear how this would operate under proposed rates-capping legislation at this stage.
- Whether there is any crossover between local body representation and unitary council representation. (I.e. Potential for a chair of a local body to have a dual role as an elected member on the council.)

5.1.2. Proposed principles for allocating decision making and delivery responsibilities

For the purposes of these principles:

- A *function* refers to a broad area of responsibility (e.g. parks, transport, planning).
- An *activity* refers to specific services, actions, or decisions within a function.

These principles are provided as a starting point for later discussion and are primarily intended to guide the allocation of activities and decision-making responsibilities, rather than the wholesale allocation of entire functions, which are often shared across governance levels.

In any of the options presented, these principles could apply both to deciding what was delegated to a local body, and in Options 2 and 3, what was delivered at the subregional level and the regional level.

1. Subsidiarity (Default Position)

   We would suggest this is the starting position. Decision-making should sit at the lowest level able to deliver effectively. Activities should be allocated to local bodies unless there is a clear and demonstrable benefit in retaining them at a council level.
2. Functions should be allocated according to where the benefits are primarily realised. Activities delivering predominantly local benefits should sit with local bodies, while those with region-wide benefits should sit with the governing body.
3. Functions requiring a uniform approach across the region should be managed regionally. Where variation between local areas is acceptable or desirable, decision-making should sit with local bodies.

4. Functions that are part of an integrated network or system should be managed at the level that best enables coordination and optimisation of that system. Standalone or place-based services are more appropriately delivered locally.
5. Functions should be allocated to the level that can deliver them most effectively and efficiently, taking into account economies of scale, specialist expertise, and administrative overhead.
6. Functions that require tailoring to local needs, preferences, and identity should be delivered by local bodies, particularly where outcomes depend on strong community engagement.
7. Decision-making responsibility should align with funding responsibility and accountability. The level making decisions should be clearly accountable to the community that funds those decisions.
8. Functions with significant strategic implications, region-wide impacts, or high regulatory or legal risk should be retained at the regional level. Operational or lower-risk decisions should be delegated where appropriate.

Note that these principles are presented in this part of the report because though activity assignment is a fundamental part of the design of how a future council might operate, it is not a deciding factor between the options presented in this report.

5.2. Financial arrangements

The three territorial authorities differ greatly in their approach to funding and financing, including:

- Their approach to borrowing and financing capital expenditure
- Their approach to funding depreciation
- Their mixture of targeted rates, general rates, and universal annual general charges.
- Their existing and projected post three waters debt balances
- The level of Funding Assistance Rate (FAR) subsidies that they receive from the New Zealand Transport Agency (addressed specifically below).

While these differences may mean that it will take some time for a combined unitary authority to develop regional consistency, there is currently nothing in the Local Government Act 2002 that would prevent different approaches to be applied on a geographical basis. Specifically, a new unitary authority could be expected to:

- Set policies regarding funding of depreciation at a local and aggregated level with a planned transition towards consistency of approach across its new area.
- Apply consistency in the types of capital expenditure that are funded by debt or rates, potentially from day one.
- Continue to apply a mixture of targeted rates where the tests required under section 101(3) of the Local Government Act can be met.
- Ringfence the repayment or servicing costs of existing/transferred debt to the specific area in which the debt was originally incurred and collect these costs through a targeted rate.

Broadly, we would expect that any new unitary authority would consider the beneficiaries, exacerbators, and community outcomes of all activities that it delivers when determining the how its sets its rates and charges. The precise arrangements would be matters to be considered by a future group of elected members, and these decisions would be made independently of any decisions to establish one, or two, unitary authorities.

5.2.1. FAR rate

There are currently significant differences in the FAR rates that are applied to roading costs in Northland. FNDC is currently provided a FAR rate of 71%, KDC 62%, and WDC 53%.

Any shift towards a single unitary authority *could* result in changes or reviews to that FAR rate, which could result in the introduction of a new rate based on the combined demographics of the new Council. Equally, NZTA may maintain local differences in the FAR rate for some time.

Because the determination of FAR rates includes some level of discretion by NZTA, it is impossible to say what a future FAR rate would be, however for a single unitary council where the FAR subsidy in dollar terms remains the same:

- Based on the current proportion of eligible expenditure which has been subsidised in Northland, this suggests a single combined FAR rate is unlikely to be above 61%.
- Applying a proxy based on known factors about capacity to pay, the combined roading network, demand and geography, also suggests a single FAR for the region could be between 60% and 62%.

For two unitary councils council where the FAR subsidy in dollar terms remains the same:

- FNDC remains around 71%, assuming no change to its standalone status.
- WDC + KDC combined unitary, likely sits somewhere around 56%.

It is important to note that in an amalgamation, a drop in FAR rates does not automatically equal higher household costs (and vice versa), as other factors affect the final cost to households when delivering the combined service. These factors will all impact affordability independently of each other.

- The cost base fundamentally changes:
  - Network costs are spread across a larger rating base
  - Fixed costs and overheads are shared
  - Investment can be regionally prioritised.
- Risk is pooled, the impacts of storm events are spread across the region.
- NZTA's position around setting FAR rates for the post-amalgamation entities is unknown.
- A new unitary authority has options around setting local targeted roading rates and developing a roading strategy that may fundamentally change the underlying costs or the way that they are shared.

On this basis, we consider that the change in FAR rate alone is not a reliable metric for determining affordability impacts of a one-unitary or two-unitary model.

Specific concerns about the impact of changes in FAR rates can be included in the Outline Proposal as a matter to be addressed in the detailed design. Input from NZTA about their approach to setting FAR rates in the region would be required to meaningfully address any impacts related to FAR rates.

5.2.2. Strategic assets

Each of the Northland councils holds a range of strategically significant assets, some of which are held directly and others through council-controlled organisations (CCOs) or council-controlled trading organisations (CCTOs). These include commercial investments, infrastructure-related businesses, and other long-term holdings such as port and airport interests. For the purposes of this report, these are collectively referred to as strategic assets.

Table 10 Strategic assets currently held by each council

Council	Strategic Assets[11]
Far North District Council	Far North Holdings Ltd (CCTO) - Bay of Islands Marina - Bay of Islands Airport - Northern Housing Ltd - Ngawha Innovation & Enterprise Park
Kaipara District Council	Minimal
Whangārei District Council	Whangārei District Holdings Ltd (CCTO) Northern Regional Landfill Ltd (JV, CCTO) Whangārei District Airport (JV, CCO) Northland Events Centre (2021) Trust
Northland Regional Council	Northport Group Ltd (shareholder) - Northport Ltd - Marsden Maritime Holdings Investment and Growth Reserve

Investment assets are typically treated as part of the financial position of the owning council, with benefits flowing to the ratepayers of that council through revenue and balance sheet strength.

Outline Proposals may be submitted with the future of strategic assets still to be determined.

In practice, there are a small number of well-understood principles used to manage these assets when council structures change, broadly centred around a "no worse off" approach.

1. Keep things broadly where they are today

Assets would generally stay with the council (or transfer with the council) that currently owns them, so existing communities continue to receive the benefit of those assets.

2. Treat regional assets separately

Assets currently held by NRC were funded across the whole region, so they would need to be considered separately and either shared, divided, or managed at a regional level.

3. Avoid creating winners and losers (particularly with NRC assets)

Changes in structure should not result in one community being significantly better or worse off purely because of how assets are redistributed.

4. Make sure each council is financially viable

The allocation of assets should support each resulting council to be financially sustainable over time.

5. Keep it simple to manage in practice

Arrangements should avoid unnecessary complexity (where possible), such as shared ownership or ongoing negotiations, unless there is a clear reason for it.

[11] List is indicative and not intended to be exhaustive

While these assets are significant, and their treatment will be important to councils and communities, they do not materially affect the choice between the governance options. The approaches required to transfer or allocate these assets are well understood and can be resolved under any of the options through established legal and financial mechanisms.

For the purposes of this report, strategic assets have therefore been identified and considered but are not treated as a determining factor in the decision on which option to progress.

Section 2: Evidence base

This section of the report assesses the benefits, challenges and risks of each option using the structure of the five Head Start Pathway criteria. Evidence is provided throughout and refenced in the appendices.

6. Supports the new planning system

6.1. Overview of the new planning system

New Zealand is heading into a new planning age, where the Resource Management Act is being replaced by a planning framework comprising:

- The Planning Bill, which governs where and how growth occurs, covering housing, infrastructure, transport corridors, and long-term land use.
- The Natural Environment Bill, which establishes and manages environmental limits for water quality, freshwater allocation, and flood management.

A central intent of the reform is to move away from fragmented district and regional plans toward a consolidated regional planning approach. This would replace multiple local plans with a smaller set of regionally integrated plans, supported by long-term spatial strategies.

Each region must produce a Regional Spatial Plan (RSP), which describes the 30-year regional strategic direction for growth and development. This plan identifies areas for urban growth, strategic infrastructure investment, and environmental protection, bringing together land use, cultural considerations and environmental limits at a strategic level.

The Natural Environment Plan establishes the controls. It sets the limits, rules and allocation regimes at a catchment level (or higher) across the region.

The Land Use Plan is developed at the district level and together with district council's Infrastructure Strategies and Long Term Plans, this provides district councils with the work programmes and funding pathways for delivery and execution.

The Natural Environment Plan and Land Use Plan(s) must give effect to the Regional Spatial Plan.

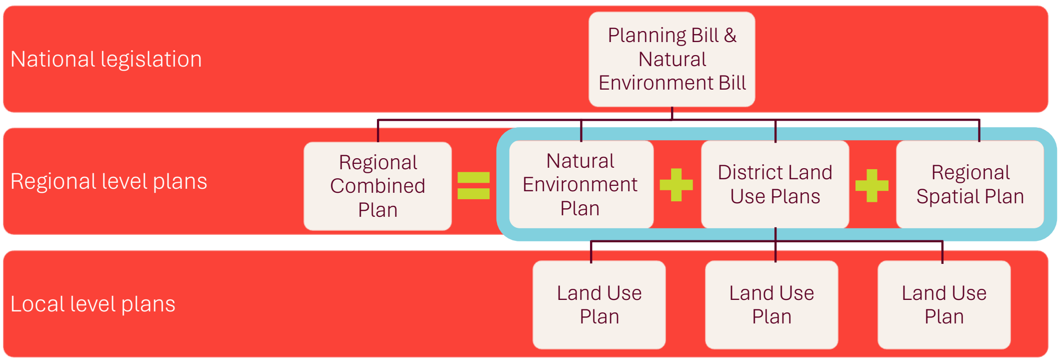


Figure 16 New planning framework

Of all the factors considered in this analysis, the physical environment is the least flexible. Mountains, rivers, and catchments do not move, and existing regional council boundaries have largely been drawn around these natural systems.

> While it is possible to work across catchment boundaries, doing so introduces additional complexity.

This move towards planning at the regional level places considerable emphasis on having governance arrangements that work for natural systems, not merely administrative ones. The key test for any restructuring option is whether a single authority can plan land use, strategic infrastructure, and environmental effects together within coherent natural systems. In practical terms, examples of this include asking whether the same council issuing discharge consents is also responsible for water quality downstream; whether water allocation decisions account for all users along a river; and whether a flood mitigation project in one area considers its impacts on neighbouring properties beyond the council's jurisdiction. Actions in one part of a catchment can have unintended consequences downstream - a function currently managed end-to-end by regional councils. Splitting that responsibility raises a fundamental question about how integrated river and catchment management would be maintained under a new governance structure.

6.2. Delivery of the new planning system

6.2.1. Roles and responsibilities

The table below outlines which party would be responsible for which activity under the new planning system under each of the Northland options.

We note that the existing bills have been drafted with the current regional and district council structures in mind. Some interpretation is required to apply the proposed bills to the options with new entities.

Table 11 Roles and responsibilities under the new planning system

Function	Status Quo	Option 1	Option 2	Option 3
Who Develops Strategy, Policy & Plans?				
Regional Spatial Plan	All four councils appoint the Spatial Plan Committee to develop the plan. .	Single council appoints the Spatial Plan Committee to develop the plan.	Single council appoints the Spatial Plan Committee to develop the plan. Developed with place-based input from Community Councils (no veto power).	Both councils, either directly or through the joint council, appoint the Spatial Plan Committee to develop the plan, through the SRE.
Natural Environment Plan	NRC leads development of a single regional plan	Unitary council leads development of a single regional plan	Regional authority leads development of a single regional plan, while community councils influence local environmental priorities and delivery issues.	SRE leads development of a single regional plan, while unitary councils influence local environmental priorities and delivery issues.[12]
District Land Use Plan	FNDC, WDC and KDC each prepare a District Land Use Plan.	Unitary council develops single integrated Land Use Plan	Unitary council develops single integrated Land Use Plan while community councils influence local place-based priorities. With bespoke legislation, potential for community councils to develop their own Land Use Plans within unitary council framework.	Each unitary council would prepare their own Land Use Plan Note that this reflects the new planning system's separation of regional environmental regulation from territorial land-use planning.
Infrastructure Strategy (delivery of RSP)	Multiple organisations at regional and local level with multiple funding pathways	One organisation with integrated regional and local strategy	One regional strategy, with local community councils shaping local prioritisation.	Each unitary council develops an Infrastructure Strategy, which includes their obligations to deliver commitments of the RSP.

[12] This responsibility would likely need to be explicitly assigned to the SRE in legislation, to make it the body legally responsible for developing and upholding the NEP on behalf of both unitary authorities.

Function	Status Quo	Option 1	Option 2	Option 3
Long Term Plan (funding)	Four organisations each develop an LTP	One organisation developing an LTP	One organisation developing an LTP, with different sections for each community council, and the region.	Each unitary council develops an LTP, that includes their obligations to deliver commitments of the RSP.
Who Approves/Adopts Strategy, Policy & Plans? - *This is the party ultimately resolving any trade-offs or conflicts*				
Strategy, policy and plans	All four councils need to approve draft RSP for notification and adopt final RSP, each with its own decision-making process. Deadlocks referred to the Minister.	Single governing body approves everything.	Single governing body approves everything with input from community councils. Potential for community councils to adopt their own Land Use Plans, within the unitary council's framework. Community councils do not have veto rights.	Both councils need to approve draft RSP for notification, and adopt final RSP, with deadlocks referred to the Minister. Joint council governing SRE adopts Natural Environment Plan and any regional strategies, policies and plans. Each unitary council approves their own Land Use Plan and other sub-regional strategies, policies and plans.
Who delivers the actions of the Plans?				
Infrastructure Delivery	Split between regional and three district councils.	Consolidated in one administration.	Consolidated in one administration with separate 'departments' supporting delivery of Community Council functions/activities.	Most delivery by the two unitary councils, unless compelling reason to deliver regionally.
Consent and Enforcements	Split between NRC and three district councils.	One consent authority that is more integrated and easier to explain.	Regional authority handles regional regulatory functions; community councils retain a local voice on place-based matters.	Split between SRE and two unitary councils. Potential to be integrated into the Shared Regional Entity.
Monitoring & Reporting	Monitoring is split and can be hard to compare.	One monitoring system can track outcomes consistently.	One monitoring system can track outcomes consistently.	SRE monitors regional outcomes; each council monitors local delivery.

Function	Status Quo	Option 1	Option 2	Option 3
Consultation - *Each council must consult on the plans it is responsible for delivering.*				
Community Consultation	Multiple engagement rounds across separate plans and budgets.	One main engagement process for each plan, plus local refinement.	Two-level consultation regional unitary council plus local community council.	Two-level consultation - regional strategy through the SRE, local matters through the two councils.
Iwi Engagement	Multiple relationships and multiple plan-making processes across four councils.	One primary strategic process, with clearer consultation triggers.	Regional partnership plus local engagement channels.	Regional partnership with SRE and with both unitary councils.

6.2.2. Delivery of the Regional Spatial Plan

Once adopted, the RSP sets the strategic direction e.g. growth areas, infrastructure corridors etc for a 30-year period. The RSP does not address sequencing, timing, or funding of the projects required to deliver the RSP. These are determined by the unitary council's LTPs and funding cycles.

The options are similar at the strategy level but diverge materially at the delivery and funding coordination level.

- Under Options 1 and 2, the single unitary council has autonomy over the funding and delivery decisions needed to deliver the RSP.
- Under Option 3, there is a funding and delivery risk to be managed, or designed out through legislation, to address the potential lack of coordination between the unitary councils around timing and prioritisation of regionally strategic projects within the RSP. This could be addressed through the SRE preparing a 3-5 year work programme, that once adopted by the unitary councils becomes binding, and then must be supported by each unitary council's Infrastructure Strategies and Long Term Plan budgets. There is complexity here, but with careful design and bespoke legislation it most likely can be resolved in detailed design.

6.3. Making coordination easier

The number of core statutory plans is similar across all options, however each plan represents a significant statutory process, requiring formal preparation, consultation, hearings, and approval. As the number of councils involved increases, so does the number of decision-making bodies required to approve and adopt these plans, resulting in more complex and potentially slower plan-making processes overall.

Additional implementation documents, such as Action Plans used to give effect to environmental limits, may need to be developed separately by each council.

As the number of councils increases, the potential for duplication in these supporting documents increases, even where the underlying plans are shared.

Appendix A shows worked examples of how the Regional Spatial Plan may be developed, consulted on and approved under each option in the new planning framework.

The table below summarises the complexity inherent in each process.

Table 12 Complexity in supporting the new planning system

	Status Quo	Option 1	Option 2	Option 3
No. of Regional Spatial Plans	1	1	1	1
Councils involved in drafting RSP	4	1	1 (+ 2 informally)	2
Council resolutions required to adopt RSP (both the draft for notification & final to adopt)	8	2	2 (with feedback from community councils)	4

	Status Quo	Option 1	Option 2	Option 3
Potential for deadlock to refer to Minister	High	Low	Low	Medium
No. of Natural Environment Plans developed	1	1	1	1 (SRE)
No. of Land Use Plans developed	3	1	1 (or 2 if each CC develops a plan)	2
Action Plan frameworks	3-4 potentially	1	1 or 2	1 or 2

6.3.1. Iwi engagement in the planning process

The legislation requires meaningful engagement with iwi in the development of both Regional Spatial Plans and Natural Environment Plan, reflecting their central role in shaping environmental and land use outcomes. While the number of these core plans remains constant across the options, the number of councils and decision-making bodies involved varies.

This impacts the complexity of the formal consultation processes, by increasing the number of parties involved and the level of coordination required between them. In practice, this can increase the resources required by iwi to engage effectively with multiple organisations involved in shaping a single plan or outcome.

6.4. Integrated Catchment management

6.4.1. Description of catchments

Northland Regional Council manages water and catchments across Te Tai Tokerau under the current regional structure. District boundaries do not determine catchment management in the present system, although the proposed two-unitary model would create new internal governance boundaries that would need careful coordination.

Most Northland catchments sit wholly within the Northland Region. The principal exception of regional significance is the Kaipara Harbour receiving environment, which is shared with Auckland Council. Southern catchments and tributary systems associated with the Kaipara Harbour, including Mangawhai, Hakaru, Topuni and related southern Kaipara tributaries, therefore require cross-boundary management and coordination with Auckland.

1. Northern Wairoa / Kaipara catchment

Northland's largest river catchment is the Northern Wairoa system, which drains about 3,650 square kilometres. Key sub-catchments include the Wairua River, Mangakāhia River, Hikurangi Swamp system, Manganui River and associated tributaries. The catchment lies wholly within Northland Region, but it discharges to the Kaipara Harbour creating a major shared receiving-environment issue.

2. Far North catchments

The Far North catchments include the Awanui River system, Rangaunu Harbour and Doubtless Bay catchments, the Hokianga Harbour catchments, and the Bay of Islands river systems. These include the Victoria, Takahē, Oruru, Taipa, Waimā, Mangamuka, Punakitere, Kerikeri, Waitangi, Kawakawa and Kaeo river systems. These catchments are entirely within Northland Region.

3. Whangārei and Bream Bay catchments

The Whangārei and Bream Bay catchments include the Hātea River, Raumanga Stream, Waiarohia Stream, Otaika River, Ruakākā River and Waipū system. These catchments are also entirely within Northland Region.

4. Southern boundary catchments

The southern coastal and harbour-connected catchments include Hakaru, Mangawhai and Topuni-related systems.

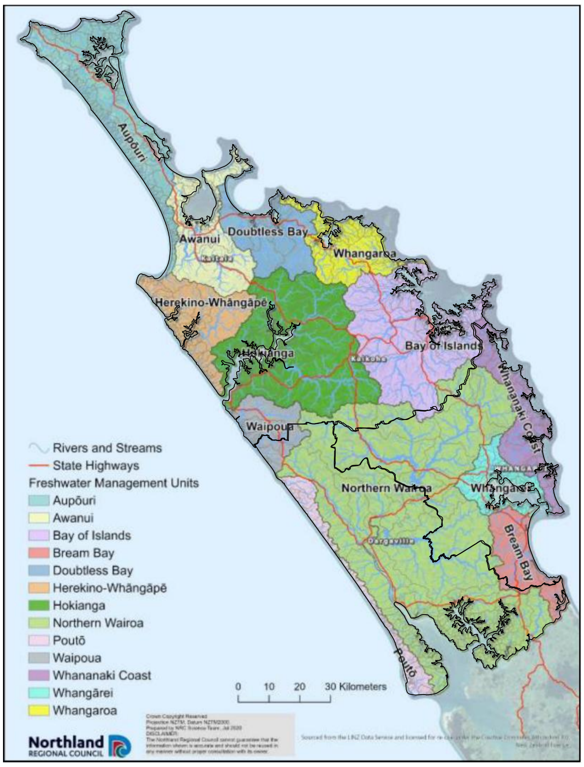


Figure 17 Northland catchments

- Hakaru River Catchment: The Hakaru River flows south-west to join the Topuni River, forming a branch of the upper Kaipara Harbour. The headwaters sit inside Northland, but the lower catchment straddles the political border.
- Mangawhai River Catchment: The southern extent of this catchment sits within Auckland Council.

These catchments are split between Northland and Auckland Council with cross-boundary drainage and receiving environments extending across the regional boundary.

6.4.2. Delivery and complexity of catchment management

Under all options, the principal inter-regional issue remains the Kaipara Harbour receiving environment. Any future Northland unitary structure would still need formal coordination with Auckland Council for water quality, sediment management, flood mitigation, wetland restoration and broader harbour ecosystem outcomes.

Status quo

Under the existing arrangements, these catchments are managed across the region by Northern Regional Council. Management is independent of district council boundaries, and NRC manage the interface with Auckland Council.

Options 1 and 2

Under the single unitary options, the unitary council would manage catchments across the region as a while, in a similar manner to NRC under the status quo.

Option 3

Under a two unitary council model catchment management would be the responsibility of the SRE, to ensure stable and consistent management of catchments without further fracturing of the system (beyond what already exists at the Auckland boundary).

Assuming a Far North Unitary Council and a combined Whangārei/Kaipara Unitary Council, catchments would generally be allocated as follows:

- Catchments primarily within the Far North Unitary Council

Awanui, Rangaunu, Hokianga, Kerikeri, Waitangi, Kawakawa, Kaeo and most Bay of Islands catchments would sit within the Far North Unitary Council.

- Catchments primarily within the Whangārei/Kaipara Unitary Council

Whangārei Harbour, Bream Bay, Waipū, Mangawhai and the southern Kaipara coastal systems would sit within the Whangārei/Kaipara Unitary Council.

- Catchments likely to require joint governance

The Northern Wairoa system would be the main shared catchment. Its upper headwaters would fall under the Far North Unitary, while much of the lower Wairua and floodplain management interface would sit within the Whangārei/Kaipara Unitary.

This arrangement for Option 3 aligns with the intent of the new planning system, where integrated catchment management is delivered primarily through the Natural Environment Plan, supported by catchment-scale implementation tools such as action plans. Locating these functions within the shared regional entity enables a single, consistent approach to setting environmental limits and managing catchments at the appropriate scale, reducing the need for separate approaches across unitary councils.

6.5. Summary of assessment against 'Supports the new planning system'

Table 13 Summary of assessment against 'Supports the new planning system'

Option	Rating	Pros	Cons
Option 1		Single planning authority with regional integrated planning and strategic infrastructure strategy and sequencing. No catchment fragmentation. Simplest plan development process with no potential for deadlocks.	Needs strong processes for engagement

Option	Rating	Pros	Cons
Option 2		Single planning authority with integrated planning and strategic infrastructure decisions. No catchment fragmentation. Community councils could provide local input into planning priorities while preserving regional consistency.	Depending on weight given to CC support of regional plans, this is either one council deciding the trade-offs or three entities in a complex consensus-driven process. Not as simple as Option 1. Same number of entities involved as Option 3.
Option 3		Simpler than the status quo for delivering the new planning system. Regional functions and catchments kept intact by SRE. Autonomy maintained at the sub-regional level, with no higher 'approval' needed.	More complex than Option 1. Requires bespoke legislation to protect purpose of SRE, and to enforce coordination of investment timing on regional projects. Potential for deadlocks and Ministerial resolution.
Option 4		The end-state with a single unitary authority provides strong long-term alignment with planning reforms. Initial transition allows planning capability to progressively consolidate at the sub-regional level while providing regional alignment on RSP and NEP during transition.	Extensive legislation required, would need to address the requirements of Option 3 for the transition period, plus pathway to the end-state. Same cons as Option 3 during the transition.

6.6. What this means for decision makers

All options operate within the same Regional Spatial Plan, which sets a shared long-term direction for growth, infrastructure, and environmental management across Northland. This means the overall strategic intent of the planning system is broadly consistent regardless of governance structure.

All options would support the new planning system better than the status quo.

The key difference between the options is in how alignment between strategy, funding, and delivery is achieved and maintained.

- Under Option 1, alignment is achieved within one organisation, where planning, funding, and delivery decisions sit together and are resolved through a single decision-making framework.
- Under Option 2, alignment ultimately sits within one organisation. If no approval is needed from community councils, this is the same as Option 1. The more the unitary council needs the approval of the community councils, the more this option will look like Option 3.
- Under Option 3, alignment must be designed into the system through legislation and binding mechanisms. There are more complex plan-making and approval processes, and a greater risk of delay or deadlock if alignment is not achieved.

In practical terms, this choice is between alignment that is inherent within a single system, and alignment that must be explicitly designed and enforced through legislation.

7. Simplifies local governance

The Head Start Pathway criteria assumes that the creation of larger unitary councils will lead to simpler local governance based on streamlining of responsibilities and reducing duplication.

With one council managing local services delivery and environmental management, the Government expectation is improved accountability and reduced complexity for communities to access services.

7.1. Status quo

The current arrangements comprise a two-tier local government structure, with NRC responsible for regional functions and FNDC, WDC, and KDC responsible for local services. While these roles are formally defined, this structure will require increased coordination across multiple organisations under the new planning system, which can add complexity for decision-making, planning, and delivery.

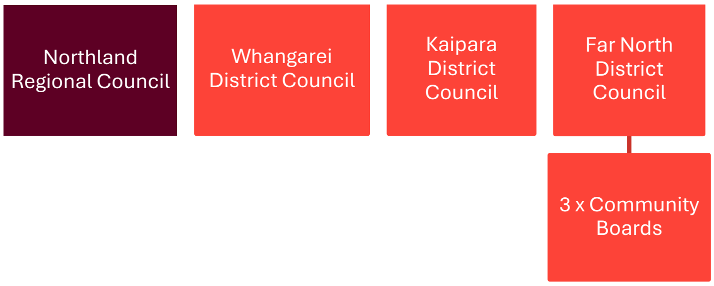


Figure 18 Existing council structure

7.2. Reduction in duplication

Each council currently has their own policy frameworks, meaning decisions about funding, priorities, and engagement are made independently.

Under all the options presented in this report, there would be a consolidation of core statutory and planning documents, e.g. replacing four separate Long Term Plans, Annual Plans, Annual Reports, and associated plans. While the statutory requirements under the Local Government Act would remain, duplication across councils would be removed.

For example, asset management planning would shift from multiple council-specific approaches to a single, consistent regional framework, enabling more coordinated investment decisions and clearer prioritisation. The result is fewer parallel processes and documents, and a more streamlined, coherent planning, monitoring and reporting cycle.

The following table is indicative of the scale of reduction in documents produced based on publicly available information. Supporting documents (e.g. asset management plans, internal reporting, etc) will likely reduce by a similar proportion.

Table 14 Reduction in duplication of effort

Instrument	Status quo	Option 1	Option 2	Option 3
All statutory reports e.g. Long Term Plan + supporting documents Annual Plans, Annual Reports Pre-election reports Waste Management and Minimisation Plans + supporting documents	4 sets	1 set	1 set but possibly with 3 sections	2 sets, inclusive of regional information
Policies[13]	125	35-45	35-45	70-90
Bylaws[14]	41	18-20	18-20	30-35

Bylaws, which are relatively standardised across councils, could likely be reduced to a smaller set of region-wide instruments. Policies would also be rationalised over time, reducing duplication and inconsistency.

The impact of consolidation is not limited to the number of instruments. It also materially reduces the effort required to develop, maintain, update, and consult on these documents, which under the current arrangements is undertaken separately by each council. In addition, consistency across the region provides an opportunity to present a more coherent and aligned approach to policy and planning, making it easier for communities to understand requirements and for a coordinated approach to community consultation.

7.3. Removal or addition of governance layers

The most significant change is the removal of the regional–territorial split. This eliminates a formal layer of governance and, importantly, removes the need for coordination between regional and district councils.

Whether this removes a layer of governance depends on whether local bodies are introduced. As mentioned in the description of Option 1, this option assumes the inclusion of local bodies. With Options 2 and 3, this decision is optional and at the discretion of each subregional council. Currently only FNDC has community boards.

- Option 1: Replacing the regional council layer with a local body layer. No overall change in number of layers, likely increase in number of elected representatives (including local body representatives)
- Option 2: Depending on the number and structure of the local body layer, the total number of governance layers (and the total number of elected representatives) could increase.
- Option 3: No change in number of layers if local bodies are included, or a reduction in layers if no local body layer. Coordination is no longer between ‘layers’ but between two unitary councils. Inclusion of local bodies would increase overall number of elected representatives.

[13] Status quo numbers taken from published on public-facing websites hosted by the four councils. Option ranges based on level of duplication in published documents.
[14] Status quo numbers taken from published on public-facing websites hosted by the four councils. Option ranges based on level of duplication in published documents.

The key difference between the status quo and Options 1 and 3 (with local bodies) is that representation is shifted closer to communities, potentially strengthening local voice.

7.4. Clarity of roles and responsibilities

Clarity of roles and responsibilities can be assessed by the alignment between three core elements discussed earlier in this report around the Key Concept of Accountability:

- Decision-making — who sets priorities and makes trade-offs
- Funding — who controls resources, sets rates and allocates funding
- Performance — who is responsible for delivery and outcomes.

Where these elements sit together within the same entity, accountability is clear and direct. This makes it easier for communities to understand who is accountable and reduces ambiguity about who is responsible for decisions and outcomes.

Case Study C. Wellington Water demonstrates that accountability becomes less transparent when these elements are split across multiple entities.

Note that is equally important in Option 1, the single unitary model, but in that case, accountability is delegated internally and is less transparent to those outside the organisation.

Table 15 Clarity of roles and responsibilities in local governance

	Option 1	Option 2	Option 3
Where does accountability sit? - Decision-making - Funding - Performance	In the unitary council.	In both layers. Both unitary council and community council develop programmes and set rates. In theory this makes them both responsible for the outcomes they are targeting.	Primarily in each unitary council within their respective area, being the entities that set rates and adopt plans. Provided a funding commitment to the SRE is present, there is a secondary triangle with the SRE to achieve the outcomes adopted within the agreed budget.
Overall clarity	Highest clarity. There is no other entity to create any confusion.	Moderate. Trade-offs and conflicts are settled by the unitary council, which undermines the community council's ability to be fully accountable.	Moderate. Requires legislation to maintain clarity of accountability across entities.
Key risks	Concentration of decision-making may reduce perceived local influence. Mitigated through local representation design.	Pressure on shared services and back-office capacity, with bottlenecks ultimately resolved at the unitary council level. When stressed, activities are likely to be regionalised, and this may drift towards Option 1.	Requirement for durable funding mechanism for regional activities, such as legislated funding arrangements. Dependence on effective joint governance to make and implement regional decisions.

Overall, Option 1 aligns all elements of the accountability triangle within a single entity, while Options 2 and 3 introduce varying degrees of separation, requiring stronger alignment mechanisms (i.e. legislation) to maintain clarity of roles and responsibilities. Maintaining clear accountability is still possible but needs more careful planning in design and drafting of legislation.

7.5. Ease of understanding for communities

Table 16 Ease of understanding for communities

Option	Ease of understanding
Status quo	While district and regional council roles are clearly defined, for many residents the difference is not always obvious, and the need for two separate layers of governance can be unclear.
Option 1	This option is the simplest for the community to understand, there is only a single entity and therefore an easily identifiable point of accountability. Case Study A (Auckland Council – Regional integration vs local voice) suggests that the relationship of a single unitary with local boards was/is not well understood and is still a work in progress, however the complexity of a local body would apply equally to all options.
Option 2	This is more complex than the existing system, with publicly elected members on both the unitary council and the community council, each with separate mandates and some members sitting on both. This would require significant public education to understand. Operationally, public understanding would depend how the organisation presented itself. If it is a single brand, single name, then accountability is clear to the public, and any confusion would remain internal. If the CC and UC present as different brands, then public confusion would be likely over which organisation is delivering which service. The UC ability to override the CC when a conflict arises would add to this confusion. The addition of local bodies beneath the CC would have the same level of confusion as Option 1, possibly more, because there would be three layers of elected representatives.
Option 3	Easier to understand than the status quo, but more complex than Option 1. Each subregional unitary council is fully accountable to the public for the delivery of services within its area. The SRE's functions as a shared arm of the two unitary councils may cause confusion, however from the public's perspective, their unitary council is accountable. The addition of local bodies would introduce the same level of confusion as Option 1.

Is there a relationship between scale and voter turnout?
DIA's Local Authority Election Statistics shows that district council elections have had higher voter turnout than city council elections in every local government election since 1989 (predating the establishment of Auckland Council). While the data does not prove that smaller councils cause higher turnout, it does challenge any assumption that larger councils necessarily produce stronger electoral engagement.

7.6. Ongoing Delivery Risks

Without careful planning, design, implementation and ongoing management, these three different models will show evidence of failure in quite different ways:

Table 17 Ongoing delivery risks

Option 1	Option 2	Option 3
A slow degradation of performance, typically internal for a reasonable length of time before being visible externally, e.g.: - Accountability is not clearly and consistently delegated within the organisation. - Duplication creeps in across departments. - Scale creates coordination overhead that offsets any efficiency gains. The model keeps functioning but becomes progressively less efficient over time.	Community councils may become restricted in what they can deliver due to limited resources or trade-off decisions of the unitary council. This limitation is unlikely to be visible to the community meaning where services do not meet expectations, accountability is not obvious. Potential for trust in community councils to erode over time, pushing functions upwards to the unitary council and drifting towards Option 1.	Different priorities between the two unitary councils e.g. Difficulty agreeing on regional priorities, sequencing, or funding timelines. This would lead to an increased reliance on legislation and intervention to break deadlocks, rather than collaboration and consensus. New legislation developed during establishment would need to ensure SRE delivery was not compromised while issues were resolved.

7.7. Summary assessment against 'Simplifying local governance'

Table 18 Summary assessment against 'Simplifying local governance'

Option	Assessment	Pros	Cons
Option 1		One council makes the decisions, sets the budget, and delivers the services. Single body for accountability with no room for confusion. Maximum reduced duplication of effort, from four councils down to one. Simplifies planning and reporting. Simple for public understanding. Clear interface for communities and stakeholders.	Decision-making is more centralised, which may reduce perceived local influence. Requires well-designed local representation to maintain connection to communities. One set of policies, plans, bylaws etc requires a high degree of alignment, with identified areas of variation. Variation adds complexity, it can be accommodated but should be limited to where it has the most impact, with alignment as the default position. Internal complexity can still exist but is less visible externally.

Option	Assessment	Pros	Cons
Option 2		Retains single overall authority while providing an option for subregional decision-making.	Adds another layer of governance (CCs), which makes the system harder to understand. Potentially three layers of elected representatives with local bodies. Community councils may look like they are in charge of their functions, but final decisions around trade-offs sit with the UC, which weakens CC accountability
Option 3		Reduces four councils to two with clearer accountability than the status quo and simpler at a high level. Handles variation in policy, planning and strategy better than Option 1, as each UC maintains their own (with SRE). Each unitary council is clearly accountable within its own area.	Two councils still means two sets of policies, plans, and systems i.e. some duplication still exists. Though not a council, the SRE is still a separate legal entity, creating a third entity in the local government space. Effectiveness at regional decision-making relies on ability of legislation to avoid deadlocks.
Option 4		Allows simplification to be achieved over time rather than all at once, providing time to resolve design issues before reaching the one unitary end state.	Two rounds of structural change increase uncertainty and implementation risk. Risk that final simplified state is not ultimately achieved.

7.8. What this means for decision makers

All options reduce the number of councils, reduce duplication to some extent and simplify aspects of the current system. The key difference is how far that simplification goes, and where complexity sits.

- Option 1: A single unitary council brings decision-making, funding, and delivery into one organisation. This removes duplication between councils and makes it clear who is responsible for outcomes. The system is simpler to explain and easier to navigate but relies on well-designed local representation to ensure communities continue to feel heard and can allow for a degree of local variation, but too much local variation will make the unitary council inefficient and confusing, both internally and externally.
- Option 2: Introducing a second layer of governance through community councils creates a more complex internal dynamic, where community councils (with elected members) are outwardly accountable for achieving outcomes but inwardly dependent on the unitary council for alignment, trade-offs and support services. While it provides a single unitary council with a subregional presence, it adds another layer to the system and makes accountability less straightforward in practice.
- Option 3: Simplifies the structure at the subregional level, with each unitary council operating independently within its area. For most day-to-day decisions, this is no more complex than the current system (with three councils reduced to two). However, regional functions require decisions to be made across both councils through the SRE, which introduces additional steps and a reliance on new legislation to avoid deadlocks for those matters.

8. Economies of scale

8.1. Status quo

A summary of the financial status quo is provided in the 'Northland context' section of this report.

8.2. Summary of case study experience

The case studies in Appendix B which include Auckland's amalgamation in 2010 and the NSW amalgamations around 2015, suggests that economies of scale associated with amalgamation are real, but selective and often overstated.

- Case Study B. (Auckland Council – scale, efficiency and savings realisation) demonstrates that while consolidation improved regional planning capability, coordination, and access to specialist expertise, there is no robust published evidence that these benefits translated into clear net cost savings.
- Similarly, Case Study E. (New South Wales – Lessons from Fit for the Future) shows that the assumed relationship between size and financial efficiency is not consistent in practice.
- Across both cases, the strongest and most consistent benefits of scale relate to improved strategic capability, integration of planning and infrastructure, and the ability to operate at a regional level, rather than reductions in overall cost.

A consistent finding across the case studies is that any financial benefits from amalgamation tend to be moderate and are often offset by other factors. These include transition and system integration costs, the tendency to standardise service levels (typically by bringing lower service levels up to the higher service level), and increases in organisational capability over time.

In practice, savings achieved through reduced duplication or consolidation of governance and corporate functions are frequently reinvested into infrastructure needs or organisational capacity, meaning that reductions in costs are not typically translated into reductions in rates.

8.2.1. Te Waihanga study[15]

This case study experience is supported by the Te Waihanga study, which asked whether council population size was associated with lower costs for three specific areas of local government spending, namely road maintenance, building consent processing, and governance and support services. Together, those activities accounted for about 52% of total local government operating expenditure (in 2022). Using national datasets and regression analysis, the report found that council size by population only was effectively neutral for cost efficiency in all three areas, larger councils were not systematically cheaper, but nor were they systematically more expensive, once other factors were controlled for.

The more important finding from Te Waihanga is that other factors often matter more than size alone. In road maintenance, for example, population density, the share of the network that is sealed, and vehicle kilometres travelled per person were more influential drivers of cost than council population. Similar conclusions were reached for governance and support costs. The implication is that economies of scale are not universal and cannot be assumed simply because an organisation is bigger.

[15] New Zealand Infrastructure Commission / Te Waihanga, *Does size matter? The impact of local government structure on cost efficiency* (July 2022)

8.2.2. Morrison Low Advisory – Local Government Service Delivery[16]

MLA previously investigated this issue for DIA in 2022. Information from Stats NZ Local Authority Financial Statistics for 2018 to 2020 was utilised across 15 activity groups, normalised to cost per resident, and grouped councils into population bands. It found that small territorial authorities (<60,000 people) had both higher overall costs per person and a wider spread of costs than larger councils. Over 60,000 people, the impacts of size were considerably smaller.

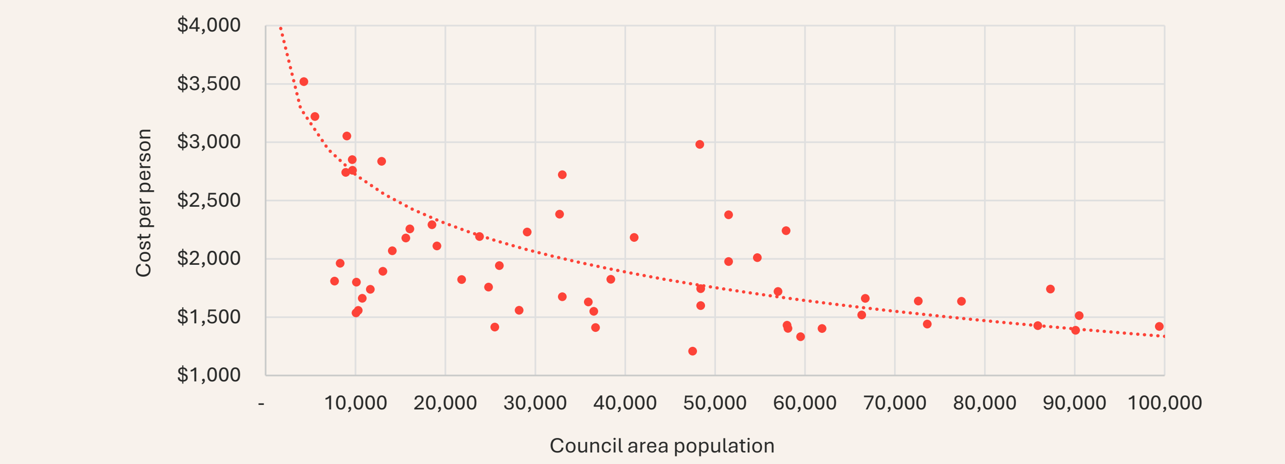


Figure 19 Cost to serve per person (district council functions) based on previous MLA study

8.3. Financial Benchmarking

8.3.1. Summary

Our financial benchmarking carried out for this report, concluded that a combined council structure is likely capable of delivering some efficiencies, but that the likely gains are moderate rather than transformational.

Benchmark modelling suggests that a combined single unitary authority for a Northland entity could operate at anywhere from 8% - 22% below the current combined operating cost base, although based on a review of literature and consideration of existing cost structures, it is more likely to observe economies of scale at the lower end of that range. The actual costs will be heavily influenced by detailed design choices such as staffing, office locations, and service configuration. Costs associated with the addition of local bodies into the structure have not been included.

It also found that in a two unitary model, the costs per property are essentially the same as the status quo, with no benefits to FNDC and with little to no benefits to WDC and KDC.

[16] Morrison Low, *Local Government Service Delivery: Existing services and costs – Findings from Morrison Low analysis*

8.3.2. Approach

To assess the potential to unlock economies of scale through the creation of one or more unitary authorities in Northland, we undertook an internal benchmarking study that considered the actual functional cost structures of existing local authorities in New Zealand.

Rather than asking whether larger councils are always cheaper in general, we used regression analysis to test whether there was a statistically significant relationship between cost and scale across a range of local government activities, using public financial data and a set of service-specific cost drivers. Instead of population being the only measure of scale, we considered the different metrics that drive cost in each activity e.g. consents as a driver for Planning and Regulation, infrastructure asset value as a driver for Property, urban population as a driver for Recreation and sport.

We found that 9 of the 13 activities examined had a statistically significant relationship between total cost and scale, including roading, solid waste, environmental protection, regional and territorial planning and regulation, property, community development, and economic development.

We also found that the relationship between cost and scale is generally linear, with both a fixed and variable component. That means scale savings tend to come from spreading fixed costs across a larger base, but the gains diminish as size increases rather than continuing to grow proportionally.

We applied the benchmarking approach and regression analysis to predict what a "reasonable set of costs" might be for a single council with the same characteristics as Northland to deliver both territorial authority and regional council functions.

To test the validity of our benchmarking approach, we compared the projected costs from the benchmarking exercise with the actual costs in each council. The results of this are shown in the chart below. It shows that at a simple combined level[17] the actual cost of all four councils combined are in line with the top end of our cost range. Costs are also within our projected range for WDC, while FNDC's costs were only 2% above our maximum range, and KDC's costs only 4% above the maximum range.

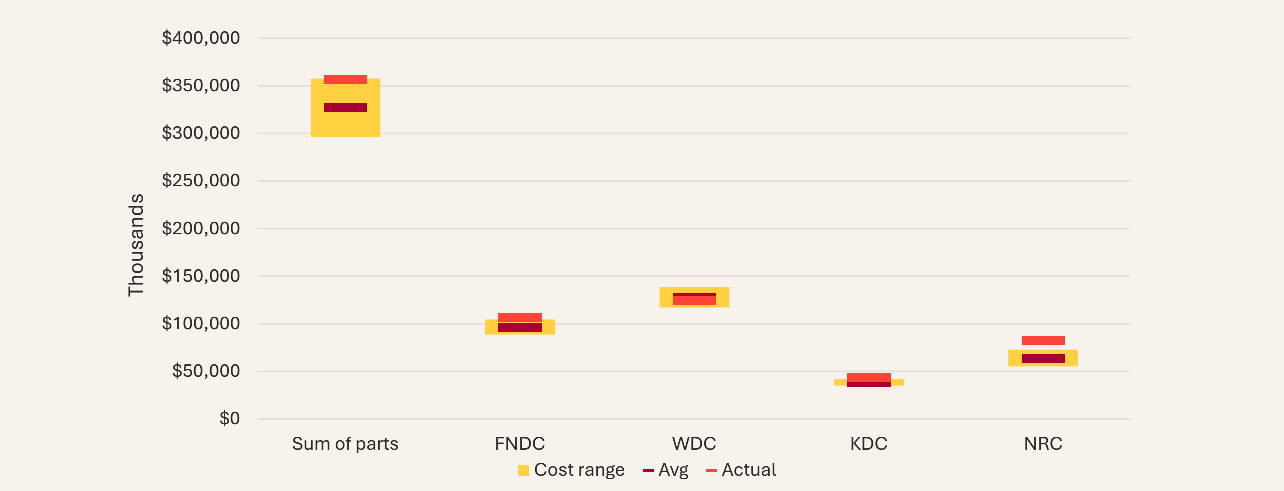


Figure 20 Benchmarked costs compared to actual costs per council to test validity

[17] Costs for all four councils combined, with no assumptions made around efficiencies or adjustments for combined scale.

We also compared our benchmarking for regional council costs against the actual costs for NRC using a similar approach. We note that there are fewer regional councils in New Zealand, and therefore benchmarking of regional council costs is less reliable than territorial authorities. NRC's costs sat 13% above the maximum of the benchmarked range.

On this basis, we believe the benchmarking is a relatively good tool for predicting an estimate of the cost of service across Northland and can provide useful insights into what the options being considered might cost.

The results do not produce an actual operating budget or detailed cost estimate but show what a mature council that shares the same attributes as the Northland region could be reasonably expected to cost.

8.3.3. What could a single unitary cost?

The previous exercise (testing the fit of the benchmarking data) does not consider the increasing benefits of scale that may arise from establishment of one or more unitary authorities. To test this, we used the benchmarking approach to determine what the reasonable costs of the options for one or two new unitary authority(-ies) in Northland could be.

To ensure that we did not overestimate potential efficiencies, we used Whangārei's existing costs to determine the fixed cost component. This means we have not assumed any additional efficiencies beyond those that come from scale.

We then compared this to the actual combined costs, and revenue, for the existing councils. The results of this comparison for a combined unitary authority are shown in the chart below.

It indicates that the costs for a unitary authority covering the Northland region could be between 8% - 22% lower than the current actual costs. Based on both international evidence and Northland's current cost structure, any realised savings are more likely to sit toward the lower end of that range.

This is supported by the literature review and our experience elsewhere. As seen in the chart, the majority of these efficiencies relate to the delivery of territorial authority functions.

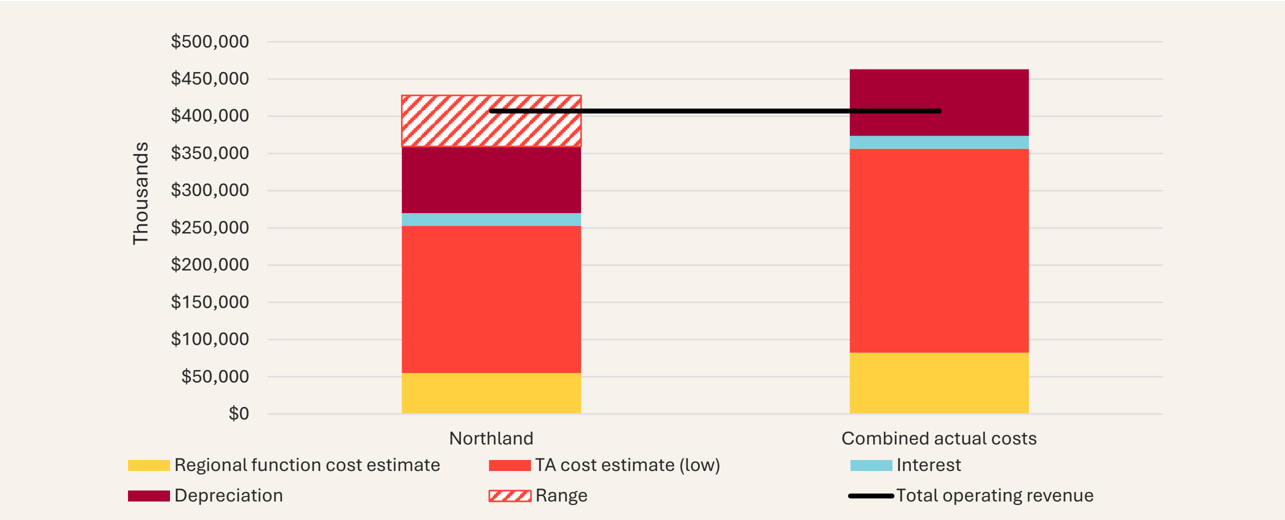


Figure 21 Potential costs for a Northland unitary authority versus combined rates take

8.3.4. How do the options compare?

We completed the same exercise for the option of establishing two separate unitary authorities with an SRE. Because we were unable to disaggregate actual costs for regional council functions across the territorial authority areas reliably, we have compared the costs on a per ratable property basis. This means that the "combined actual costs" per property are a weighted average cost per property across the region, not the actual cost per property of each individual council.

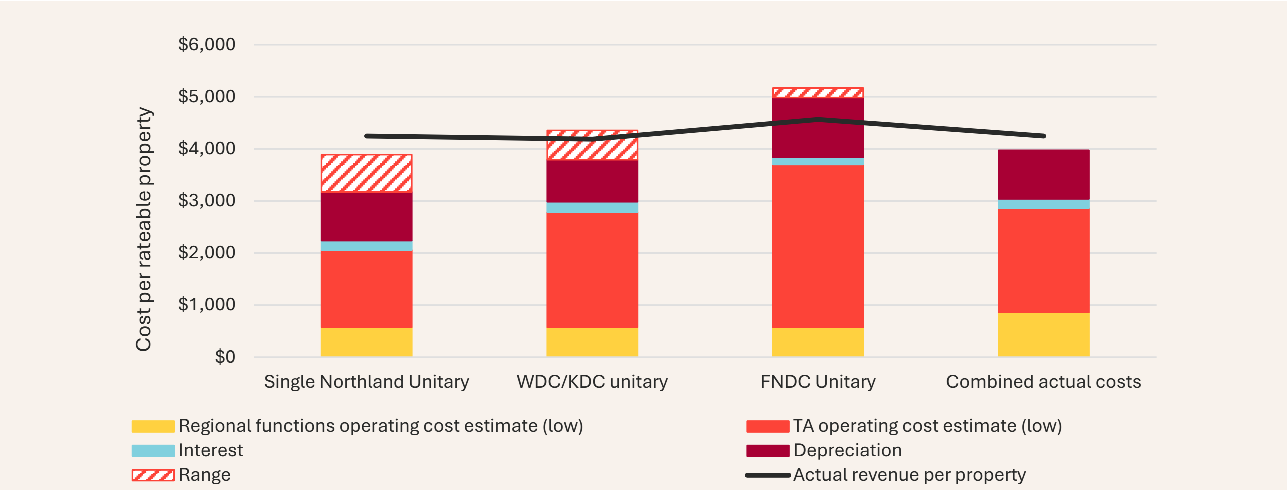


Figure 22 Costs and income per rateable property across options

This shows that the potential for efficiency gains is far greater in a single unitary authority model than it is across two unitary authorities. On a per property basis, costs for an FNDC unitary authority could be between 33% – 57% higher than a combined unitary authority (though again, the potential savings from a combined unitary authority are more likely at the lower end of this range).

The reduction in per property costs in the one unitary model arises in two ways:

- The per property costs assume that all costs of each unitary authority are spread evenly across all rateable properties. As FNDC's costs per property are higher than the other two districts, with KDC being the lowest, this approach results in a reduction in per property costs for the Far North area. This portion of savings would be heavily influenced by the rating policy of the new entity.
- The remaining reduction reflects potential efficiencies which may arise as a result of increased scale.

In the two unitary model:

- The projected costs for an FNDC unitary authority are the actual per property costs for FNDC plus an estimate of the NRC costs per property if those functions were delivered through a new joint entity and are very similar to the existing operating cost per property in FNDC. I.e. this is essentially status quo for FNDC.
- For the WDC + KDC unitary, the costs per rateable property are mostly an average of their current operating costs per rateable property, with little to no efficiency gains from this amalgamation.

Note that these benchmarks are based on the existing activities (excluding 3 Waters) and have not been adjusted to allow for governance costs associated with a local body layer, or any impacts of the new planning system.

The range in regional council costs are included in the cost ranges presented in the chart.

8.4. Risks to realising potential cost savings

Based on the case study evidence in Appendix B and MLA's experience with both Auckland and New South Wales councils, there are common reasons why anticipated efficiencies may not show up as lower costs:

- Increased support requirements for the local bodies (not included in benchmarked costs)

  Strengthening or introducing a local layer of representation increases the responsibility on the unitary council to support effective decision-making. This includes providing timely and consistent information, reporting, and engagement support. These additional requirements increase organisational effort and cost, which can offset efficiency gains achieved through consolidation.

  As an indication, Auckland Council's 2025/26 Annual Plan consultation information indicates that budgets for governance costs (including elected member remuneration and council support staff) are in the order of $0.7 - $1.12M per local board.[18]

- Constraints on workforce consolidation and local economic impacts

  Consolidating non front-line roles into central locations may reduce accommodation and overhead costs. However, this can result in economic impacts for communities that lose those roles. The NSW amalgamations recognised the economic impact of relocating jobs from smaller communities as a material factor. A similar issue is likely to arise in Northland. While Option 1 may maximise efficiency through consolidation, the concentration of employment in a single location is a design choice and would need to be weighed against economic disbenefits for other parts of the region.

- Upfront transition and integration costs

  Amalgamation requires significant upfront investment to integrate systems, processes, and organisations. These costs can be substantial and occur early, often offsetting any short-term efficiency gains from consolidation.

- Aligning service levels tends to increase costs

  Though this is a decision for any new entity, both Auckland and New South Wales amalgamations suggest that differences in service levels between areas are often resolved by aligning over time to the highest existing standard rather than the lowest, increasing operating costs over time.

- Increased organisational complexity and capability expectations

  Larger organisations typically require more formalised processes, specialist roles, and governance systems to operate effectively. This can increase administrative and support costs over time, even where duplication has been reduced.

- Demand and growth pressures absorb efficiency gains

  In practice, any efficiencies achieved through scale are often absorbed by existing infrastructure deficits, population growth, or increased service demand. This makes it difficult to isolate and realise savings as reductions in overall costs or rates.

For these reasons, we consider the more realistic expectations of cost reductions are on the lower end of the ranges identified.

[18] Governance manual - Funding for local boardshttps://governance.aucklandcouncil.govt.nz/4-roles-responsibilities-and-relationships/local-boards/funding-for-local-boards and 'Plans for your local board area' 2025/26 consultation information.

8.5. Potential benefits of scale

The data, both internationally and from New Zealand does show some evidence of benefits from operating at larger scale through improved efficiencies and increased capabilities. However, in a merger of councils with different sizes and geographies these benefits would not be expected to be shared equally. The smaller councils would typical benefit more from the change in scale than the larger councils.

Across the case studies, the most consistent benefits include the following:

- Increased ability to support for specialist roles and more sophisticated planning, particularly for long-term investment. This was evident in Auckland, where the main gains were in integrated planning and regional prioritisation. Over time, this has made it easier to deliver larger and more complex infrastructure projects across Auckland, particularly where coordination across multiple areas is required.
- Larger teams provide more depth, reducing reliance on individual staff and providing workforce resilience. This is particularly relevant in areas that require specialist skills and/or knowledge, where existing teams struggle to find experienced staff. Bringing these teams together across councils can mean that the activity matures, e.g. asset management practices are more consistent, strategies are developed from a better information base and are more targeted at addressing underlying issues.

8.6. Northland examples

8.6.1. Comparison of council staff FTE

The table below shows the number of staff across the four combined councils of Northland, is already lower than comparable councils serving similar populations.

Table 19 Comparison of Northland total FTEs

	Population	Council FTE (2024)
Whangārei District Council	100,500	407
Far North District Council	73,500	366
Kaipara District Council	26,800	164
Northland Regional Council	200,800	315
Total Combined Northland Councils	200,800	1,252
Hamilton City Council	192,100	1,486[19]
Wellington City Council[20]	210,800	1,631[21]

We recognise the two comparator councils provided here are both city councils, however, arguably, the geography of Northland adds further delivery challenges, meaning that staff numbers higher than Hamilton and/or Wellington could be justified.

[19] 2024-2025 Annual Report, published by Hamilton City Council
[20] Wellington's FTE number exclude waters-related FTE.
[21] 2024-2025 Annual Report, published by Wellington City Council

Across Northland, the combined solid waste function across the three district councils is relatively small (around 3.5–4.5 FTE in total). Bringing these teams together is unlikely to reduce staff numbers, but it would create a broader, more capable team with greater depth and resilience, better positioned to support progress across the region.

8.6.2. Potential benefits of combined regional procurement

As an example, procurement is an area where benefits of amalgamation would be expected to occur, both financial and non-financial.

We understand that regional collaboration on procurement began in 2024, with a working group and early development of a draft regional procurement framework. The economies of scale that a single unitary council could achieve by building on this collaboration include:

Table 20 Benefits of combined regional procurement

Benefit	Description
Reduced duplication	One authority could replace separate procurement policies, templates, supplier processes, prequalification approaches and reporting arrangements with a common regional framework. Staff, suppliers and delivery partners would spend less time navigating different council processes and more time planning and delivering outcomes.
Improved contract leverage	Aggregated demand would strengthen commercial discipline and improve whole-of-life value while preserving fair competition.
Better market visibility	A shared regional pipeline and supplier mapping would support tender readiness, compliance planning, workforce planning, subcontracting partnerships and investment decisions. Likewise, suppliers would have clearer signals about future opportunities, earlier engagement and more consistent expectations.
Stronger wider outcomes delivery	A single authority would be better positioned to consistently embed workforce, sustainability and regional economic outcomes into procurement planning and contract delivery across the region.
Major capital delivery	A unified pipeline would support better planning for transport, roading, waste, housing-related infrastructure and resilience investment. Procurement could help sequence and deliver assets, services and partnerships that strengthen Northland's ability to prepare for, respond to and recover from disruption.

8.7. Summary assessment against 'Economies of scale'

Table 21 Summary assessment against 'Economies of scale'

Option	Assessment	Pros	Cons
Option 1		This option will maximise the economies of scale that are available, both financial and non-financial Larger rating base lowers the cost to serve per household. Combining teams increases capability and provides workforce resilience.	Transition costs likely to be higher to fully align four councils into a single entity. Costs to serve an informed and effective local body layer will reduce financial savings. Benefits may take time to realise and may be non-financial.
Option 2		Scale benefits in practice are similar as Option 3 as even though a single Unitary is formed, the delegation of service delivery to community councils will reduce opportunities for efficiencies.	Additional governance layer adds cost and reduces some efficiency gains, even more so if option includes local bodies. Same cons as Option 1, with additional costs to support CCs.
Option 3		WDC/KDC achieves benefits through larger population and asset base. FNDC gains regional functions and greater autonomy.	Scale benefits are uneven with FNDC remaining relatively smaller. Duplication of governance, policy and corporate functions remain across three entities. Benefits of regional alignment rely on informal collaboration.
Option 4		There are no further benefits to this option, other than described in Option 1.	Benefits of a single unitary will not be fully realised until the transition period is complete which is 10 years from now. Additional transition costs due to two-stage transition. Increased levels of disruption and transition risk.

8.8. What this means for decision makers

The more consistent benefits of scale are in capability, coordination, and resilience. Larger organisations are better able to support specialist roles, manage complex infrastructure and regulatory functions, and make more integrated decisions. These benefits tend to improve how councils operate and what they can deliver, but do not necessarily result in lower overall costs to ratepayers.

From the financial benchmarking we can conclude that:

- Average cost per rateable property are likely to be higher under the two unitary council model than the single unitary council model.
- Costs under the two unitary model are likely to be broadly similar to costs under the existing delivery model, with little to no scope for meaningful efficiencies.
- A single unitary authority would be likely to be able to deliver services more efficiently than the current model, although the scope for efficiencies is likely to be on the low end of our benchmarking estimates (around 8%) and will take time to be realised.

Once adjusted for additional costs to support local bodies and transitional costs, the financial impact is likely to be small to moderate rather than transformational and may be reflected in changes to level of service rather than reduced cost of service.

The options differ in how much of these benefits they capture, and how evenly they are realised across the region.

- Option 1: A single unitary council captures the full benefits of scale, with one organisation able to prioritise investment and deploy resources across Northland.
- Option 2: Though a single unitary in theory, this is more likely to release the same level of benefits as Option 3 as delivery is split between multiple entities. Some efficiencies may occur due to sharing of support services, however realising these benefits will be more challenging with separate delivery arms.
- Option 3: A two unitary model with the SRE delivers significantly less of scale benefits, as three entities continue to deliver services separately in the region. Regional collaboration is still possible but relies on voluntary collaboration.

9. Maintains local voice

The Government's Head Start programme includes maintaining local voice as a core assessment criterion. For consideration of a one or two unitary council model, this means considering how the governance would preserve community identity, provide fair and effective representation, and remain practical to operate.

A future representation model design would need to decide:

- Whether members are elected at large, by wards, or through a mixed model.
- The total number of councillors and how they are distributed across the area.
- Whether community boards, local boards, or another sub local structure are needed to preserve local voice.
- How Māori wards would be treated as part of the overall design, rather than added later.

In general, a large representation suits places with a strong shared identity and compact geography, wards suit places with distinct communities of interest, and a mixed model can help balance region wide leadership with local representation.

Any representation model needs to explicitly resolve:

- Regional efficiency versus local identity
- Population equality versus community integrity
- Scale versus accessibility
- Technical compliance versus community acceptance.

9.1. Status quo

Under the status quo, there is a variety of local representation models across the region. There is a high degree of variation between councils in how local voice is structured and expressed.

FNDC is the only territorial authority with Māori wards and community boards.

Both NRC and WDC have Māori wards for the current local government term only. Both WDC and KDC do not have community boards.

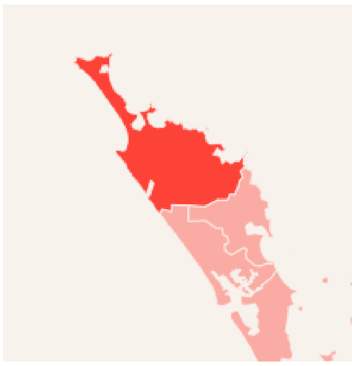


Figure 23 Māori wards and community boards

Table 22 Existing representation arrangements

District Council	General Wards	Māori Wards	Community Boards	Number of Councillors	Population per Member
Far North District	Yes (3)	Yes (1)	Yes (3)	10	7360
Whangārei District	Yes (5)	Yes[22]	No	13	7742
Kaipara District	Yes (3)	No	No	8	3355

[22] The Māori wards for WDC and NRC will cease at the next local government elections in 2028.

The above table shows that FNDC and WDC have similar levels of representation per member, while the KDC community enjoys higher level of participation.

- FNDC's approach to governance recognises separate roles for Māori and local communities to influence decision making whereas WDC and KDC governance models place or will place more responsibility on the elected council members.
- The FNDC Community Board elected representatives are all elected from electoral subdivisions within the community board area.
- The NRC has seven general electoral constituencies that do not appear to align directly with the district council boundaries.

9.2. Indicative council structures

This section estimates what the council level representation structure might look like under the different options, making comparison with other councils across New Zealand of similar populations. This section does not attempt to design a local body layer, as this is discussed in the next section.

These examples of what representation could be under the different options is provided to help the councils determine which options is preferred. Should the councils choose to develop an outline proposal then we would expect that these would be further developed.

Of note is that the existing four smaller unitary authorities (Gisborne, Marlborough, Nelson and Tasman District Councils) with population of 50,000 to 60,000, each have 13 councillors, a ward structure and all have community boards.

Given the population size and land area of the one and two unitary authority options it is highly likely that elections by ward will provide the best local voice option at the unitary council level.

9.2.1. Option 1: Northland Unitary Council

For the purposes of estimating the number of elected councillors and wards the total region population has been compared to similar sized New Zealand Councils, Wellington and Hamilton, with populations of around 210,000 to 190,000 respectively.

Table 23 Indicative Option 1 representation structure

	Population	Elected Councillors	Number of Wards (including Māori Wards)	Electors per Councillor	Has Community Boards
Current Northland Region	201,090	31	13	6,487	-
Wellington City Council	209,800	15	6	13,987	Yes
Hamilton City Council	192,100	14	4	13,721	No

The total number of elected members in Northland could be assumed to reduce by approximately 50%, based on the levels of representation in these similar-sized councils.

9.2.2. Option 2: Northland Unitary Council with two Community Councils[23]

Table 24 Indicative Option 2 representation structure

	Population	Elected Councillors	Number of Wards (including Māori Wards)	Electors per Councillor	Has Community Boards
Northland Unitary Council	201,090	15 (combination of community council members + independents)	4-6	13,406	No
Community Council #1	100,000	10-13	TBD	7,690-10,000	TBD
Community Council #1	100,000	10-13	TBD	7,690-10,000	TBD

This option introduces a second layer of elected governance, resulting in more elected members overall than Option 1. Note that to ensure impartiality at the unitary council, any community council elected members also sitting on the unitary council, should be elected at large at the community council level.

9.2.3. Option 3: Two unitary councils

Under a two unitary council model, indicative representation may look like this:

Table 25 Indicative Option 3 representation structure

	Population	Elected Councillors	Number of Wards (including Māori Wards)	Electors per Councillor	Has Community Boards
Far North Unitary	73,600	10	4	7,360	TBD
KDC+WDC Unitary	127,490	21	7	6,071	TBD
Hutt City Council	113,200	13	6	8,708	Yes
Dunedin City Council	131,800	14	3	9,414	Yes

Assuming a KDC+WDC unitary council had a similar number of elected representatives as Hutt City Council or Dunedin City Council (13-14) this would result in around 24 elected representatives overall, which is a 22-24% reduction from the status quo.

Similar to Option 2, councillors sitting on the governing body of the SRE should be elected at large in the unitary councils, to prevent the perception of bias at the regional level.

[23] As this model does not currently exist in NZ, there are no comparators here. Estimates of representation numbers are indicative for illustrative purposes only.

9.3. Addressing local voice

9.3.1. The local body layer of representation

A key difference between the options when it comes to maintaining local voice, is the design of the local body representation layer.

In Option 1 the inclusion of local bodies of some description is essential for maintaining a connection between the unitary council (representing the region) and the different communities of interest that exist within the region. Local bodies can strengthen representation, but they do not replicate the autonomy currently held by territorial authorities.

In Options 2 and 3, there is already subregional representation, and the inclusion of local bodies is a design choice for each of the subregional entities.

The figure below represents a spectrum of options for how much authority could be devolved to local bodies, framed as a continuum between two contrasting models.

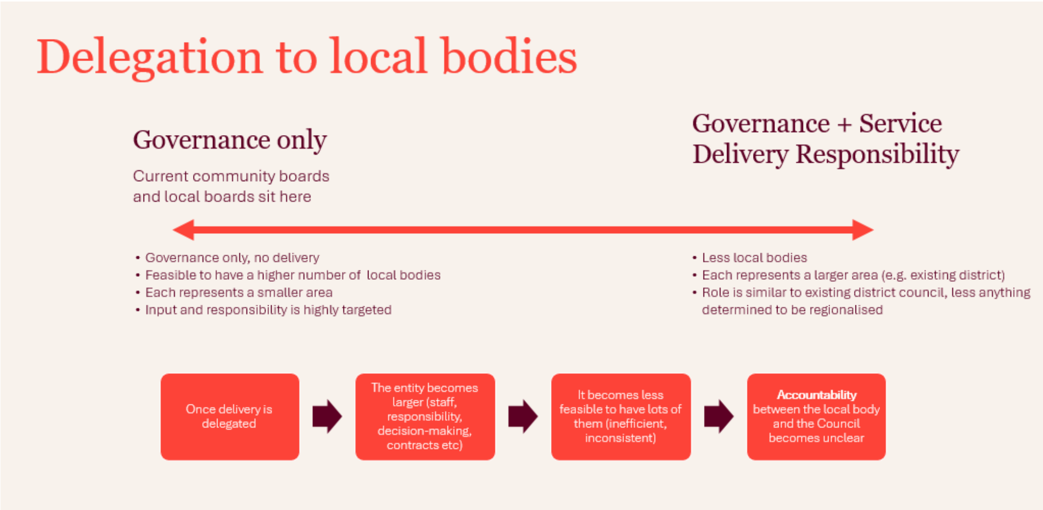


Figure 24 Spectrum of options for local body delegation

At one end sits a "governance only" model, where local bodies hold a governance role with no service delivery responsibility. This is the position currently occupied by community boards and local boards[24]. This approach makes it feasible to have a larger number of local bodies, each covering a smaller area, with highly targeted input and responsibility.

At the other end is a "governance plus service delivery responsibility" model, in which local bodies take on both governance and delivery functions. This implies fewer local bodies, each spanning a larger area such as an existing district, with a role similar to today's district councils, less anything determined to be regionalised. The Community Councils in Option 2 are, in some ways, local bodies on the very right-hand side of this spectrum.

[24] Auckland's local boards have operating budgets to direct, but delivery is through council or CCO staff.

The central trade-off is one of granularity versus scope: many small bodies with very targeted remits, against fewer larger bodies carrying broader operational responsibility. The status quo is positioned firmly at the governance-only end.

Prior to Auckland Council's amalgamation, there was 28 community boards across six of the seven district councils. The Royal Commission on Auckland Governance recommended 6 second-tier local councils beneath a single unitary council. The Government agreed with single unitary council but rejected the 6 second-tier councils in favour of 21 local boards, with greater powers than community boards, but less than the second-tier councils proposed by the Commission.)

9.3.2. Relevance to option comparison

This is an important distinction between the options, because overall Option 1 requires alignment on the structure, purpose and functions of local bodies at the development stage, while Option 2 and 3 leave room for these decisions to be made independently within the same timeframe.

Iwi representation on local bodies is possibly the exception, which could be determined at the local body level in Option 1 and vary across the region.

In a single unitary model, the following decisions need to be made at the unitary council level and be consistent across the region:

- Whether local bodies exist or not
- The population each local body represents, or the representation model that defines them
- Level and scope of delegation and in what activities
- Whether functions to be defined in legislation or determined by unitary council
- Governance only or governance plus service delivery

In a two unitary model (or with Option 2, the two community councils) the same decisions can be made independently by each unitary council.

For example, with two unitary councils:

- One unitary council could adopt local bodies with delegated decision-making powers, while the other could retain community boards focused on advocacy only, or have no boards at all, reflecting different preferences.
- One council could create fewer, larger local bodies with greater responsibilities around budget control and decision-making delegated to them, while the other could establish a greater number of smaller local bodies focused on advisory input.
- One council could choose to tailor service levels by locality (e.g. parks maintenance, local facilities, community funding), while the other could apply more consistent subregional standards across its area.

9.4. Iwi representation

The outcomes were different across the Northland councils in the Māori ward referendums held alongside the 2025 local government elections. As a result, the implications for Māori representation vary across the options and are a relevant consideration.

The purpose of this report is to identify the differences between the options and the trade-offs. It does not recommend a preferred approach to Māori representation. There has not been any consultation with iwi or Māori communities on these approaches. Any changes to representation arrangements would require detailed engagement and consultation with iwi, hapū, and communities.

The table below shows the similarities and differences of the representation options available at the unitary council level.

Table 26 Opportunities for iwi representation

Opportunity for iwi representation	Option 1	Option 2	Option 3
Inclusion of Māori wards	Single unitary council would need consistency in approach. Option to recognise FNDC referendum outcome and include existing FNDC Māori ward. Option to adopt NRC referendum outcome (region-wide) which would result in no Māori wards being established. Option to hold another referendum on establishment of new entity.	Single unitary council and community councils could each adopt independent positions. Unitary council would need to be consistent for independent elected members. Community councils could reflect local views and have different approaches to Māori wards.	Each unitary council would make an independent decision on their position on Māori wards. An FNDC / WDC+KDC model could largely carry through the 2025 referendum positions, subject to the decisions of the new councils.
Representation at local body level	Potential for Māori representation to be determined at the local body level and vary across the region to reflect local preferences.	Potential for Māori representation to be determined at the local body level, if community councils have local bodies	Potential for Māori representation to be determined at the local body level, as well or instead of Māori wards
Representation through other mechanisms (such as appointments, advisory groups, or partnership arrangements)	Would need to be agreed during detailed model development.	Consistent approach needed at unitary council level. Potential for independent decisions to be made at community council level.	Can be determined by each unitary council independently

The Local Government Commission's 2013 assessment considered how Māori representation could be provided where existing mechanisms such as Māori wards or statutory boards were not available (to the Commission at the time of writing in 2013). It identified the option of a region-wide Māori body, structured as a formal component of council governance, as a potential mechanism to ensure Māori perspectives are reflected in decision-making.

The Commission also noted that any regional approach must still address the diversity of communities and iwi across Northland, highlighting that how Māori representation is structured within the governance model is a core design consideration, and whether this is best achieved through a unified regional mechanism or through multiple locally determined arrangements.

9.5. Summary assessment against ‘Maintains local voice’

Table 27 Summary assessment against ‘Maintains local voice’

Option	Assessment	Pros	Cons
Option 1		Local Bodies are an essential part of this option to maintain local voice. Iwi representation can be determined at the local body level and vary across the region to reflect different preferences.	The overall design of the local bodies and the activities delegated to them needs to be consistent across the region, requiring agreement during the detailed design phase. Local body representation is not as autonomous as councils currently enjoy.
Option 2		Community councils would have delegated governance and local service delivery responsibilities enabling decisions to be made sub regionally. Potentially also supported by local bodies making decisions even closer to communities.	Effectiveness of local voice depends on the scope of delegated powers first to the CC and then to the local bodies. Communities may still perceive ultimate authority sitting with the unitary council.
Option 3		Allows for self-determination at the subregional level with each unitary council making independent decisions about Māori wards and local bodies. Structure and delegations to the local bodies can be determined by each unitary council independently.	Still represents a changes from the status quo most notably particular for residents of Kaipara.
Option 4		Initial two unitary structure preserves stronger local identity and local governance during transition.	Communities may be uncertain about long-term governance arrangements.

9.6. What this means for decision makers

The primary difference between the options on this criterion is whether local body representation looks largely the same across the region or not.

- Option 1: The local body layer must be consistent across the Northland region to ensure all local voice is fairly represented. This means the structure, role and powers of the local body need to be consistent and limits the ability to reflect different local preferences for more or less levels of delegation. The composition of the local bodies could vary across the region and allow for iwi representation to be determined by each local body depending on their communities.
- Option 2: There are two levels of delegated authority in this model. Potentially community councils could vary in the structure and authority delegated to their local bodies.
- Option 3: Each unitary council can independently decide its approach to representation, local bodies, and delegation. This allows different models to reflect different communities of interest across Northland.

10. Deliverability

Local government and the public sector more broadly have a history of responding to reform and reshaping themselves following Government decisions. In recent times, local government in New Zealand has responded at pace to the removal of water and the creation of Water CCOs with some being stood up on or before 1 July 2026.

Our interpretation of this criterion is that the Government is looking for confidence that the proposed merger can be delivered and that is demonstrated by a clear implementation plan that recognises what needs to be achieved for day one, what can be delivered after day one, and manages the potential risks.

Given that, our view is that any proposal, including all the options considered in this report can be delivered in the Head Start pathway timeframe. However, for the purposes of this assessment, we have drawn on our experience with the Auckland amalgamation and Australian council mergers in New South Wales and Queensland which both suggest that mergers or amalgamations are not without challenge.

In doing that we have identified those factors which create or increase risk when implementing mergers and can affect the likelihood of achieving the expected benefits of change.

10.1. Community resistance

In New Zealand, New South Wales and Queensland there has in the past been strong community concerns about the loss of identity and local decision making from council mergers. Local lobby groups were successful in some cases in stopping mergers, frustrating the operation of the new council or successful in having future governments unwind the merged councils to return to the original councils. Some political parties at the NSW and QLD state government level campaigned on unwinding unpopular mergers and were successful in becoming the incoming government. These governments enabled a demerger process subject to conditions and to date, four in QLD and two in NSW have progressed to implementation and either have or will return to the original councils. In Auckland, similar sentiment reached the point where the Local Government Commission considered two proposals; one to remove North Rodney from Auckland and another to separate Waiheke Island. Both were rejected.

Overall though, the history is that most merged councils do not experience a significant community backlash and after a period of time they achieve community acceptance.

10.2. Complexity

Our experience and the case studies in Appendix B demonstrate that all options are deliverable. However, they indicate that more complex or novel governance arrangements, particularly those involving multiple entities or shared accountabilities and new structures or models require stronger alignment, clearer role definition, and more sustained implementation effort to operate effectively in practice. This is evident in both the Auckland Council and Wellington Water case studies.

Our experience is that larger councils created under mergers become more complex and typically set and adopt higher standards of performance. Larger councils need to adopt comprehensive internal processes such as communication, Work Health and Safety and project management capability as well as other specialist roles to support the larger organisation. Initially some surplus positions may be moved into new roles supporting new or larger organisational processes and over time these expand. We found that within a short period of the merger, Queensland councils experienced an increase in the number of administrative staff positions while the 'outside' staff number remained static. Auckland staff costs exceeded budgets for the first three years following their amalgamation.

Additionally, some elements of a merger are more complex and time consuming to implement. The alignment of corporate information systems, account structures and records was a prime example. With a limited number of council corporate systems providers and the high cost of systems, some councils delayed integration processes, or when they were undertaken, they took two plus years to implement. Costs in most cases exceeded original budgets.

10.3. Services and service levels

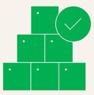
Almost all councils we are aware of faced the challenge of aligning different service levels between constituent local authorities. New South Wales and Queensland councils typically had few documented service levels for each of the councils that were merged so it was impossible to cost and consider service level changes easily. As a result, much of the pressure for service level changes was from anecdotal arguments about what one community received versus another or through political lobbying.

Whether it was quality and condition of assets like swimming pools or libraries, the frequency and quality of maintenance of parks or roads, or the type and frequency of domestic waste collection services, these were generally equalised to the highest service levels increasing the cost to all ratepayers. Councillors were naturally reluctant to reduce services or decrease service levels and face a community backlash from parts of the community, so the highest service level was adopted.

In smaller communities the council workforce made up a large portion of the community and sustained community infrastructure such as schools, town commercial centres and community groups. Ward councillors were reluctant to adopt efficiencies that otherwise impacted their community.

10.4. Summary assessment against 'Deliverability'

Table 28 Summary assessment against 'Deliverability'

Criteria	Rating	Pros	Cons
Option 1		Clear future-state model and straight forward legislative structure	Largest organisational transition and integration challenge but would be happening simultaneously with others in NZ
Option 2		Community councils (service delivery & governance) represent a least change option, likely making the initial change feel simpler	Community Councils are not currently provided for in legislation, there would be complexity in the transition to a Unitary + Community Councils which would continue into operation. Ongoing differences in service levels (and possibly local rates) through Community Councils would challenge realising benefits of merging.

Criteria	Rating	Pros	Cons
Option 3		Overall, four councils into two is a simpler transition than Option 1, where four councils form into one.	How regional functions will be effectively governed & delivered is critical and the ongoing requirement for that adds complexity.
Option 4		Staged implementation approach may reduce organisational disruption and provide space for key differences to be resolved	More complex to implement than either Options 1 or 3, requires two structural changes and delay could create uncertainty, costs & risk of stage 2 being achieved. Design and implementation are both complicated.

10.5. What this means for decision makers

This report has been prepared in parallel with early community engagement and this should be read alongside those findings. At the time of writing this report we are not aware of what those results are but if there is a particularly strong sentiment regarding whether one unitary or two unitarities is preferred then being seen to go against the prevailing community view can be challenging and creates risk.

Option 1 reflects a model that is already established within New Zealand local government. It requires the maximum transition of people, processes and systems into a single entity, and as a result it will face additional complexity during this transition. However, it will do so once and once only.

In contrast, Options 2 and 3 introduce new Local Government structures and in Option 2 that structure is effectively a new tier of governance that is materially different from current arrangements. That not only adds complexity to the transition but continues that complexity into operations and would likely require significantly greater effort to implement and operate successfully as it introduces additional complexity in governance, delivery, and ongoing system management.

Option 3 requires two simultaneous transitions. While simpler, as each transition is of a much smaller scale the allocation of NRC functions, activities and staff across the two new unitary councils brings complexity. The creation of two unitary councils that align with different communities and their needs provides flexibility for those to respond to the community concerns of the mergers.

The time period introduced in Option 4 is both its strength and its weakness. The time and space created could be material to resolving some key differences or issues with a single unitary council that have been identified in this report that Head Start simply does not allow time to be worked through. The risk is that time creates space for uncertainty, delay and potentially a failure to implement Stage 2. This could largely but not completely be addressed by the legislative provisions that establish the timetable.

11. Summary: Key trade-offs

Based on the analysis in the previous sections, this section summarises the key differences between the options that are not design details that can be resolved through further work.

These four trade-offs are interrelated, and one model cannot and will not achieve everything.

They reflect fundamental choices about how governance in Northland would operate. Trade-offs will need to be made based on council and community preferences.

Across the assessment, five recurring trade-offs have emerged:

1. Simplicity and clarity vs flexibility and local variation

A single unitary council provides the simplest model. There is one organisation responsible for both regional and local functions, with a single point of accountability. This reduces duplication, enables consistent approaches across the region, and is easier for communities to understand.

This impacts council strategies, policies, plans and bylaws which influence the way councils operate. For example, a single unitary council would align financial strategies and procurement policies and make investment decisions on behalf of the region. This consistency and reduced duplication makes the unitary council more efficient, and it makes it easier for businesses in the region to learn what to expect out of working with and for council.

By contrast, a two unitary model introduces deliberate complexity at the higher levels of local government to allow for greater flexibility at the subregional layer. This flexibility comes at the cost of a more complex system, both in governance and in how services are planned and delivered with the SRE delivering regional functions and bespoke legislation required.

The core choice is whether simplicity and consistency across Northland are prioritised, or whether flexibility to tailor different approaches under two unitary councils is more important.

2. Single point of accountability vs shared accountability requiring coordination

Under a single unitary council, decision-making, funding, and delivery responsibility sit within one organisation. This creates a clear line of accountability, with one entity responsible for outcomes.

Under a two unitary model, accountability for local services remains clear within each council's area. However, functions where natural systems, infrastructure networks, or statutory planning responsibilities operate across boundaries will continue to require a regional approach.

In these cases, the model relies on a shared regional entity and a mechanism for shared regional decision making. While this can be designed to provide clarity, it introduces complexity and the need for ongoing agreement to be reached (supported by legislation) between the councils.

The trade-off is between a single, clearly identifiable decision-maker, and a system where accountability is shared and depends on effective collaboration via a formalised regional decision-making process.

3. Regional consistency governance vs ability to maintain different local governance arrangements

A single unitary council requires region-wide consistency on key governance settings. This includes decisions such as representation arrangements, the treatment of Māori wards, and the structure, number, and role of local bodies.

A two unitary model allows each council to determine these settings for its own community. This includes the ability to take different approaches to representation, local bodies, and iwi and community engagement.

This trade-off is similar to the first but specifically on designing approaches to representation, between a consistent regional approach and the ability for different parts of Northland to adopt different positions on matters of local governance and representation.

4. Benefits of scale vs benefits of being local

A single unitary council maximises the potential benefits of scale. It brings together resources, capability, and systems into one organisation, reducing duplication, increasing capability and enabling more effective and efficient service delivery in functions where scale matters. This impacts not only council's own capability, but also council's ability to support business development in local communities through broader outcomes in procurement and more effective communication with local community groups.

A two unitary model retains decision-making closer to communities through subregional organisations with their own mandates. Local body representation, even working at its best, can never fully replace the autonomous decision-making each of the district councils currently enjoy.

The trade-off is between maximising efficiencies from scale and maintaining closer proximity between decision-makers and communities.

While a single unitary council maximises the potential benefits of scale, it is important to distinguish between operational efficiencies and financial outcomes.

Evidence from the case studies indicates that while amalgamation can deliver benefits associated with scale, including improved service capability, increased organisational resilience, and reduced duplication, these benefits do not consistently translate into lower rates for communities.

While these non-financial benefits of scale are important, they should not be assumed to result in reduced overall costs to ratepayers. In practice, savings in some areas are often offset by increased investment in service levels, infrastructure, and organisational capability.

5. Resolving competing priorities internally vs externally

Tensions exist under all models, with competing priorities around how funding is allocated, differences in service levels and investment, how local identity and representation are reflected, and how regional outcomes are balanced against local preferences. The difference is how they are resolved.

Under a single unitary model, competing priorities are resolved within one organisation. All trade-offs are made internally by a single governing body, with local views expressed through delegated local body structures. When priorities conflict, the unitary council makes the final decision.

Under a two unitary model, competing priorities are resolved between councils. Each council determines its own priorities locally, but where issues span boundaries, trade-offs must be negotiated and agreed across councils through the shared regional entity.

11.1. Summary of key differences

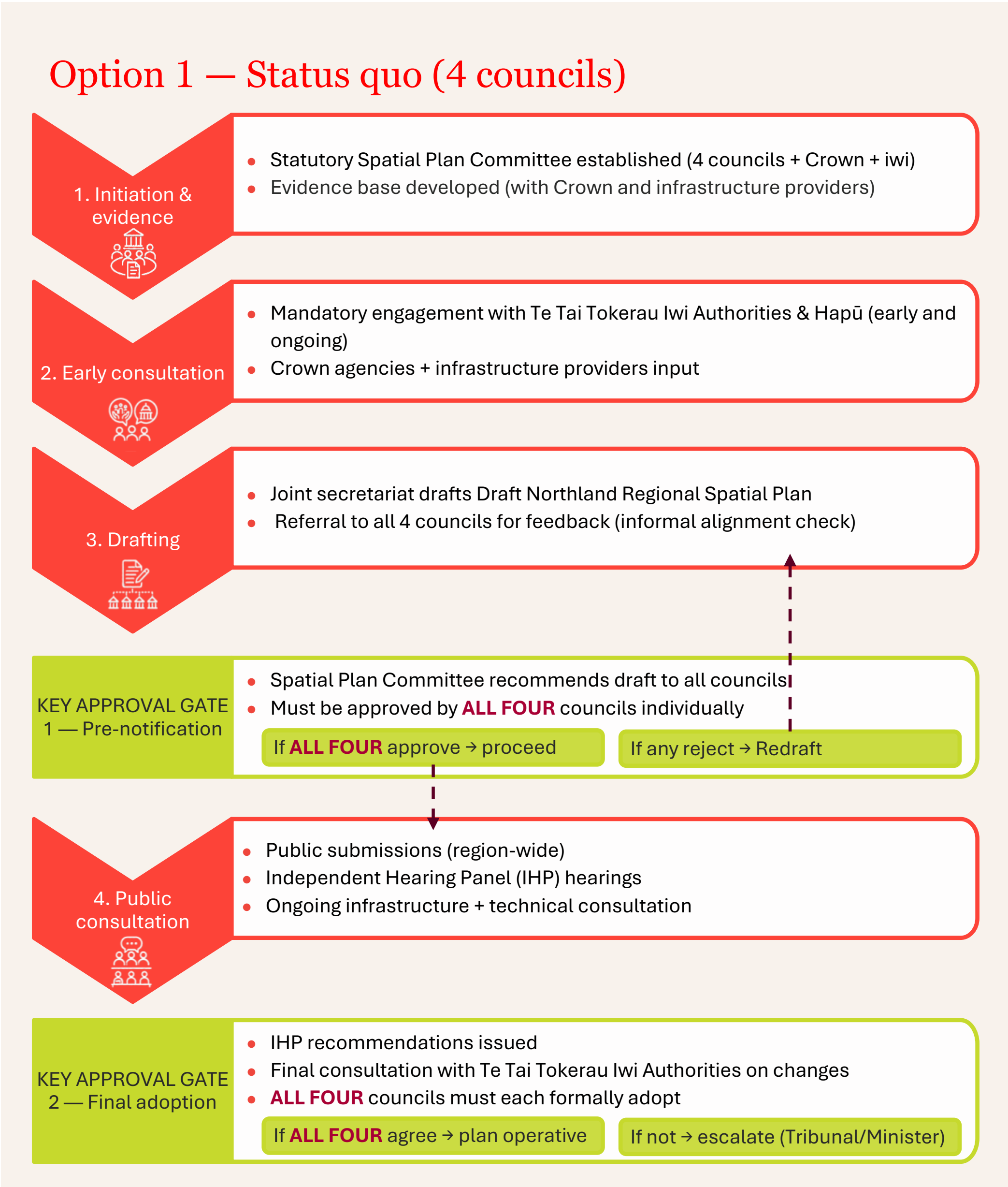
These trade-offs are further compared and contrasted in the table below.

Table 29 Summary of key differences in options

	Option 1	Option 2	Option 3
Who makes the final decision when priorities conflict?	One governing body. All decisions sit within a single political and funding framework.	Structured internal tension. CCs emphasise local priorities, but UC must reconcile them with regional needs.	Multiple decision points. Local matters resolved within each council. Regional matters resolved between councils.
Local representation and identity	Expressed through a consistent regional framework (e.g. wards, local bodies). Identity is recognised but structured uniformly.	Partially differentiated. Community councils allow stronger expression of local identity, but within a shared regional system.	Locally determined. Each council can reflect its own identity, representation model, and local preferences.
Handling of Māori wards and governance approaches	Requires a single, region-wide position. Differences must be resolved as part of the overall structure. Iwi representation on local bodies may vary across the region.	Unitary council would need a single position, but community councils could take different approaches.	Each council can adopt different approaches, reflecting their own communities and preferences.
Where effort and complexity sit	Internal. Aligning the system, maintaining consistency, supporting local bodies.	Internal and layered. Managing multiple internal interfaces, expectations, and resource constraints.	Between organisations. Maintaining alignment, governing shared functions, sustaining agreements over time.
Option behaviour under pressure (e.g. limited funding, competing demands)	Decisions are forced through one process. Trade-offs are made explicitly and centrally.	Appears local, but pressure tends to centralise decision-making into the unitary council.	Pressure shifts to inter-council negotiation, which may slow or complicate decisions.

Section 3: Appendices

Appendix A Spatial Plan development process



Option 2 — Single unitary council

1. Initiation & evidence

- Single council appoints Spatial Plan Committee and initiates Regional Spatial Plan (with Crown agencies+ infrastructure providers + iwi)
- Evidence base developed (with Crown and infrastructure providers)

2. Early consultation

- Mandatory engagement with Te Tai Tokerau Iwi Authorities & Hapū (early and ongoing)
- Crown agencies + infrastructure providers input

3. Drafting

- Single unified policy team drafts integrated Regional Spatial Plan
- Spatial Plan Committee recommends draft to unitary council.

KEY APPROVAL GATE 1 — Pre-notification

- Single governing body (unitary council) approves draft
- No external approvals required

4. Public consultation

- Public submissions (region-wide)
- Independent Hearing Panel (IHP) hearings
- Ongoing infrastructure + technical consultation

KEY APPROVAL GATE 2 — Final adoption

- IHP recommendations returned to Unitary Council
- Final consultation with Te Tai Tokerau Iwi Authorities on changes
- Single governing body (unitary council) adopts final Regional Spatial Plan

Option 3 — Unitary + Two Community Councils

1. Initiation & evidence	• Single council appoints Spatial Plan Committee and initiates Regional Spatial Plan (with Crown agencies+ infrastructure providers + iwi) • Evidence base developed (with Crown and infrastructure providers)
2. Early consultation	• Mandatory engagement with Te Tai Tokerau Iwi Authorities & Hapū (early and ongoing) • Crown agencies + infrastructure providers input
3. Drafting	• Central drafting of Regional Spatial Plan • Community Council priorities assessed against environmental limits and regional growth objectives*
LOCAL INPUT GATE* (not approval)	• Draft sent to both Community Councils who: • Pass formal resolutions and provide formal feedback, appended to plan • Community Councils cannot veto but feedback must be considered
KEY APPROVAL GATE 1	• Unitary governing body approves draft (with Community Council feedback attached)
4. Public consultation	• Public submissions (region-wide) • Independent Hearing Panel (IHP) hearings • Community Councils present during hearings (local visibility) • Ongoing infrastructure + technical consultation
KEY APPROVAL GATE 2 — Final adoption	• IHP recommendations • Final consultation with Te Tai Tokerau Iwi Authorities on changes • Community Councils provide final views (non-binding)* • Single governing body (unitary council) adopts final Regional Spatial Plan

Option 4 — Two Unitary Councils + Shared Regional Entity

1. Initiation & evidence (centralised)
- Two unitary councils appoint the Spatial Plan Committee to initiate the Regional Spatial Plan supported by the Shared Regional Entity.
- Evidence base developed (with Crown, infrastructure providers)

2. Early consultation
- Mandatory engagement with Te Tai Tokerau Iwi Authorities & Hapū (early and ongoing)
- Crown agencies + infrastructure providers' input

3. Drafting (Independent)
- Shared Regional Entity prepares draft Regional Spatial Plan on behalf of Spatial Plan Committee **Including defined funding responsibilities split between the two unitary councils (alternative location to secure funding)***

KEY APPROVAL GATE 1 — Pre-notification
- Joint Regional Planning Committee agrees draft
- Must be approved by **BOTH** councils individually

If **BOTH** approve → proceed

If any reject → Redraft

4. Public consultation
- Public submissions (run by Shared Regional Entity, representatives from both unitary councils present)
- Independent Hearing Panel (IHP)
- Statutory engagement with iwi, infrastructure providers

KEY APPROVAL GATE 2 — Final adoption
- IHP recommendations issued
- Final consultation with Te Tai Tokerau Iwi Authorities on changes
- **BOTH** councils must each formally adopt

If **BOTH** agree → plan operative

If not → escalate (Tribunal/Minister)

CRITICAL LEGISLATED FUNDING STEP (NEW)

KEY APPROVAL GATE 3 — Funding implementation
- Once adopted, legislation requires BOTH Unitary Councils to fund infrastructure and actions identified in the Regional Spatial Plan through their Long Term Plans*

Page **80**

Appendix B Case Studies

A. Auckland Council – Regional integration vs local voice

1. Overview

- Location: Auckland region
- Reform: Eight councils merged into a single unitary authority in 2010
- Model: Regional Governing Body with 21 local boards sharing decision-making
- Design intent: Combine strong regional leadership with local democratic input

Summary

Auckland shows that consolidation can materially improve regional coordination, but it does not remove the tension between regional control and local autonomy.

2. What the reform was trying to solve

The Royal Commission concluded that Auckland's governance system was not functioning as a single metropolitan system. Multiple councils made it difficult to align land use, infrastructure, and transport decisions, and led to duplication, delays, and inconsistent standards.

Two core problems were identified:

- Weak and fragmented regional governance
- Poor community engagement at the local level

The reform therefore pursued two linked objectives:

- Stronger regional governance and strategic alignment, and
- Retention of local democratic representation within a unified system

The key point is this was not simply consolidation, it was an attempt to combine centralised regional authority with distributed local decision-making, creating an inherent and ongoing tension between the two.

3. Structural design adopted

Auckland Council was established as a unitary authority, taking on both regional and territorial functions. The governance model has three defining features:

- Shared governance structure
  - A governing body (mayor and councillors) responsible for regional strategy, funding, and policy
  - 21 local boards responsible for local decision-making and community engagement.

  Decision-making is formally shared. Once responsibilities are allocated to local boards, they sit with those boards rather than the Governing Body.

- Clear division of roles (in principle)
  - Governing Body → responsible for regional decisions (planning, rates, CCOs, strategy)
  - Local boards → local services and place-based decisions (parks, libraries, community services)
- Collaborative, not hierarchical design

  The structure was intended to function as a single system, not two separate layers. Local boards and the governing body were expected to operate collaboratively rather than as independent authorities.

Implication
The model relies heavily on clarity of roles and strong working relationships within the structure.

4. What changed in practice

- Regional integration improved quickly - The early years of the new council showed clear gains in:
  - integrated regional planning
  - alignment of infrastructure and growth strategy
  - the ability to prioritise across the whole region

  The Auckland Plan and consolidated long-term plan were widely seen as major advances in coordination and strategic direction.
- Scale and complexity became very real - The reform created one of the most complex local government systems in New Zealand, combining:
  - eight legacy organisations
  - thousands of staff
  - multiple governance layers
  - council-controlled organisations

  This required significant effort to stabilise systems, integrate information, and align decision-making.
- Local boards gained visibility, but not full control - Local boards took on clear responsibility for local services such as parks, libraries, and community facilities. However, in practice:
  - The Governing Body sets total funding envelopes and rates
  - Local boards make decisions within those limits, rather than independently

  This means local boards have meaningful roles, but not full fiscal autonomy.
- The model depends heavily on support and information - Early implementation exposed challenges in:
  - providing consistent financial information to local boards
  - supporting decision-making across two governance layers
  - aligning regional and local priorities

  The model requires strong systems, good advice, and capable staff support to function effectively.

- Role clarity remained a persistent issue – A later review in 2018 by the Local Government Commission found ongoing confusion about:
  - who is responsible for which decisions
  - how the governing body and local boards interact

  This affected both public understanding and internal decision-making.

Implication
The structure works, but only with ongoing effort to manage boundaries, expectations, and information flows.

5. Key trade-offs and lessons

	What the case shows	Why it matters for Northland
Regional coherence	A single council improves strategic alignment, planning, and region-wide prioritisation.	Strong argument for consolidation if fragmentation is the core problem.
Local representation	Local boards preserve representation, but within a shared governance system, not as independent authorities.	Local voice can be retained but is not as autonomous as separate councils.
Financial authority	Governing Body controls rates and overall funding; local boards operate within those settings.	Critical constraint, local decision-making does not equal financial autonomy.
Role clarity	Shared governance creates ongoing risk of confusion about responsibilities.	Clear allocation of roles is essential, otherwise the model becomes unstable.
Operating complexity	The model is structurally and administratively complex and requires strong systems.	Hybrid structures are not simple, they require sustained organisational capability.
Standardisation vs local flexibility	Regional consistency can drift into over-standardisation if not actively managed.	Northland will need to define where consistency matters and where local variation is appropriate.

6. Implications for Northland

A single unitary council

Auckland demonstrates that consolidation can strengthen regional leadership, improve planning integration, and enable clearer prioritisation.

However, it also shows that local representation must be carefully designed, real influence depends on funding control as well as governance structure, and that the system requires ongoing investment in capability and support in order to function properly.

Two subregional unitary councils

Auckland is useful as a boundary case:

- it shows the benefits of full regional integration
- but also highlights the cost in terms of local autonomy and complexity

References

1. Auckland Council, *Auckland Council Governance Manual, (*updated January 2020)
2. Controller and Auditor-General, *Auckland Council: Transition and emerging challenges* (2012)
3. Report of the Royal Commission on Auckland Governance (2009)
4. Auckland Transition Agency, *Auckland in Transition* (2011)
5. Auckland Council, *Local Boards Funding Policy 2025*
6. Local Government Commission, *Enhancing local government for Aucklanders – Recommendations to Auckland Council* (2018)

B. Auckland Council – Scale, efficiency and savings realisation

1. Overview

- Area: Auckland region
- Reform: Eight councils merged into a single unitary authority in 2010.
- Common expectation: A larger unified council would reduce duplication, improve coordination, and create opportunities for more efficient delivery.
- Key finding: Published reviews do not provide robust evidence that amalgamation delivered clear net cost savings, although they do identify strategic and capability gains from scale.

Summary
Auckland shows that scale can improve regional capability and coordination, but financial savings should not be assumed. They are difficult to isolate, can be offset by transition costs and demand pressures. Savings from Auckland's amalgamation have not been independently determined in published material.

2. What efficiencies were expected

The Royal Commission's primary concern was not cutting costs. Its core focus was stronger regional leadership, a unified planning framework, and overcoming fragmentation across the Auckland region. The expectation of efficiency became more prominent during implementation and in public debate around amalgamation.

In that sense, scale was expected to help in three ways:

- reducing duplication across multiple councils and council organisations
- supporting more efficient use of public resources through a single regional structure
- enabling larger-scale delivery models with specialist expertise and more consistent region-wide service planning.

3. What changed in practice

- Integration created material upfront costs

Bringing eight councils and numerous council organisations together required major organisational and systems integration. Published commentary refers to a $100 million overspend on the new region-wide IT system, a public claim of $1.2 billion in IT-related 'waste' in the 2016 elections[25], and salary cost increases which were partly linked to redundancy payments. These examples show that transition costs were significant.

- Efficiency outcomes were difficult to isolate

The *Governance of Auckland: 5 years on* report[26] notes that Auckland Council inherited legacy assets, liabilities, and an Auckland-wide infrastructure deficit, while also facing strong population growth and rising demand. In that context, it is difficult to separate the financial effect of amalgamation from the

[25] Asquith, McNeill, Stockley (2020), *Amalgamation and Auckland city: A New Zealand success story?,* p. 4.
[26] The Policy Observatory, *The Governance of Auckland: 5 years on,* commissioned by The Committee for Auckland (2015)

costs of growth, under-investment, and service expectations. The report explicitly notes that efficiency is hard to measure.

Even where efficiency improvements occurred, they were not necessarily visible as direct cost reductions.

- No definitive, published, post-implementation evaluation

The New Zealand Infrastructure Commission stated in 2022[27] that while a post-implementation review of Auckland amalgamation had been proposed, no such review had been published, making it difficult to establish whether proposed efficiency gains were realised in practice.

- Some scale-related benefits did emerge

The stronger evidence lies in Auckland's improved capacity for integrated regional planning, strategic prioritisation, and specialist service delivery. The *5 years on* report describes the single integrated plan as a major achievement, while a review of Auckland's CCOs in 2020[28] concludes that the CCO model remains appropriate for Auckland because it brings business disciplines, specialist skills, streamlined administrative structures, and operational efficiencies.

- Complexity increased, not reduced

The same CCO review is clear that scale did not simplify the system overall. It identifies problems with strategic direction, accountability (to the governing body, local boards, Māori and the community), information flows, local board engagement, and coordination between council and CCOs. In other words, larger scale brought capability benefits, but it also created governance and organisational complexity that had to be actively managed.

4. Key trade-offs and lessons

	What the case shows	Why it matters for Northland
Scale vs efficiency	Auckland does not provide robust published evidence of clear net cost savings from amalgamation.	Savings from scale should be treated as possible, but unproven, and not assumed in advance.
Upfront costs vs long-term gains	Transition and system integration costs can be substantial and immediate.	Any claimed long-term efficiency needs to be weighed against implementation cost and disruption.
Capability vs cost reduction	The stronger evidence is for integrated planning, specialist capability, and regional coordination.	The main case for scale may be better performance and coordination, rather than lower cost.
Structure vs execution	Scale alone did not remove accountability and coordination problems.	Real efficiency depends on implementation, incentives, and management discipline, not just structural size.

[27] New Zealand Infrastructure Commission / Te Waihanga (2022), *Does size matter? The impact of local government structure on cost efficiency*, pp. 5–6, 30–31
[28] Independent CCO Review Panel (2020), *Review of Auckland Council's council-controlled organisations,* pp.15–17

	What the case shows	Why it matters for Northland
Demand pressures vs measured savings	Growth, inherited deficits, and rising expectations can absorb or obscure any efficiency gains.	Northland should be cautious about comparing future costs without adjusting for baseline condition, service expectations, and growth pressures.

5. Implications for Northland

The Auckland evidence suggests:

- Financial savings due to economies of scale should be treated as uncertain, not assumed, and not substantial
- Structural consolidation alone is unlikely to deliver cost savings
- Efficiency gains require active management intervention, not just scale

Option 1

Auckland suggests that a larger single entity can strengthen regional planning, attract specialist capability, and improve cross-region prioritisation. However, the available evidence does not justify assuming that a single unitary council will, by itself, produce major cost savings. The stronger claim is about coordination and capability, not lower operating cost.

Option 2

The Auckland case indicates that delegation or arm's-length delivery can help build specialist capability, but it does not remove the need for strong political direction, clear funding logic, and disciplined monitoring. If Northland were to separate governance from some forms of local service delivery, the governance architecture would matter as much as the delivery scale.

Option 3

The Auckland material does not directly test this model, so caution is needed. What it does suggest is that scale benefits can sit in specialist delivery entities, but that shared delivery arrangements require very clear strategy, accountability, and role definition to avoid fragmentation and blurred responsibility.

References

1. Asquith, McNeill, Stockley (2020), Amalgamation and Auckland city: A New Zealand success story?
2. The Policy Observatory, The Governance of Auckland: 5 years on, commissioned by The Committee for Auckland (2015)
3. Independent CCO Review Panel, Review of Auckland Council's council-controlled organisations, (2020)
4. New Zealand Infrastructure Commission / Te Waihanga, Does size matter? The impact of local government structure on cost efficiency, (2022)

C. Wellington Water – Delivery responsibility without funding control

1. Overview

- Area: Wellington metropolitan councils and South Wairarapa, through a shared water services entity
- Model: Wellington Water Limited is a council-controlled organisation owned by six councils. Councils own the assets, set funding and investment levels, and Wellington Water manages the infrastructure and delivers services.
- Core governance issue: Delivery responsibility sits with Wellington Water, but core funding and investment decisions remain with the shareholder councils through their Long-Term Plans.

Summary

Wellington Water shows the governance difficulty that arises when funding, decision-making, delivery responsibility, and accountability are split across different parties. This case study is not intended to show a single cause of failure. It shows that when these functions are separated, accountability becomes harder to determine, and corrective action becomes harder to organise.

2. What the model was trying to manage

Wellington Water was established to provide professional, shared management of drinking water, wastewater, and stormwater services across multiple councils. The underlying challenge was not only operational. It was also structural: ageing assets, rising regulatory expectations, growth pressures, water supply constraints, and environmental compliance risks were being managed through a delivery model in which Wellington Water advised on need, while councils retained control over asset ownership and funding decisions.

The underlying asset and funding pressure had been visible for some time. The 2020 Mayoral Taskforce concluded that actual renewals investment had been consistently below depreciation collected, that significant funding had been directed to other projects, and that the network was ageing and deteriorating as a result. It also found Wellington Water funding had been squeezed, reducing investment in condition assessment.[29]

By 2024, Wellington Water's own planning documents described a much larger regional challenge. The 2024–27 Statement of Intent says the region needed investment of around $10 billion over 10 years, and that even Wellington Water's recommended maximum deliverable capital programme of about $7.6 billion was unaffordable to councils, who agreed a capital investment programme totalling $3.6 billion.[30]

3. Structural design adopted

The Wellington Water model separates four functions that often sit together in a single utility or council:

- asset ownership remains with the councils
- funding and investment decisions are made by councils through Long-Term Plans

[29] Wellington City Council, *Mayoral Taskforce on the Three Waters Report,* pp. 14-17.
[30] Wellington Water, *Statement of Intent 2024–27*, pp. 7.

- service delivery and infrastructure management are undertaken by Wellington Water
- governance oversight is exercised through a committee of council and mana whenua representatives.

This is explicit in Wellington Water's own documents. The 2024–27 Statement of Intent says councils "own the water assets in the region and set the level of funding and investment" and then "task us to manage the infrastructure and deliver water services to communities."[31] The 2022–25 Statement of Intent says Wellington Water provides investment advice and recommendations, while councils "make their investment decisions and task us with delivering their programmes."[32]

Implication

The model relies on strong alignment between those who identify need, those who decide funding, and those who carry delivery responsibility. If that alignment weakens, responsibility for outcomes becomes harder to trace.

4. What changed in practice

- The funding gap became explicit - The clearest formal statement comes from the 15 March 2024 Wellington Water Committee minutes. The Committee noted:
  - a total regional capital investment requirement of $30 billion over 30 years
  - a proposed $3.63 billion capital programme in councils' 2024–34 Long-Term Plans
  - that this represented 48% of Wellington Water's recommended maximum deliverable programme of $7.58 billion
  - and that investment below Wellington Water's recommended level would exacerbate critical risks and create new risks.[33]

  The same minutes recorded a proposed $1.46 billion operating programme, representing 84% of Wellington Water's recommended $1.73 billion OPEX budget.

  This was not a one-off issue. The 2022–25 Statement of Intent had already said that councils' 2021–31 funding remained 15–20% below the operating level required to effectively deliver the needed services, and that the budgets provided would not meet the costs of Wellington Water's recommended activity.[34]

- Accountability and reporting were also blurred

  The funding split did not operate in a clean, transparent accountability system. The FieldForce4 review found that the management services agreement and alliance arrangements did not adequately support council objectives because reporting requirements and performance measures were not clearly defined. It found that a "trusted advisor" model had displaced more explicit contractual obligations, weakening cost control and performance management. [35]

- Internal capability problems compounded the governance problem

  Later reviews found material internal weaknesses within Wellington Water itself. The Baker/Jenkins review found unclear structures and accountabilities, weak controls, inadequate

[31] Wellington Water, *Statement of Intent 2024–27*, pp. 4
[32] Wellington Water, *Statement of Intent 2022–25*, pp. 6–7
[33] Wellington Water Committee, *Minutes, 15 March 2024*, pp.
[34] Wellington Water, *Statement of Intent 2022–25*, pp. 6–7
[35] FieldForce4, *Wellington City Council / Wellington Water Contract Review*

systems and processes, under-resourcing in finance and risk, and a culture that tended to manage bad news before sharing it.[36]

The Office of the Auditor-General later summarised two 2024 external reviews commissioned by Wellington Water as finding lack of oversight of contractor panels, weak financial controls, and value-for-money problems, while also expecting stronger governance and oversight from Wellington Water's committee and shareholding councils.[37]

Implication

The Wellington Water case does not tell a simple story of "underfunding" or "poor management." It shows something more useful for governance design:

> *When funding authority, delivery responsibility, and accountability are separated, both the source of problems and the responsibility for fixing them become harder to pin down.*

5. Key trade-offs and lessons

	What the case shows	Why it matters for Northland
Delivery responsibility vs funding control	Wellington Water was responsible for managing and delivering services, but councils retained control over most core funding and investment decisions.	If one entity is expected to deliver outcomes, but another sets the resources and timing, accountability is harder to assign when outcomes deteriorate.
Advice vs decision rights	Wellington Water could identify need and recommend programmes, but councils decided how much of that advice to fund.	A delivery entity without decision rights can signal risk but cannot fully resolve it if funding decisions sit elsewhere.
Shared governance vs clear accountability	Committee oversight existed, but reviews still found blurred reporting, weak contractual performance measures, and difficulty linking decisions to consequences.	Shared governance models need very clear reporting, escalation, and accountability mechanisms, or responsibility becomes diffuse.
Asset ownership vs operational management	Councils owned assets while Wellington Water managed them. The Mayoral Taskforce concluded that governance, funding, asset ownership, and management needed transformational reform.	Where ownership and management are split, the model needs explicit mechanisms for investment planning, borrowing, and long-term stewardship.
Structure vs execution	Structural separation was part of the problem, but later reviews also found internal capability and controls were not strong enough.	Even a well-designed split model will fail without strong internal systems, financial discipline, and transparent performance reporting.

[36] Roy Baker and Kevin Jenkins, *External Review: capital programme estimating and budget systems,* pp. 4–12
[37] Office of the Auditor-General, *"Letter to Wellington Water Limited",* 6 October 2025. (*https://oag.parliament.nz/resources/resource-types/declined-requests/wellington-water*)

6. Implications for Northland

Wellington Water is most useful to Northland as a governance case about the relationship between decision-making, funding, delivery responsibility, and accountability.

In Options 2 and 3, where multiple entities (internally or externally) are involved in governance, funding and service delivery, the Wellington Water experience suggests three things:

1. A shared entity can bring specialist capability and regional coordination, but it is much harder to hold to account if it does not control the core funding and investment settings needed to deliver the outcomes it is responsible for.
2. If funding, asset ownership, and delivery are split, the accountability framework must be exceptionally clear about:
   - who sets service levels
   - who carries asset risk
   - who decides renewals and capital priorities
   - who can reprioritise funding when conditions change
   - and who is answerable when outcomes fall short.
3. Transparency matters just as much as formal structure. Wellington Water's case suggests that where the public sees one entity delivering the service, but critical choices sit elsewhere, failures can quickly become politically and institutionally difficult to explain.

References

1. Wellington Water, *Statement of Intent 2024–27*
2. Wellington Water, *Statement of Intent 2022–25*
3. Wellington Water, *Half-Year Report to 31 December 2024*
4. Wellington Water Committee, *Minutes, 15 March 2024*
5. Wellington City Council, *Mayoral Taskforce on the Three Waters Report*
6. FieldForce4, *Contract Optimisation – Opportunity Report (Executive Summary and full report)*,
7. Roy Baker and Kevin Jenkins, *External Review: capital programme estimating and budget systems*
8. Office of the Auditor-General, *"Letter to Wellington Water Limited",* 6 October 2025.

D. Local Government Commission – Northland Reorganisation

1. Case snapshot

The Northland reorganisation process began with Far North District Council's December 2012 application to become a unitary authority. Once the application was accepted, the Local Government Commission determined that the affected area was the whole of Northland Region, not just the Far North, and therefore assessed options for the region as a whole.

By September 2013, the Commission had narrowed the field to three "reasonably practicable options", in addition to the status quo:

- a modified status quo, involving transferring territorial authority roading, transport, and land-use planning functions to Northland Regional Council,
- two unitary authorities for Northland, and
- one unitary authority for Northland. It then selected one unitary authority for Northland Region as its preferred option.

2. Why the Commission widened the question beyond the Far North

The key to understanding the Commission's approach is that it was not deciding what was best for Far North District in isolation. It was deciding what was best for Northland Region as a whole under the statutory test in Schedule 3 of the Local Government Act 2002.

That mattered because the Commission considered the FNDC-only unitary proposal to be only a partial solution. It concluded that a Far North-only unitary authority, with no broader change elsewhere, would not adequately address:

- regional representation and advocacy issues for Northland as a whole,
- the efficient performance of regional functions, and
- whether both the proposed new Far North authority and the remaining regional arrangements would still have the resources needed to perform their responsibilities effectively. The Commission specifically noted that creating a Far North unitary would materially reduce Northland Regional Council's area, population, and staffing base.

This was the first major difference between the Commission's approach and the FNDC case: the Commission treated Northland as a regional governance problem, not simply a Far North self-determination question.

3. What the Commission saw in Northland

In the options report the Commission's described Northland as:

- a distinct regional community of interest with a long-standing regional identity,
- a region with generally poor socio-economic performance and relatively low household incomes,
- a region with growing differences between north and south, and east and west, and
- a region where local government needed to use scarce financial and organisational resources more efficiently to remain sustainable in the future.

The report also noted that Northland needed local government arrangements that could both reflect local communities of interest and provide effective regional leadership and advocacy, especially in relation to central government and regional development.

4. Why the Commission preferred one unitary authority

- A stronger regional voice

The Commission thought one unitary authority would give Northland one mandated, directly elected voice to represent and advocate for the region. It treated this as a major advantage in a region with poor socio-economic indicators and a clear need to engage effectively with central government and other agencies.

- Better integration of planning, infrastructure, and services

The report identified advantages from integrating regional and district functions in areas such as:

  - transport and roading,
  - land-use and resource management planning,
  - some aspects of the three waters,
  - waste management,
  - regulatory and planning consistency, and
  - economic development. The Commission thought a one-unitary model would reduce duplication, simplify planning processes, and make better use of scarce specialist capability.

- Less reliance on voluntary cooperation

A recurring theme in the report is scepticism about relying on voluntary collaboration or shared services alone. The Commission noted that while some improvements could theoretically be achieved under existing arrangements or under a two-unitary model, those gains would still depend on ongoing political goodwill and sustained cooperation between councils, which it did not regard as sufficiently reliable.

- More sustainable organisational scale

The Commission also had concerns about the long-term viability of a two-unitary model, particularly for the Far North, given demographic trends, current socio-economic conditions, and concerns about the rate base and future affordability. It considered one unitary authority more likely to provide the sustainable financial and organisational resources needed over the long term.

6. What the Commission recognised as risks

The Commission was not blind to the risks of one unitary authority.

It explicitly recognised that a single Northland authority could be criticised for weakening representation of Northland's diverse local communities. To respond to that, it proposed that a one-unitary model would need an effective second tier of representation and decision-making, most likely through empowered community boards and potentially future local boards if legislation later allowed that.

It also recognised Māori representation and participation as a central issue. It suggested that although some options, such as Māori wards or an independent statutory board like Auckland's, were not available to it under the legislation, an empowered Māori board as a standing committee of the new council could be used to ensure Māori views were properly reflected in decision-making.

The Commission did not assume a one-unitary model could simply ignore local voice. It assumed those risks would need to be designed around.

7. Why the preferred option did not proceed

After the 2013 draft proposal was released, the Commission received 1,894 submissions, of which 90.3% opposed the proposal. The most common reasons were satisfaction with existing arrangements and concern about the loss of voice for smaller communities. In 2015 the Commission decided not to proceed with the unitary proposal, and by 2017 it concluded there was no reorganisation option in Northland with enough support to have a reasonable chance of succeeding at poll. It instead moved toward support for collaboration and shared services under the existing four-council structure.

That means the Northland story is not that the Commission stopped believing there were governance issues. It is that the Commission ultimately concluded the preferred structural answer did not have sufficient support to proceed.

8. Implications for Head Start

This case study suggests three important lessons for the current process.

1.The earlier debate was not simply about whether change was needed. The Commission clearly thought there were substantial issues in Northland's local government arrangements, and that one-unitary reform had a credible logic.

2. The core tension was between regional integration and local voice, especially in relation to the Far North and smaller communities.

3. The 2013 options report shows that the Commission's case for one unitary authority rested on regional coherence, integrated planning, and stronger advocacy, not just a generic assumption that "bigger is better".

Comparative note: Between LGC's recommendation and FNDC's application

1. Where they agreed

Both clearly treated the status quo as unsatisfactory or unstable. FNDC's business case prepared in parallel with the application to the Local Government Commission, said the status quo had no real financial upside, would not meet central government's reform direction (of the day), and risked an imposed solution later. The Commission likewise considered a range of structural options because the issues in Northland were important enough to justify more than minor adjustment.

Both also accepted that:

- Northland is a genuine regional community of interest,

- there are major differences within Northland, especially between the Far North and the Whangārei/Kaipara area,
- a single Northland unitary could produce savings and efficiencies, and
- a two-unitary option was also viable enough to warrant serious consideration.

So, the disagreement was not over whether reform was needed, or whether both one-unitary and two-unitary models were plausible. It was over which governance problem mattered most.

2. Where they differed

FNDC's business case that was prepared alongside the proposal submitted to the Local Government Commission is framed around what is best for the Far North, even when discussing Northland as a whole. It repeatedly emphasises Far North deprivation, Far North self-determination, Far North local voice, and the risk that regional governance becomes Whangārei-centric. It recommends one unitary authority in the Far North, whether or not Whangārei/Kaipara do the same.

The Commission's report is framed around what best promotes good local government for Northland Region as a whole under the statutory criteria. That immediately pushes it toward questions of regional advocacy, region-wide transport and planning integration, and the sustainability of regional functions and institutions.

This difference explains much of the gap between them. The FNDC business case was asking what protects and advances the Far North? The Commission was asking what structure best serves Northland Region overall?

3. Why they diverged on the final answer

That different framing led them to weigh the same issues differently.

The FNDC business case accepted that one Northland unitary might deliver savings but argued that the savings gap between one-unitary and two-unitary options was not large enough to outweigh the governance risk. In its view, a single Northland authority risked concentrating staff, resources, and development in Whangārei, Ruakākā and Marsden, and weakening local voice, Māori representation, and community-board style governance in the Far North. On that basis it preferred two unitary authorities.

The Commission, by contrast, accepted those local representation risks but considered they could be designed around through second-tier structures and stronger Māori participation arrangements. It placed greater weight on one directly elected Northland-wide voice, integrated planning and infrastructure management, reduced duplication, and avoiding reliance on voluntary shared-service cooperation. On that basis it preferred one unitary authority.

4. Why this matters for today

This comparison matters because it shows that the Northland debate of 2012 - 2017 was a debate between two different but internally coherent theories of reform:

- one built around regional coherence,
- the other around sub-regional self-determination and local legitimacy.

That is likely to be just as relevant in the current Head Start process as the Commission's ultimate recommendation.

Reference notes

1. Local Government Commission, *Northland local government arrangements: reasonably practicable options and preferred option for reorganisation (final)*, 20 September 2013
2. Local Government Commission, *Northland Deliberation on Draft Proposal*, 9 October 2017
3. Local Government Commission, *Enhancing local government in Northland: Recommendations to Northland Councils*, May 2018
4. Far North District Council, *Far North Re-organisation Business Case*, 2012-2013
5. Far North District Council, *Application for Unitary Authority Status,* December 2012

E. New South Wales – Lessons from Fit for the Future

1. Overview

NSW's Fit for the Future programme was a state-led local government reform process launched in 2014. It was built around the idea that councils needed greater scale, capacity, sustainability, and efficiency, and it offered funding and other incentives to help councils move to new structures, including mergers where required.

The reform logic was explicit. The NSW Government argued that many councils were under financial pressure, that existing boundaries were constraining growth and service delivery, and that stronger councils would be better able to provide infrastructure, manage growth, and partner with the State.

The later political afterlife of the programme is also important. In 2024, the NSW Government introduced a formal de-amalgamation pathway, and the Minister described the forced amalgamations as a "failed and expensive experiment".[38]

Summary

NSW is useful to Northland not because it provides a neat "for" or "against" answer on amalgamation, but because it shows that mandated scale-based reform can produce mixed financial results, significant implementation problems, and lasting legitimacy issues if context and local acceptance are not handled well.

2. What the programme was trying to achieve

The official case for reform was clear. The Government and its advisers argued that many councils lacked the scale and strategic capacity to remain sustainable, manage infrastructure effectively, and support future community growth.

The New South Wales Treasury Corporation's (TCorp's) 2013 sector review found that only one-third of NSW councils reported an operating surplus in 2012, that the sector's reported infrastructure backlog had risen to $7.2 billion, and that if existing trends continued nearly half of councils could be rated Weak or lower within three years.

The Independent Pricing and Regulatory Tribunal (IPART) then treated scale and capacity as a threshold issue in the Fit for the Future assessment framework. Its 2014 criteria report said councils should address scale first, before the other financial and service criteria, and the 2015 assessment report used that threshold to find many councils "not fit", particularly where they did not adopt, or sufficiently answer, merger options identified by the Review Panel.[39] [40]

3. What the evidence suggests in hindsight

- Lesson 1: Scale was treated as a solution, but the evidence on financial gains is mixed

The policy case leaned heavily on the logic that larger councils would be more sustainable and more efficient. The Government's blueprint emphasised stronger, smarter councils, while IPART's framework treated scale and capacity as foundational to reform.

[38] NSW Government, *De-amalgamation bill delivers certainty for NSW councils* (Ministerial media release, 6 February 2024)
[39] IPART, *Review of Criteria for Fit for the Future* (September 2014)
[40] IPART, *Assessment of Council Fit for the Future Proposals* (October 2015)

However, the later empirical literature does not support a simple “bigger is cheaper” conclusion. Drew and Dollery’s analysis of the proposed Sydney metropolitan amalgamations found little evidence of any statistically significant relationship between larger population size and improved financial sustainability and concluded that the proposed amalgamations would not secure enhanced financial sustainability in Greater Sydney local government.

The broader lesson is that scale and capacity may be a policy rationale, but they are not a guarantee of financial benefit.

- Lesson 2: The economic case was especially uncertain outside large urban settings

The NSW evidence also suggests that context matters. TCorp’s own 2013 sector review found that rural and regional councils often faced structurally harder conditions, including lower population density, larger road networks, lower rate bases, and heavier reliance on operating and capital grants.

Its analysis showed that rural councils generally carried a much higher infrastructure burden per resident than urban councils, and that western and north coast regions had a particularly high concentration of weak or very weak councils.

That does not mean amalgamation was necessarily the wrong answer in every rural case. But it does mean that the economics of amalgamation were never likely to be uniform across the state.

IPART’s 2015 assessment acknowledged that the efficiency gains from enhanced service delivery, integrated planning, and partnering with other levels of government in non-metropolitan areas would typically not be as large as those in metropolitan Sydney.

The separate NSW regional economic impacts paper reinforces this caution. It warned that economies of scale do not apply uniformly across all local government services, that bigger is not always better, and that in some smaller local economies reductions in council employment or capital spending could have significant local economic effects.

- Lesson 3: Short-term results can mislead, because amalgamation outcomes are time-dependent

One of the more useful post-NSW insights is that evaluation timing matters. McQuestin, Drew and Iiboshi’s 2022 paper found that amalgamation outcomes are temporally dependent: the reforms they studied showed initial savings, then medium-term cost increases, and ultimately no significant long-term expenditure effect.[41]

That is important because early post-merger reviews can make reform look more successful than it later proves to be. The authors argue that short-term savings may reflect heightened scrutiny and pressure to demonstrate success, while medium-term cost increases can arise from aligning service levels, delayed staffing changes, and the unwinding of earlier controls.

This temporal point helps explain why amalgamation debates so often produce conflicting evidence. A review done two or three years after reform may not tell the same story as one done eight or ten years later.

[41] McQuestin, D, Drew, J and Iiboshi, H, “The temporal dependence of public policy evaluation: the case of local government amalgamation” (2022) *Local Government Studies*,

4. Implications for Northland

For Northland, the NSW experience is best read as a warning against overconfidence. The strongest lessons are these:

- A merger may improve strategic capacity or integration, but the evidence does not support treating financial savings as automatic, especially outside dense urban settings.
- Short-term and medium-term implementation effects can materially change the result.
- Legitimacy matters. A technically coherent reform can still remain unstable if local communities do not believe the new structure reflects their interests or improves outcomes they care about.
- Evaluation should be long-term. Early post-reform assessments may not capture the real effect of structural change.

References

1. NSW Office of Local Government, *Fit for the Future: A Blueprint for the Future of Local Government* (September 2014)
2. IPART, *Review of Criteria for Fit for the Future* (September 2014).
3. New South Wales Treasury Corporation, *Financial Sustainability of the New South Wales Local Government Sector* (April 2013).
4. NSW Government, *De-amalgamation bill delivers certainty for NSW councils* (Ministerial media release, 6 February 2024.
5. Drew, J and Dollery, B, “The impact of metropolitan amalgamations in Sydney on municipal financial sustainability” (2014) *Public Money & Management*.
6. Drew, J, McQuestin, D and Dollery, B, “Did amalgamation make local government more fit for the future?” (2021) *Australian Journal of Public Administration*.
7. IPART, *Assessment of Council Fit for the Future Proposals* (October 2015), pp. 2–3, 14–22, 28–35.
8. McQuestin, D, Drew, J and Iiboshi, H, “The temporal dependence of public policy evaluation: the case of local government amalgamation” (2022) *Local Government Studies*.

F. Inner West Sydney Demerger Business Case

1. Overview

Inner West Council was created in May 2016 through the amalgamation of the former Ashfield, Leichhardt, and Marrickville councils under NSW's Fit for the Future reforms. In 2021, a poll of electors returned 62.49% support for de-amalgamation, which led Council to prepare a formal business case testing what it would cost to restore the three former councils.

2. What this case shows

The Inner West de-amalgamation business case is useful because it provides a real-world estimate of the cost of moving from one merged metropolitan council back to three separate councils. In effect, it measures the scale benefits that had become embedded in the merged council by testing what it would cost to recreate fragmentation.

3. What the modelling found

The business case estimated that re-establishing three standalone councils would increase ongoing annual costs by about $9.8 million under a lower-service scenario, and by about $24.8 million if the three restored councils each maintained current Inner West service levels. The lower figure is the better guide if the purpose is to understand the approximate scale of structural savings, because it is less influenced by later service level alignment decisions.

4. Where the savings came from

The business case shows that the savings from amalgamation were driven mainly by the removal of duplication, especially in:

- governance and councillor costs,
- executive leadership,
- corporate and back-office functions,
- and systems and overheads.

It specifically notes that the restored three-council model would reintroduce three general managers, 12 director-level positions, and 36 councillors, compared with one general manager, five directors, and 15 councillors in the current Inner West Council, with an estimated additional cost of about $2.25 million per year from executive management and councillor duplication alone.

5. What this means for Northland

The Inner West case suggests that amalgamation can produce measurable and non-trivial savings, but that these are generally moderate rather than transformational. The strongest gains appear to come from the first step of consolidation, where duplicated governance, management, and support functions are removed, rather than from unlimited scale effects.

For Northland, the safest takeaway is therefore, amalgamation can produce real savings, especially through reducing duplication, but the likely scale of savings should be treated as moderate rather than decisive on its own.

References

1. Morrison Low, *De-amalgamation Business Case for Inner West Council* (Final, August 2022).

Document Status

Job #	Version	Written	Reviewed	Approved	Report Date
3148	1 - DRAFT	K. Lam, D. Bonifant, S. Cross	D. Bonifant	D. Bonifant	29/06/2026
3148	2 – FINAL	K. Lam, D. Bonifant, S. Cross	D. Bonifant	D. Bonifant	30/06/2026

Simplifying Local Government for Northland

Survey and Community Feedback Report

June 2026

Contents

1. Introduction

Across May and June 2026, all four Northland councils invited their communities to share their views on the future of local government in the region. The surveys were designed to help shape the evidence base for exploring potential options for local government reorganisation under the Head Start for Simplifying Local Government pathway.

This report presents a snapshot of community feedback – it is not intended to be a statistically representative picture of Northland's population. What it provides is meaningful evidence, drawn from a substantial number of responses across all four councils, to be considered alongside other information when looking at the options for the future of local government in Northland.

2. Methodology and comparability

Far North District Council ran two separate surveys – the first across two periods, opening in May and reopening in June, and the second running in June only. All other councils ran one survey each, all closing on 24 June.

Council	Open	Close
Far North District Council Survey 1 (Period 1)	21 May	31 May
Far North District Council Survey 1 (Period 2)	16 June	24 June
Far North District Council Survey 2	16 June	24 June
Kaipara District Council	10 June	24 June
Whangarei District Council	11 June	24 June
Northland Regional Council	11 June	24 June

The surveys were available online through each council's website. A small number of responses were also collected through printed surveys submitted in written form or via email.

Each survey was built from a shared foundation of questions covering the same core topics: community preferences for future council structures and the potential benefits and concerns of local government reorganisation. Each council then tailored its survey to reflect the needs and priorities of its own community, which included both adapting the wording of shared questions and adding new questions unique to that council. This means there was some variation across surveys, including in the way questions were worded, the options people were given to choose from, and the topics covered.

Where these differences allow a genuine comparison, it is shown in the relevant sections of this report. Where they don't, each council's results are presented on their own. Despite these variations, the surveys produced strong comparability across several key themes, and where direct comparison isn't possible, the results still offer meaningful and complementary insights when read alongside each other.

Several questions across the surveys also invited people to write in their own words – either through open-ended questions or through an "Other" option. These responses have been read and grouped into themes, and the key patterns are surfaced throughout this report. Together, the survey responses and written commentary provide a rich picture of community views from across the region.

3. Who we heard from

Across the four councils, 2,305 survey responses were received. Whangarei District Council received 673 responses, Far North District Council received 611 responses to its first survey and 472 to its second survey, Kaipara District Council received 263 responses, and Northland Regional Council received 286 responses.

Both Far North District Council's and Kaipara District Council's surveys included a way for respondents to identify as responding on behalf of an organisation.

Across these surveys, 110 organisations were identified, of which 43 were Māori organisations, including marae, hapū, iwi, and Māori trusts.

Chart 1

2,305 responses

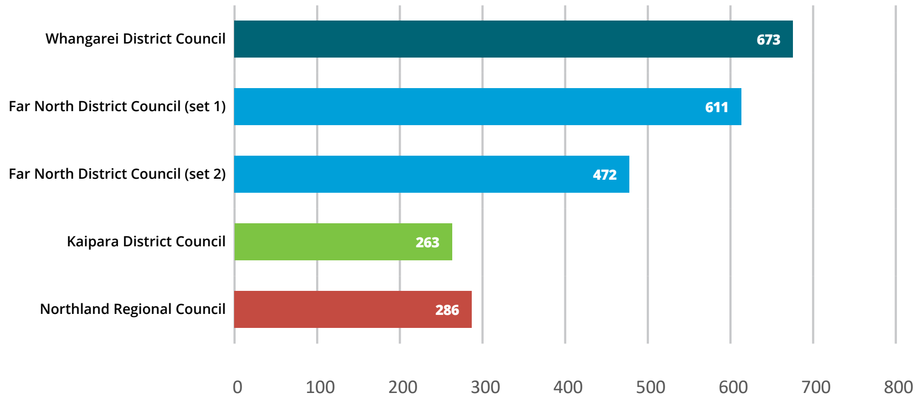


Chart 2

110 responses

4. Community preferences for future council models

The three district councils asked their communities about their preference for the future shape of local government in Northland, though they went about it differently.

Whangarei District Council asked one question about preferences for future council arrangements. Far North District Council asked two separate questions – the first asking whether respondents supported or opposed councils changing or combining, and the second asking people to choose between specific models. Kaipara District Council also took a broader approach, asking three separate questions that together build a picture of where its community stands.

The way each council framed its question varied – both in wording and in the number of options people could choose. Kaipara District Council's main question allowed people to choose more than one option, while Whangarei District Council's and Far North District Council's equivalent questions allowed only one choice each. Because of these differences, this section looks at each council's results first, then identifies where a like-for-like comparison can be made across councils.

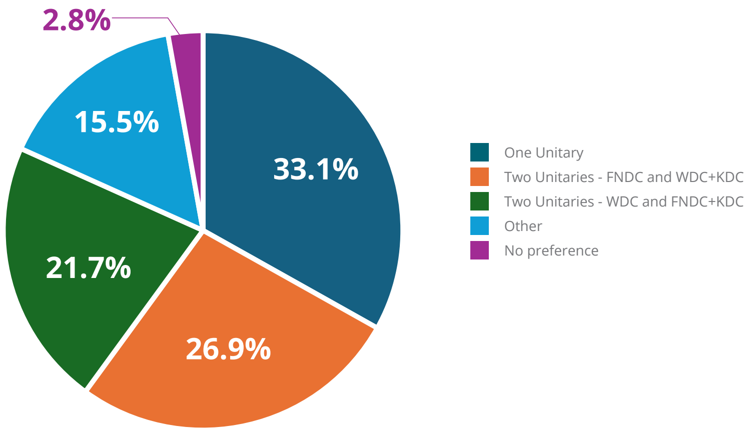
Northland Regional Council didn't ask people about the specific structure of any future local government reorganisation.

Individual council results

Whangarei District Council

Do you have a preference for the number of councils in Northland?

Chart 3
673 responses

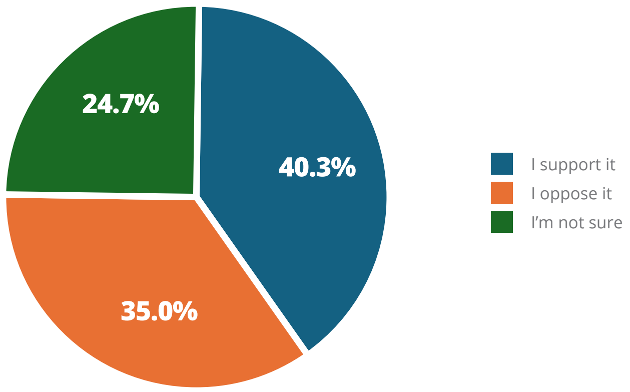


Far North District Council survey 1

What do you think of Government plans to change or combine Northland councils?

Chart 4

611 responses

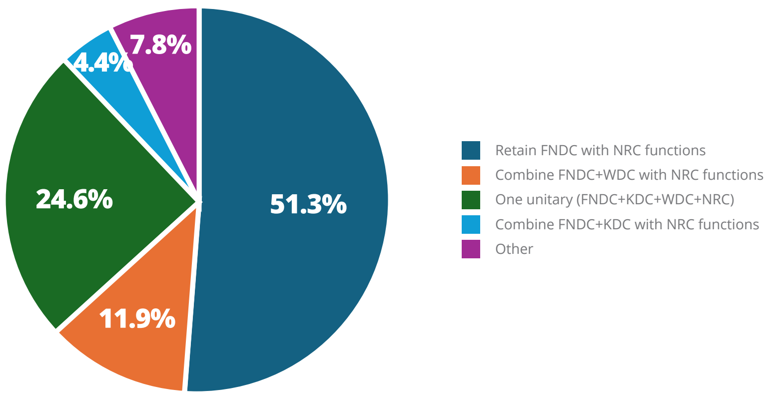


Far North District Council survey 2

If councils combine in Northland, which would you prefer?

Chart 5

472 responses

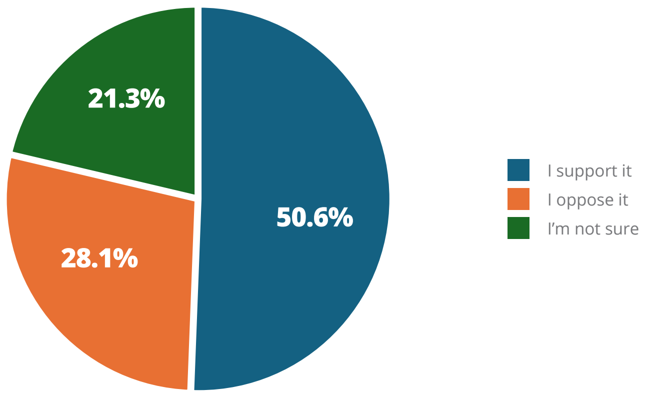


Kaipara District Council

Do you support the removal of regional councils?

Chart 6

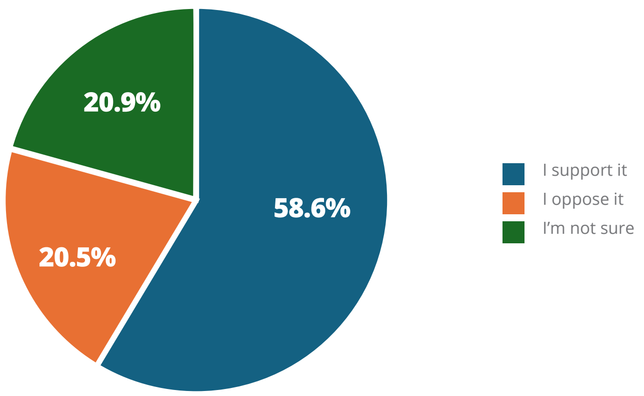
263 responses



Do you support transferring regional council functions to the district councils (making them into unitary authorities)?

Chart 7

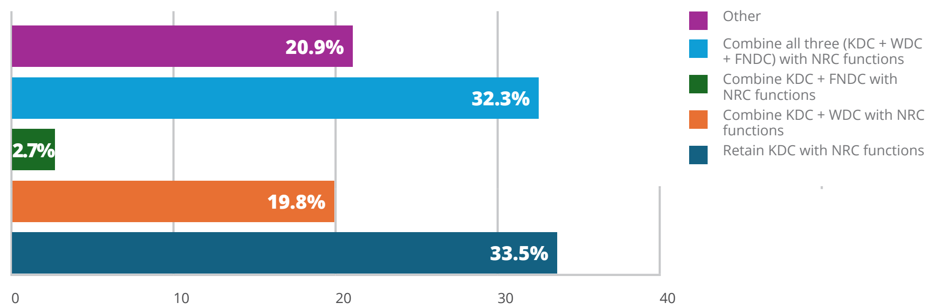
263 responses



*If councils change in Northland, which scenario would you prefer?**

Chart 8

263 responses



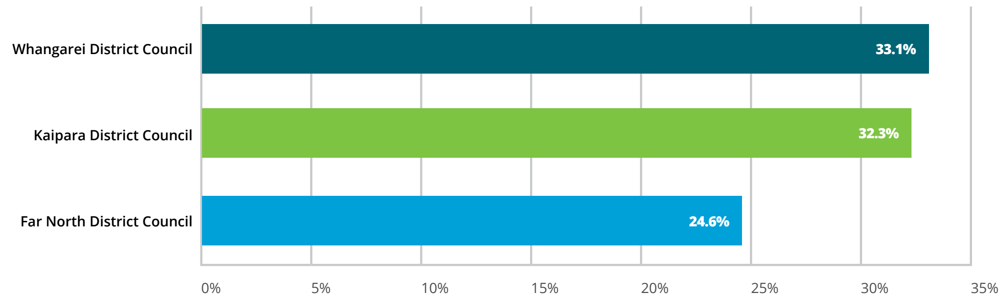
*Respondents could select more than one option on this question. Because of this, percentages do not sum to 100%.

Comparing across councils

Because each council used different wording in their questions about future council options, an exact like-for-like comparison across all questions isn't possible. Where a useful comparison can be made, it is set out below. Charts 9-13 show the percentage of responses that supported that option.

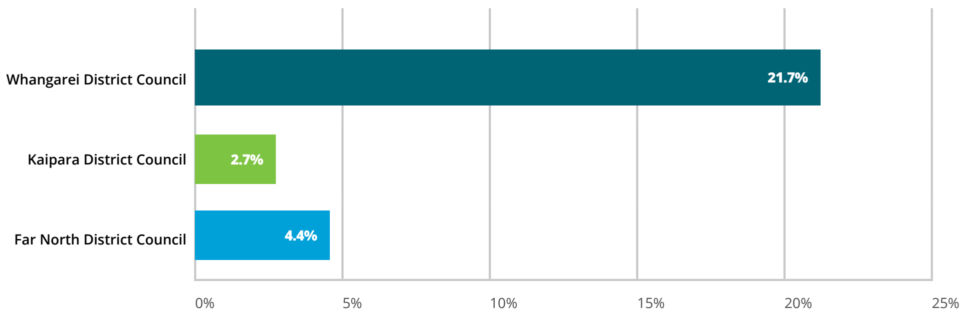
Percentage of responses that support a single Northland-wide unitary authority

Chart 9



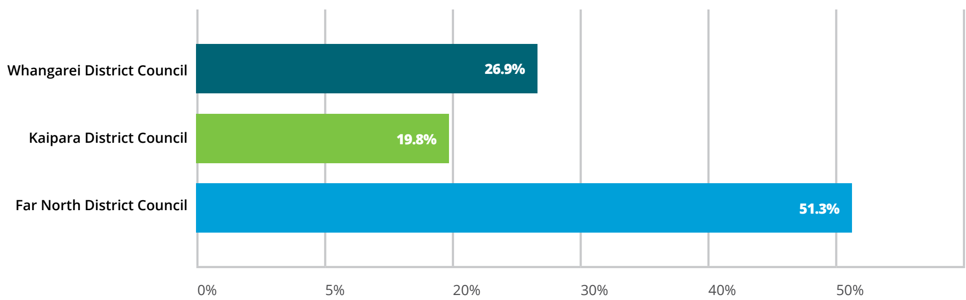
Percentage of responses that support WDC alone; FNDC and KDC combined

Chart 10



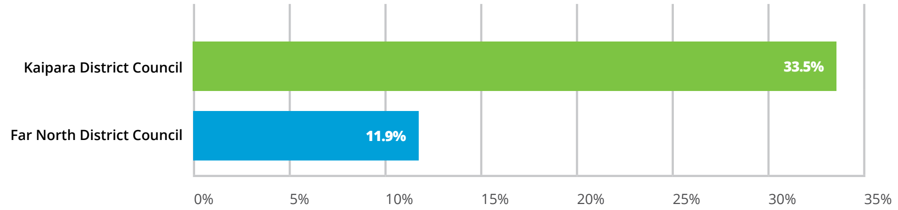
Percentage of responses that support FNDC alone; WDC and KDC combined

Chart 11



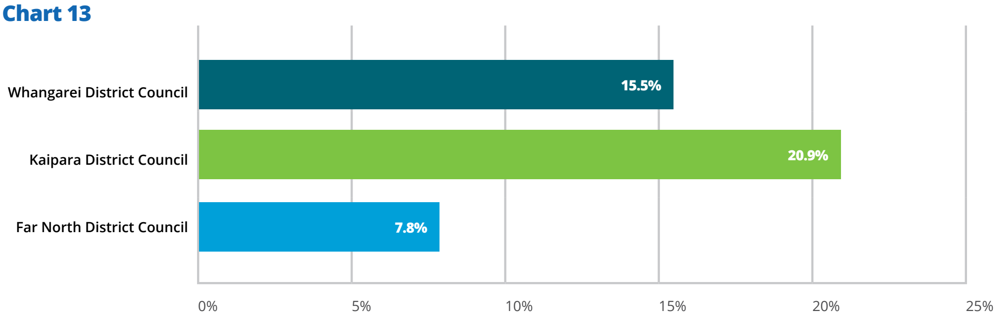
Percentage of responses that support KDC alone; WDC and FNDC combined

Chart 12



"Other" response rate by council

Chart 13



What people wrote in their own words

Among Whangarei District Council respondents who selected "Other" (15.5%), the most consistent message was a preference for no change at all, expressed by over half of this group. A smaller number proposed combinations of councils not offered in the survey's option list, and a handful argued for retaining all three district councils separately while folding Northland Regional Council's functions into each.

Far North District Council's "Other" responses (7.8%) were more evenly spread. The largest single theme was a preference for no change.

Kaipara District Council's "Other" responses (20.9%) included a distinct theme not seen elsewhere: a number of Mangawhai and Kaiwaka residents expressing a preference to join Auckland or the former Rodney district. A small number of respondents also argued for retaining all three district councils separately while folding Northland Regional Council's functions into each.

Key findings

1. In every council, more people support some form of two-council arrangement than support one single council covering all of Northland – even though respondents don't agree on which two councils should pair up.
2. Across all three councils, only one option cleared 50%: Far North District Council residents backing Far North District Council staying on its own and taking over Northland Regional Council's regional functions, at 51.3%.
3. Support for a single council covering all of Northland is fairly consistent across the region, sitting between roughly a quarter and a third of respondents in every council. (Far North District Council 24.6%, Kaipara District Council 32.3%, Whangarei District Council 33.1%)
4. Kaipara District Council respondents are almost evenly split between staying on its own and joining a single council for Northland, at 33.5% and 32.3% respectively.

5. Potential benefits of local government reorganisation

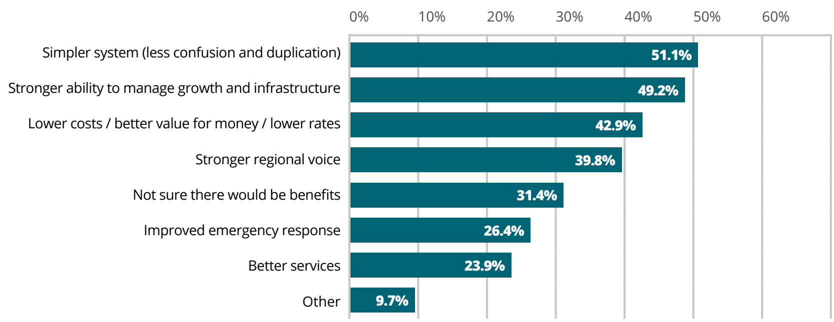
Across all four councils, respondents were asked about the potential benefits of local government reorganisation, though each council framed the question differently and offered different options to choose from. Despite this, several genuine areas of shared priority emerge, particularly around cost savings, simplicity, and reduced duplication.

Individual council results

Whangarei District Council

What do you think would be the benefits of having one or two councils for Northland / Te Tai Tokerau?

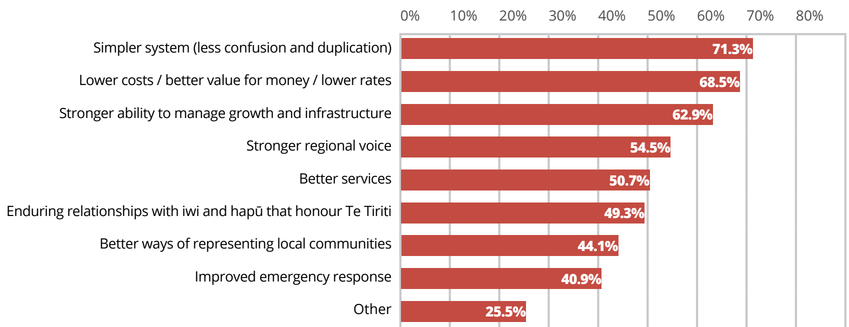
Chart 14
673 responses



Northland Regional Council

What benefits would you like to see from having fewer councils in Northland / Taitokerau?

Chart 15
286 responses

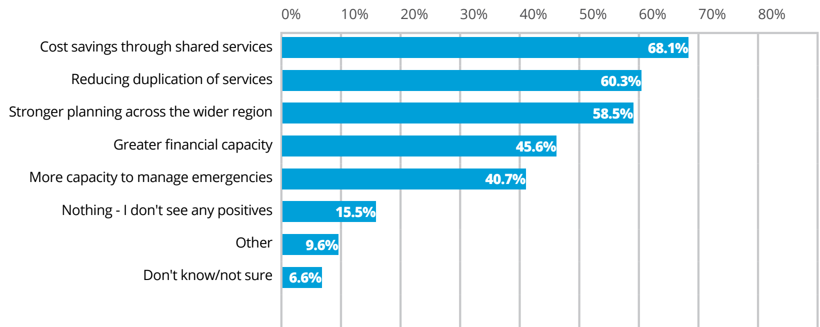


Far North District Council

What positive changes or opportunities could come from councils working differently across Northland?

Chart 16

605 responses

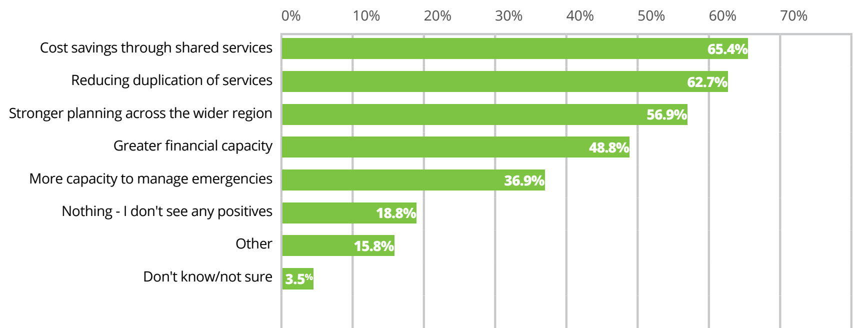


Kaipara District Council

What positive changes or opportunities could come from councils working differently across Northland?

Chart 17

260 responses

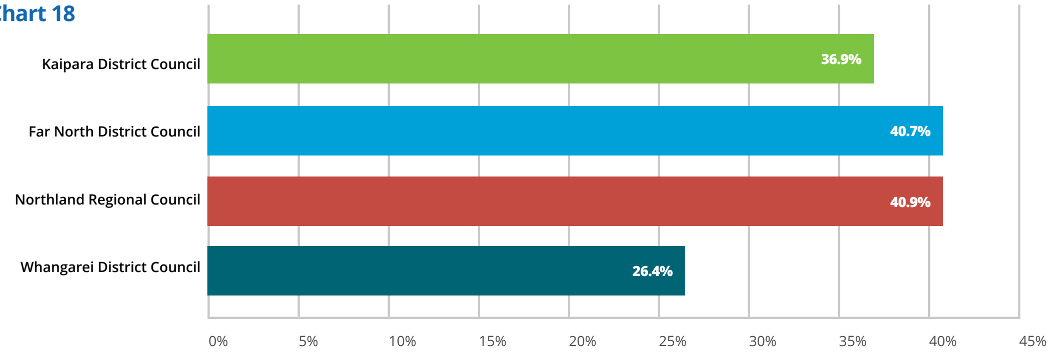


Comparing across councils

Because councils used different wording in their questions about potential benefits, a true comparison across all questions isn't possible. Where it is, these are set out below.

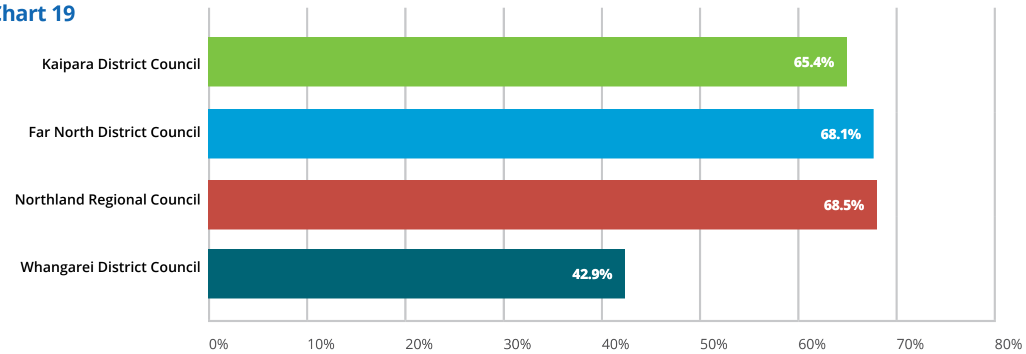
Responses that identified emergency response and capacity as benefits

Chart 18



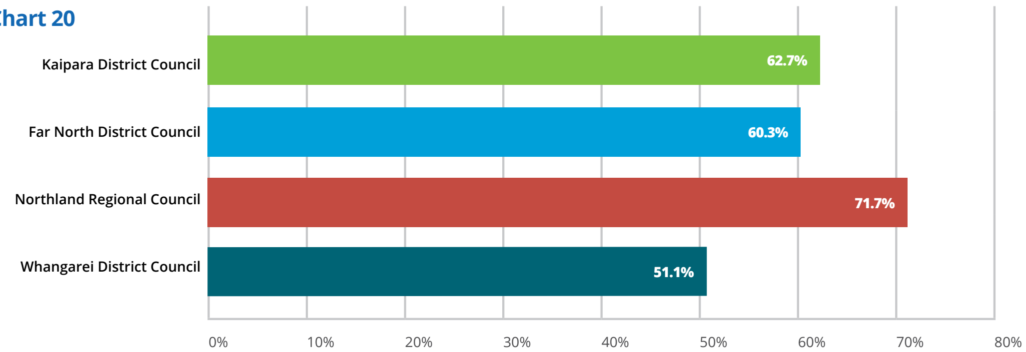
Responses that identified lower costs and savings as benefits

Chart 19



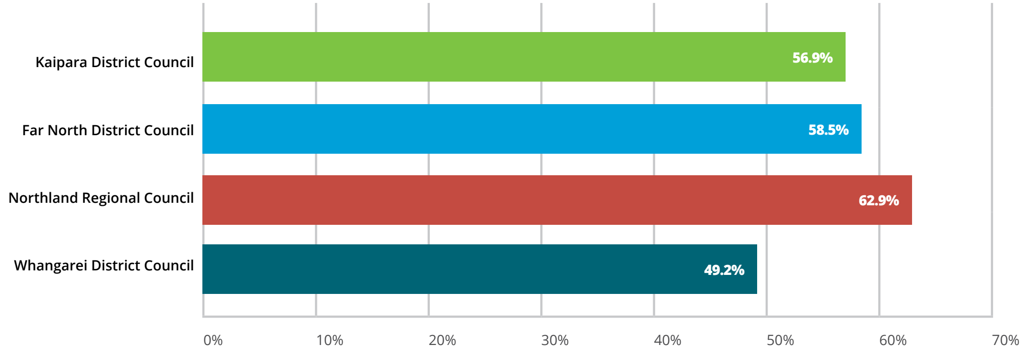
Responses that identified a simpler system and less duplication as benefits

Chart 20



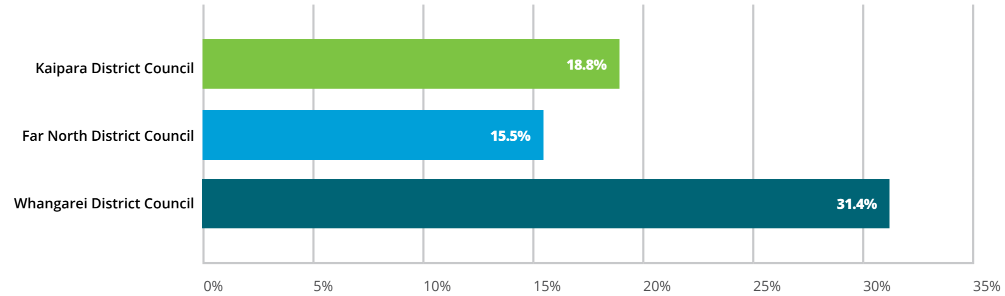
Responses that identified growth, infrastructure and planning as benefits

Chart 21



Responses that did not identify or were not sure if there would be any benefits

Chart 22



What people wrote in their own words

Among Whangarei District Council respondents who chose “Other” (9.7%), almost half did not believe any benefit would result at all. Cost and rates concerns, including fears about subsidising other parts of the region, were the next most common theme.

Far North District Council’s responses (9.6%) were more varied, with uncertainty about whether changes would deliver real benefits, calls for better staffing and leadership, and cost concerns all featuring. Some welcomed stronger iwi and hapū involvement as a genuine benefit.

Kaipara District Council’s responses (15.8%) raised similar themes around uncertainty that changes would deliver real benefits, and calls for greater consistency, standardisation, and stronger leadership.

Northland Regional Council’s responses were higher than the other three councils, with almost a fifth of respondents (17.1%) writing in their own answer. Environmental protection and cost concerns featured strongly, alongside substantial commentary on the benefits of enduring iwi and hapū relationships that honour the Treaty of Waitangi.

Key findings

1. Cost savings and a simpler, less duplicated system are the two perceived benefits ranked most highly across all four councils. Stronger ability to manage growth, infrastructure, and regional planning is consistently the next priority across all four.
2. A stronger regional voice and better services were rated highly by respondents in both Whangarei District Council (39.8%) and Northland Regional Council (54.5%), where they were offered as options.
3. Enduring relationships with iwi and hapū that honour the Treaty of Waitangi is a genuine, standalone benefit identified by Northland Regional Council respondents, and echoed in written responses from Far North District Council respondents as well.
4. Uncertainty about whether any benefit will be delivered is itself a significant finding, most pronounced in Whangarei District Council, where close to a third of respondents said they weren't sure there would be any benefit at all.

6. Concerns about local government reorganisation

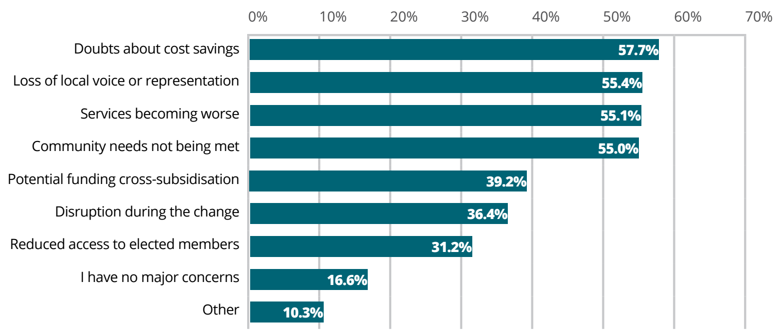
All four councils asked their communities about their concerns, though each framed the question in its own way. Despite these differences, several genuine areas of shared concern emerge across all four councils, particularly around local voice, access to elected representatives, and doubts about whether promised cost savings will materialise.

Individual council results

Whangarei District Council

What concerns do you have about moving to one or two councils?

Chart 23
673 responses

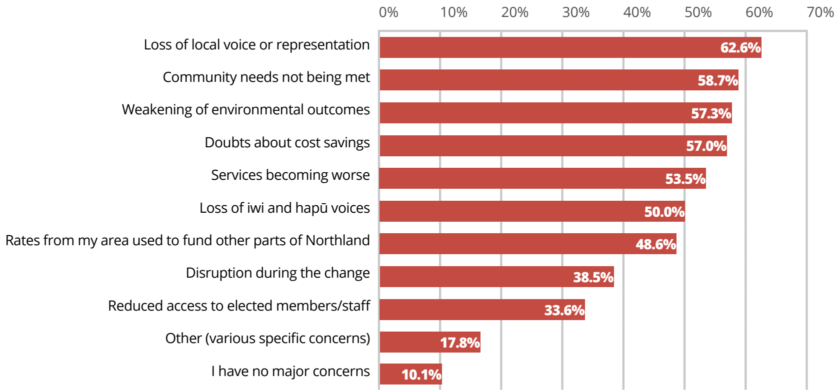


Northland Regional Council

What concerns do you have about having fewer councils?

Chart 24

286 responses

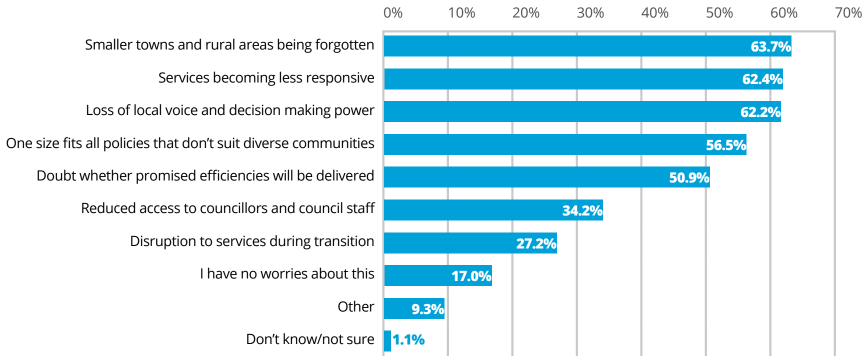


Far North District Council

What worries or concerns do you have about councils changing or combining in Northland?

Chart 25

611 responses

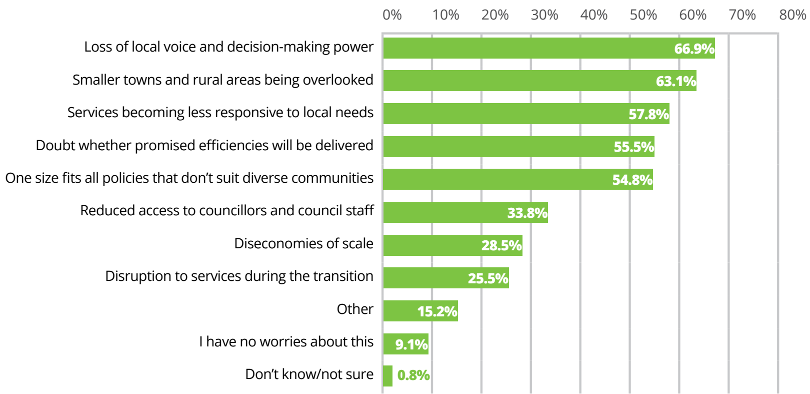


Kaipara District Council

What worries or concerns do you have about councils changing or combining in Northland?

Chart 26

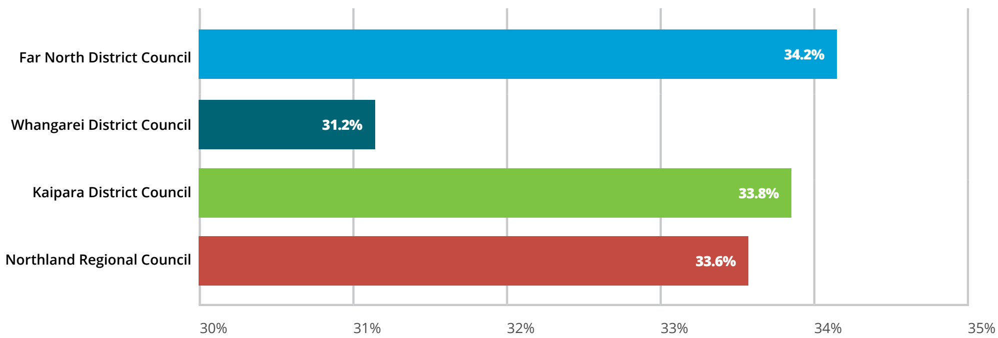
263 responses



Comparing across councils

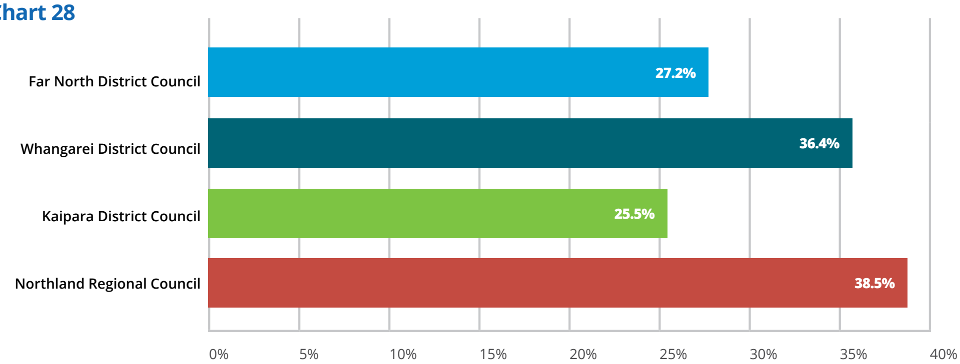
Responses that identified reduced access to councillors and council staff as a concern

Chart 27



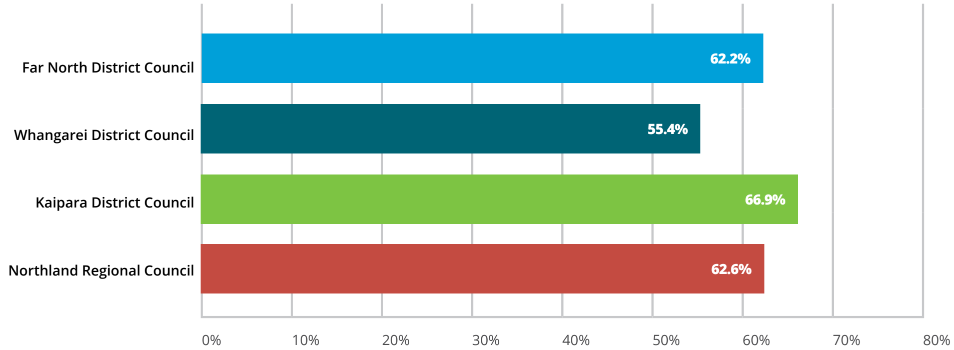
Responses that identified disruption duruing the transition as a concern

Chart 28



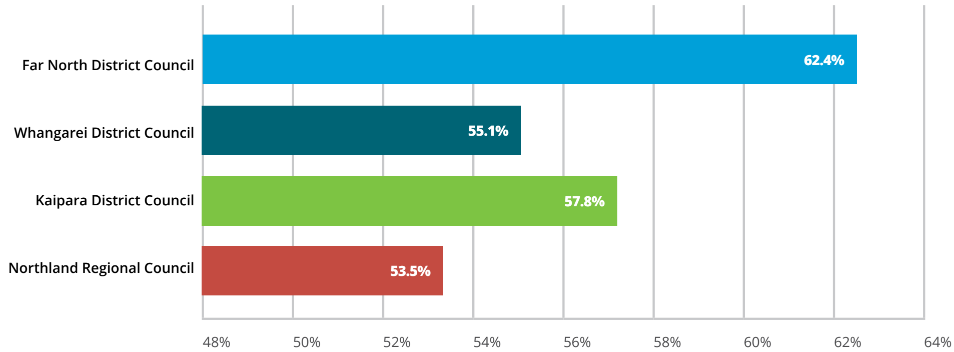
Responses that identified loss of local voice and decision-making power as a concern

Chart 29



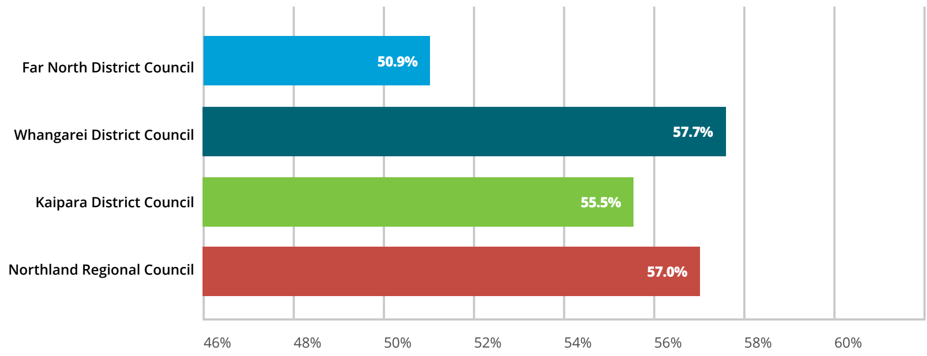
Responses that identified services become less responsive or worse as a concern

Chart 30



Responses that identified doubts about whether promised efficiencies and cost savings will be delivered as a concern

Chart 31



What people wrote in their own words

Among Whangarei District Council respondents who chose “Other” (10.3%), the most distinctive theme was a fear that ratepayers in one part of Northland could end up funding the costs or shortfalls of another. Smaller numbers raised concerns about the role of the Treaty of Waitangi, merging IT and administrative systems, and job losses.

Far North District Council’s written responses (9.3%) were dominated by concern that rural and smaller communities would be overlooked in a larger structure. Alongside this, a similarly sized group raised concerns about the protection of Māori, iwi, and hapū voices and the honouring of the Treaty of Waitangi in any new structure.

Kaipara District Council’s written responses (15.2%) raised concerns broadly similar to Far North District Council’s around rural and smaller communities being overlooked, though in smaller numbers. Views on Māori and iwi involvement in council decision-making were also present, with most expressing a preference for elected-only representation.

Northland Regional Council’s written responses (17.8%) raised concerns about smaller communities being overlooked, alongside concerns about cost and rates equity across the region.

Key findings

1. Doubts about whether promised cost savings or efficiencies will actually materialise are consistently high across all four councils, reflecting a widespread concern about the financial case for local government reorganisation.
2. Loss of local voice or decision-making power is consistently one of the highest-ranked concerns across all four councils, reflecting a strong and shared unease about what changes to local government could mean for communities’ ability to influence decisions that affect them.
3. Small town and rural areas being overlooked is among the highest-ranked concerns in both Far North District Council and Kaipara District Council, the two councils whose surveys included it as an option.

7. Protecting local voices

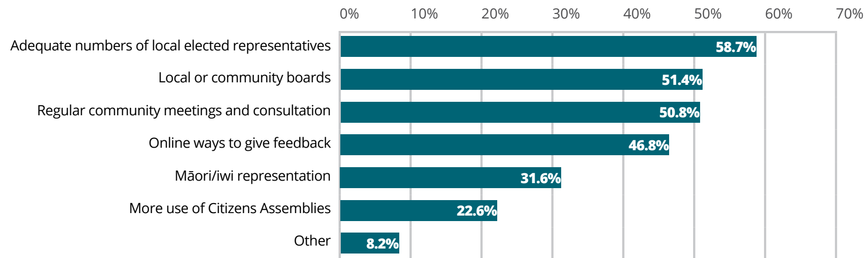
Whangarei District Council and Northland Regional Council each asked their communities directly how local voices should be protected if Northland moves to fewer councils.

Whangarei District Council

If Northland moves to one or two councils, how should local voices be protected?

Chart 32

673 responses

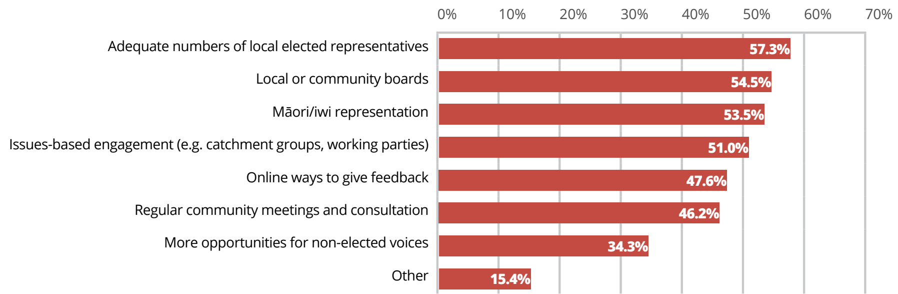


Northland Regional Council

If Northland has fewer councils, how should local voices be protected?

Chart 33

286 responses



Key findings

1. Across both councils, adequate numbers of elected members and local or community boards were the most favoured ways of protecting local voices.
2. The clearest difference between the two councils is on Māori and iwi representation. Northland Regional Council respondents rated it considerably more highly as a protection mechanism, at 53.5%, compared to 31.6% in Whangarei District Council.

8. What matters most to communities

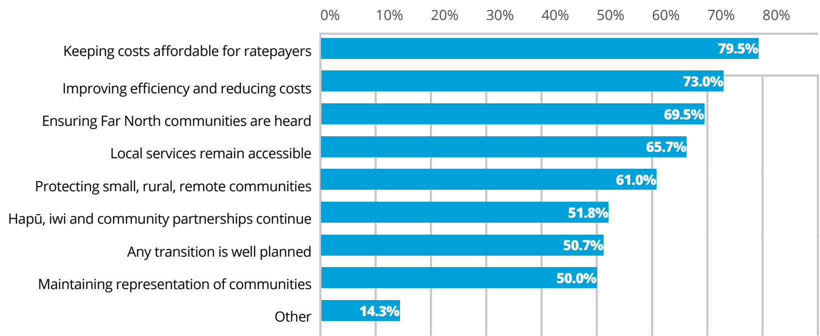
All four councils asked their communities what matters most if local government in Northland changes. Far North District Council and Kaipara District Council offered a list of options to choose from, while Whangarei District Council and Northland Regional Council asked the question as open-ended free text.

Individual council results

Far North District Council

If these plans go ahead, what are the most important things that should be protected or focused on?

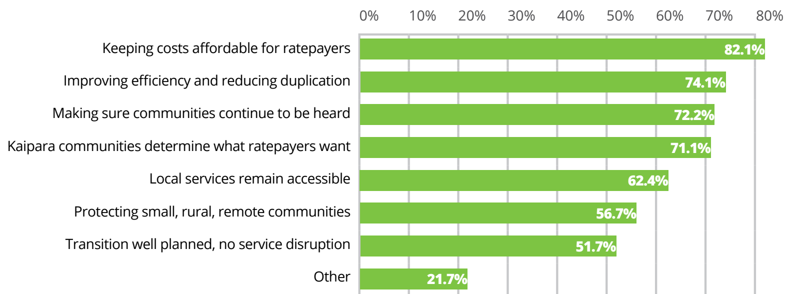
Chart 34
610 responses



Kaipara District Council

If plans to reform local government go ahead, what are the most important things that should be protected or focused on?

Chart 35
263 responses



What people wrote in their own words

Far North District Council's written responses (14.3%) featured environmental protection as a strong theme, with respondents raising biosecurity, biodiversity, coastal management, and natural hazards. Views on Māori and Treaty-related representation also appeared, with most calling for Māori wards and hapū and iwi voice to be protected in any new structure, and a small number expressing a preference for representation based solely on election.

Kaipara District Council's responses (21.7%) were dominated by environmental protection concerns – particularly freshwater management, pest control, and ensuring environmental mandates are not weakened. Debt and rates anxiety ran alongside this, with a number of respondents specifically worried about inheriting other councils' debt.

Whangarei District Council's 669 written responses were threaded through with cost, rates, and value for money concerns – many respondents specifically worried about ending up paying for other parts of the region's costs or debts. Maintaining local services and infrastructure without disruption was a recurring theme, alongside a strong desire for decisions to remain with elected representatives. A small number of responses touched on Māori and Treaty-related representation, with some calling for it to be strengthened and others preferring representation based solely on election.

Northland Regional Council's 286 written responses were notably focused on environmental protection, with many concerned that a merged structure could weaken environmental monitoring, climate resilience, and natural resource management. Cost and rates featured strongly, often tied to concerns about one district's ratepayers subsidising another, and community representation – particularly for rural, remote, and Māori communities – ran as a consistent thread throughout.

Key findings

1. Costs and rates are the single most consistent finding across all four councils, appearing as a top priority whether respondents chose from a list or wrote in their own words.
2. Environmental protection emerges as a significant and distinct priority, most strongly in Northland Regional Council, but present across all four councils.
3. Local voice and community representation runs through every council's results – as a top priority in both Far North District Council and Kaipara District Council's results, and a recurring theme in Whangarei District Council and Northland Regional Council's responses, particularly around concerns that smaller and rural communities could be left with less of a say.
4. Hapū, iwi and community partnerships appeared as a listed answer in Far North District Council's survey at 51.8%, and featured in written responses across all four councils. Across the region, views ranged from strong calls for Māori and hapū voice to be protected and embedded in any new structure, to a preference for representation based solely on election.

9. Additional questions

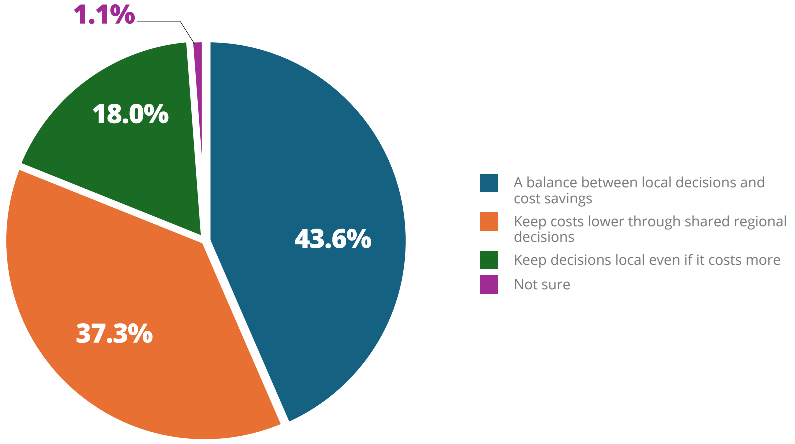
This section covers questions asked by individual councils that weren't part of the earlier sections of this report. Where two councils asked the same question, their results are shown together.

Far North District Council

Far North District Council asked its community two further questions about how to balance local decision-making against cost and regional efficiency.

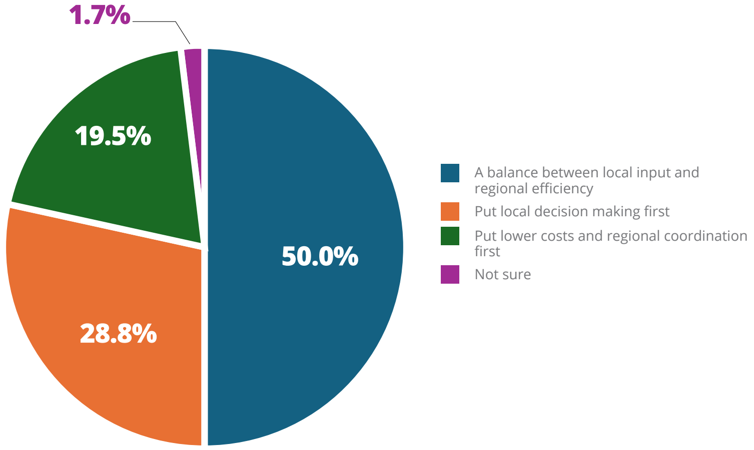
If keeping decisions local costs more, what would you prefer?

Chart 36
472 responses



If working across the region gives your community less say, what would you prefer?

Chart 37
472 responses



Kaipara District Council – transition priorities and what must stay the same

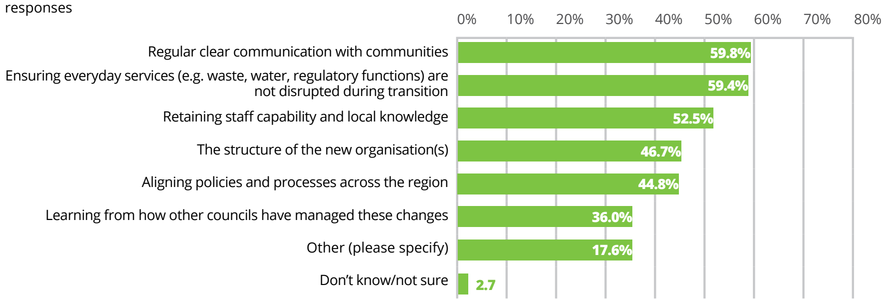
Far North District Council and Kaipara District Council asked the same two questions about what should be prioritised during any transition, and what must stay the same if councils change.

If councils in Northland were combined, what should be prioritised first to help the change to work well for your community?

If reform goes ahead, what should be prioritised during the transition?

Chart 38

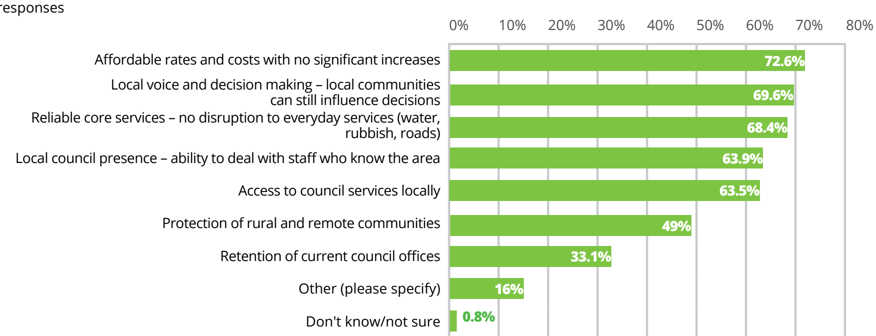
261 responses



What must stay the same?

Chart 39

263 responses

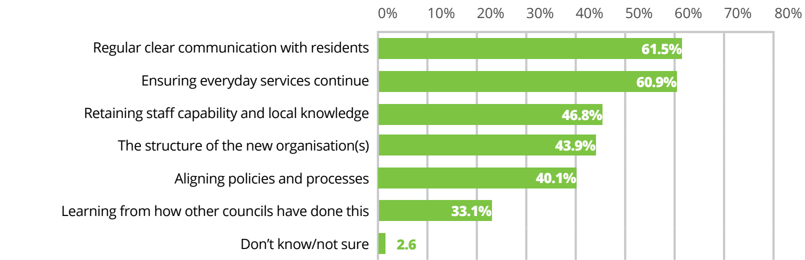


Far North District Council – transition priorities and what must stay the same

If councils in Northland were combined, what should be prioritised first to help the change work well for your community?

Chart 40

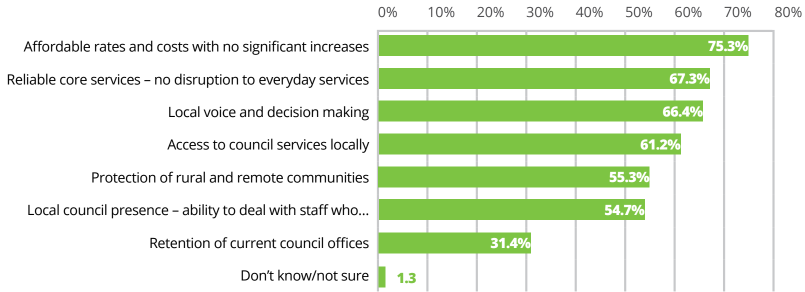
472 responses



If councils change in the Far North, what must stay the same to make sure your community continues to be well supported?

Chart 41

472 responses



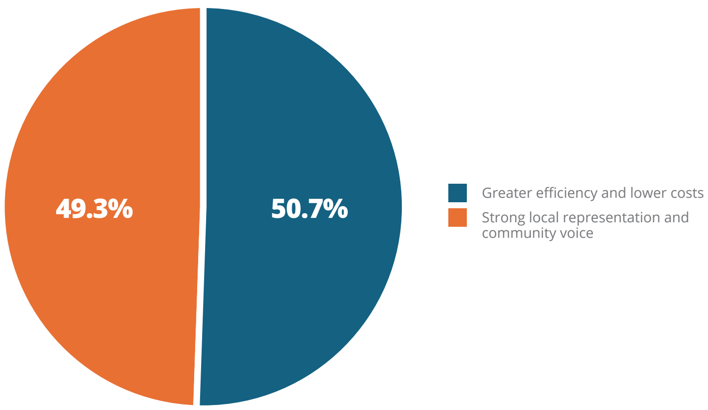
Northland Regional Council

Northland Regional Council asked its community a direct trade-off question about what matters more when thinking about the future shape of councils.

Thinking about how councils could be organised in the future, what matters more to you?

Chart 42

286 respondents



Key findings

1. Affordable rates with no significant increases is the single most important thing both Far North District Council and Kaipara District Council communities want protected if change goes ahead.
2. When asked what should be prioritised during any transition, Far North District Council and Kaipara District Council respondents gave almost identical answers – regular clear communication with communities and ensuring everyday services are not disrupted were the top two priorities in both councils, by a wide margin over every other option.
3. Northland Regional Council's community was almost perfectly split on the question of efficiency versus local representation.

10. What we heard from Māori

Methodology note for this section

Ethnicity data was only collected by Whangarei District Council and Northland Regional Council, so the demographic Māori cohort in this section is drawn from those two surveys only. Māori organisations were identified through the organisation fields included in Far North District Council's and Kaipara District Council's surveys. Whangarei District Council and Northland Regional Council did not include an organisation field, so Māori organisational voices from those two councils cannot be identified. The Māori cohort used in this section therefore combines:

- 142 Māori-identifying respondents from Whangarei District Council
- 97 Māori-identifying respondents from Northland Regional Council
- 42 Māori organisations identified across Far North District Council's surveys
- 1 Māori organisation identified through Kaipara District Council's survey.

These groups are presented together where the data allows, and separately where it does not.

The section also draws on a formal submission made by Te Rūnanga ā Iwi ō Ngāpuhi, addressed directly to the Mayor of Far North District Council as part of this community feedback process.

Preferred options for future council structure

Among the Māori organisations that responded through Far North District Council's surveys, the most common position (31%) was a preference for Far North District Council to remain on its own with Northland Regional Council's functions absorbed. A further 26% opposed amalgamation outright.

A number of organisations supported some form of combining councils. Te Rūnanga ā Iwi ō Ngāpuhi supported a Northland unitary authority in principle, on the condition that strong, durable, and Treaty-consistent Māori representation is embedded in its governance, including entrenched Māori ward seats, a statutory co-governance committee, and protections built into the Ngāpuhi Treaty settlement. Te Rūnanga ā Iwi ō Ngāpuhi was explicit that a unitary authority which replicated or worsened the current state would be actively opposed.

Te Uri o Hau Settlement Trust expressed uncertainty, citing its February 2026 submission opposing the Government's directive to reorganise local government in Northland and concern about the impact of councils changing or combining on existing Treaty settlement arrangements and iwi–council relationships.

Potential benefits

Whangarei District Council's Māori-identifying respondents selected a stronger ability to manage growth and infrastructure (49.3%), a simpler system with less confusion and duplication (46.5%), and a stronger regional voice (40.1%) as their top three benefits – tracking closely with Whangarei District Council's overall results.

In Northland Regional Council's survey, enduring relationships with iwi and hapū that honour the Treaty of Waitangi was rated a benefit by 71.1% of Māori respondents – significantly higher than the overall Northland Regional Council figure of 49.3%. A simpler system (72%) and lower costs (68%) also featured strongly.

The 20 Far North District Council Māori organisations that answered the benefits question selected cost savings through shared services and stronger regional planning most frequently, each chosen by 60%, followed by greater financial capacity (50%) and more capacity to manage emergencies (45%).

Concerns

Whangarei District Council's Māori-identifying respondents named community needs not being met (62.7%), loss of local voice or representation (62.0%), and services becoming worse (62.0%) as their top three concerns. The first of these ranks notably higher among Māori respondents than in the overall Whangarei District Council result of 54.9%.

For Northland Regional Council's Māori respondents, loss of iwi and hapū voices was raised as a concern by 77.3% – the highest-rated concern among this group, and significantly higher than the Northland Regional Council overall figure of 50.0%. Weakening of environmental outcomes also featured strongly at 72.2%.

The picture from the 20 Māori organisations that responded to Far North District Council's first survey was striking: loss of local voice and decision-making power was selected by every single organisation (100%), services becoming less responsive and one-size-fits-all policies were each selected by 95%, and smaller towns and rural areas being overlooked was selected by 90%.

What people wrote in their own words

The written responses from Māori respondents across all four councils were among the most substantive in this entire report, with several themes emerging consistently.

Cost, rates, and services featured across both Whangarei District Council and Northland Regional Council's Māori responses. Whangarei District Council's Māori respondents were particularly concerned about rates equity and the risk of one part of Northland subsidising another. Northland Regional Council's Māori respondents connected cost concerns more directly to environmental funding and service continuity in rural areas.

Environmental protection ran more strongly through Northland Regional Council's Māori responses than anywhere else in this section. Responses drew on kaitiakitanga values, raising specific concerns about freshwater, biosecurity, coastal management, and climate resilience being weakened. One respondent highlighted the role of marae as existing nodes for environmental monitoring and community resilience, questioning why this network was not being drawn on more actively rather than creating new governance structures.

Local voice and representation was a consistent concern across both Whangarei District Council and Northland Regional Council's Māori responses – particularly that rural, remote, and smaller communities, including Māori communities, would be overlooked in a larger structure.

Views on Treaty-related representation appeared from Māori voices across the region. Northland Regional Council's Māori respondents in particular offered detailed positions on Te Tiriti o Waitangi obligations, the importance of hapū and mana whenua participation in decision-making, and the risk that Treaty responsibilities could be diluted or transferred without preserving the relationships and institutional knowledge behind them.

Far North District Council's Māori organisations' written responses reinforced the same concerns – loss of local voice, rural communities being overlooked, and the importance of maintaining accessible, locally connected governance. Several responses were in te reo Māori, reflecting the linguistic and cultural depth of engagement with this question.

Key findings

1. Loss of iwi and hapū voices ranked as the highest concern among Northland Regional Council's Māori respondents at 77.3%, well above the overall Northland Regional Council figure of 50.0%. Enduring relationships with iwi and hapū that honour the Treaty of Waitangi was the highest-rated benefit among the same group at 71.1%, against an overall Northland Regional Council figure of 49.3%.
2. Among Far North District Council's Māori organisational respondents, loss of local voice and decision-making power was selected as a concern by every single organisation. Their structural preference leaned strongly toward Far North District Council remaining on its own.
3. Environmental protection and kaitiakitanga emerged as a distinct and substantive theme in Northland Regional Council's Māori written responses, with several respondents connecting environmental stewardship directly to Treaty of Waitangi obligations and the role of marae, hapū, and community-based kaitiaki in local governance.
4. Māori respondents across both Whangarei District Council and Northland Regional Council broadly shared the same top concerns as the overall population – cost, local voice, and services – but with meaningful differences in emphasis, particularly around iwi and hapū voice, Treaty of Waitangi obligations, and environmental protection.

11. Conclusion

More than 2,300 responses were received from communities across Northland's diverse and geographically spread region, representing a wide range of views on the future of local government.

The clearest finding across the entire report is not about structure – it is about conditions. Regardless of which council they live in, and regardless of which option they prefer, communities across Northland have been remarkably consistent about what they need any new model to deliver.

Costs must come down, and that must be proven – not promised. Local voice, particularly for smaller, rural, and remote communities, must be genuinely protected. Environmental stewardship must not be weakened. The transition must be carefully managed.

Relationships with hapū and iwi will require careful consideration in any new model. Views on this varied significantly both within and across councils – from strong calls for Māori and hapū voice to be protected and embedded in any new structure, to a preference for representation based solely on election. Any option taken forward will need to grapple seriously with this range of perspectives.

Across all three district councils, more people supported some form of two-council model than a single council for all of Northland – but they do not agree on which two. Far North District Council's community showed the clearest preference, with a majority backing Far North District Council staying on its own. Whangarei District Council showed the strongest support for a single Northland-wide authority. Kaipara District Council was almost evenly split between staying on its own and a single Northland-wide authority.

A significant share of respondents across all four councils are doubtful that any change will deliver what it promises. That is a signal that the credibility of any option put forward will depend as much on how it is designed, communicated, and implemented as on its merits.

This report does not point to a single answer. It points to what communities across Northland have said – clearly, seriously, and in substantial numbers – about what matters to them when it comes to the future of local government in their region.

Te Tari o te Kahika o Te Hiku o te Ika
Office of the Mayor of the Far North

PEPA WHAKAMĀRAMA I BRIEFING PAPER

Tapanga| Title: Conditions for LG Reform

Āpiha Tuhituhi | Reporting Officer: Moko Tepania - Mayor
Rā | Date: 03 July 2026

Whāinga | Purpose

Provide a list of conditions agreed at today's workshop for LG Reform negotiations.

Horopaki | Context

FNDC held an Elected Members workshop re Local Government Reform in preparation for the EMSG meeting on 06 July 2026.

Matapaki | Discussion

1. Local voice and decision-making close to communities

Condition to protect: Local decision-making must stay as close to communities as possible, with genuine authority at the local level rather than decisions being centralised regionally.

2. Strong Community Boards or Local Boards with real powers

Condition to protect: Community Boards or Local Boards must have clear delegated authority, budget influence, and the ability to make decisions for their communities of interest.

3. Māori representation, Māori wards, and Tiriti-based relationships

Condition to protect: Māori wards, Māori representation, Tiriti obligations, Treaty settlement arrangements, and hapū/iwi relationships must be retained, respected, and strengthened.

4. Rural and small community voice

Condition to protect: Small, rural, and remote communities must not lose voice, service access, or investment because of their distance from regional centres or smaller population size.

5. Equal access to regional wealth, assets, and investment

Condition to protect: The Far North must have fair and equal access to regional wealth, NRC assets, infrastructure investment, and economic development opportunities, supported by allocation models that recognise need, geography, deprivation, rurality, and population inequity.

6. Fair funding, local budgets, and financial accountability

Condition to protect: Far North budgets, assets, and investment decisions must be transparent, locally accountable, and protected from being absorbed into wider regional priorities.

7. Service levels, local access, and essential infrastructure

Condition to protect: Any reform must maintain or improve service levels, protect local access to council services, and prioritise core infrastructure that supports community wellbeing and connectivity.

8. Rates affordability, value for money, and financial sustainability

Condition to protect: Reform must keep rates affordable, improve value for money, reduce

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duplication, avoid unnecessary bureaucracy, and support long-term financial sustainability for Far North communities.

9. Clear allocation of regional and local functions

Condition to protect: Any future structure must include a clear, evidence-based allocation of functions, so regional functions stay regional and local functions stay local. Strategic transport, regional planning, catchment management, flood protection, biosecurity, civil defence, environmental monitoring, and specialist regulatory expertise should be managed regionally where this improves system-wide outcomes. Parks, reserves, libraries, community halls, playgrounds, cemeteries, town centres, local placemaking, events, grants, and community development should remain locally decided and accountable to the communities they serve.

Ka Whai Ake | Next Steps

Āpitihanga | Attachments

6 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

7 TE KAPINGA HUI / MEETING CLOSE