



**Far North
District Council**



TŪHONOTANGA MINITI ATTACHMENTS MINUTES

Extraordinary Council Meeting

16 July 2026

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5.1 Local Government Reform Head Start Proposal – Decision on Preferred Model

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www.fndc.govt.nz
Memorial Ave, Kaikohe 0440
Private Bag 752, Kaikohe 0440

askus@fndc.govt.nz
Phone 0800 920 029
Phone 09 401 5200

Briefing Paper: Head Start Pathway – Extraordinary Council Meeting

Audience: Mayor Moko Tepania, CEO Guy Holroyd

Reporting Officer: Roger Ackers, Head of Strategic Reform Initiatives

Purpose

To provide advice on the implications of recent decisions made by Whangārei District Council (WDC) and Kaipara District Council (KDC), assess available resolution options for Far North District Council (FNDC), and identify the consequences of each option in regard to:

- the Head Start policy and eligibility criteria;
- the EMSG recommendation;
- WDC and KDC resolutions;
- FNDC survey feedback;
- feedback received through workshops and Te Kuaka discussions; and
- FNDC's previously identified conditions.

Executive Summary

The position across Northland has materially changed since the EMSG recommendation of 6 July 2026.

WDC has formally resolved to support the EMSG recommendation to progress Option 4 (Staged Transition Model).

KDC has unanimously resolved not to support Option 4 and has directed its representatives to seek exclusion from any Head Start proposal based on Option 4. KDC has also requested further analysis before considering future structural reform.

The practical consequence is that FNDC is now the determining council.

If FNDC supports Option 4, there will be support from two of the three territorial authorities in Northland and likely support from the majority of the affected population. Under the Head Start eligibility criteria, that proposal may remain eligible for consideration despite KDC's opposition.

If FNDC does not support Option 4, the EMSG recommendation effectively falls away and there is currently no alternative reform option that has formal support from more than one Northland council.

Accordingly, the decision before Council is not simply a choice between six structurally equivalent options.

Rather, Council is deciding whether to:

- support the existing EMSG/WDC pathway (Option 4);
- reset the regional process and pursue an alternative model (Options 1–3);
- adopt KDC's position; or
- seek additional time from Government before further decisions are made.

Conditions

Regardless of which option is chosen, Council may wish to reaffirm that FNDC participation should be contingent on addressing the following conditions:

- protection of local democratic representation;
- protection of Māori representation and partnership arrangements;
- meaningful local decision-making;
- retention or improvement of service delivery outcomes;
- equitable treatment of debt, assets and liabilities;
- fair funding allocation;

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- robust transitional governance arrangements;
- evidence of financial and non-financial benefits;
- sustainable regional planning and infrastructure governance arrangements.

These conditions provide the basis against which all future reform options can be assessed

Option 1 – One Unitary Authority

Draft Alternate Resolution

That Council:

- Notes the options analysis for local government reform in Northland, provided by Morrison Low Advisory (Attachment 1).*
- Notes the results of the public surveys for local government reform conducted by each of the Northland Councils (Attachment 2).*
- Notes the recommendations outlined in this report from the Local Government Reform Elected Member Steering Group following the meeting held 6 July 2026.*
- d. Agrees to progress the development of a Head Start Outline Proposal based on Option 1 – One Northland Unitary Authority.**
- e. Requests that the proposal specifically address FNDC's conditions relating to local representation, Māori representation, service delivery, assets, liabilities, debt and funding.**

Head Start Eligibility Assessment

Option 1 would likely be eligible under the Head Start framework if supported by a majority of affected councils or a majority of the affected population. However, neither WDC nor KDC has resolved to support Option 1. Consequently, while the option appears eligible in principle, there is currently no demonstrated regional mandate behind it.

Advantages

Option 1 delivers the highest degree of structural simplification and aligns most strongly with the Government's stated objective of streamlining local government structures. It creates a single governance system, provides the greatest opportunity for integrated planning and regional investment decisions, and has received support from a number of elected members and some Te Kuaka representatives during workshops.

Disadvantages

The option is the least aligned with FNDC survey results and would require significant further work to demonstrate how local voice, local identity and local decision-making would be protected. It also represents the greatest organisational change and carries the highest transition risk. KDC's concerns around debt equalisation, representation and uncertain benefits would remain relevant.

Consequences

Supporting Option 1 would effectively require resetting the regional process because there is currently no regional support base beyond FNDC for this option. This would likely require additional analysis and negotiation with WDC and KDC.

Key Risks

- Loss of local voice and identity: This option is least aligned with FNDC survey feedback and would require significant confidence that local representation can be maintained.
- Implementation risk: Transitioning directly from four organisations to one creates the greatest workforce, governance and service integration risk.
- Political risk: Neither WDC nor KDC has resolved to support this option, meaning FNDC would effectively be reopening the regional debate.
- Financial risk: Debt equalisation, asset ownership and funding allocation would require significant further analysis.

Option 2 – One Unitary Authority with Community Councils

Draft Resolution

That Council:

- Notes the options analysis for local government reform in Northland, provided by Morrison Low Advisory (Attachment 1).*
- Notes the results of the public surveys for local government reform conducted by each of the Northland Councils (Attachment 2).*
- Notes the recommendations outlined in this report from the Local Government Reform Elected Member Steering Group following the meeting held 6 July 2026.*
- d. Agrees to progress the development of a Head Start Outline Proposal based on Option 2 – One Northland Unitary Authority supported by Community Councils.**
- e. Requests that Community Councils be designed to address FNDC's conditions relating to local representation and local decision-making.**

Head Start Eligibility Assessment

Option 2 would likely satisfy the Head Start eligibility criteria if majority council or population support existed. However, neither WDC nor KDC has formally endorsed Option 2. Accordingly, while potentially eligible, it does not currently have regional support.

Advantages

This option provides substantial structural simplification while also retaining formal mechanisms for local representation. It addresses some concerns raised through community engagement around local voice while remaining strongly aligned with Government objectives. It also allows FNDC to remain within a locally led reform process.

Disadvantages

The model introduces an additional governance layer and requires detailed decisions around delegations, funding and accountability. It also does not currently have support from either WDC or KDC. Some concerns regarding amalgamation and debt allocation would remain unresolved.

Consequences

Progressing Option 2 would require FNDC to effectively reopen regional discussions and seek fresh support from the other councils before a credible regional proposal could emerge.

Key Risks

- Complex governance risk: Community Councils introduce another governance layer and uncertainty around delegated powers and accountability.
- Regional support risk: No council has formally endorsed this option.
- Expectation risk: Community Councils may not satisfy public expectations regarding local autonomy if their powers are perceived as limited.
- Financial risk: Amalgamation and debt concerns remain unresolved.

Option 3 – Two Unitary Authorities with a shared regional entity

Draft Resolution

That Council:

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

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

c. Notes the recommendations outlined in this report from the Local Government Reform Elected Member Steering Group following the meeting held 6 July 2026.

d. Agrees to progress the development of a Head Start Outline Proposal based on Option 3 – Two Unitary Authorities supported by a Shared Regional Entity.

e. Requests that the Shared Regional Entity be designed to provide effective regional planning, infrastructure and environmental management functions while preserving local democratic accountability.

Head Start Eligibility Assessment

Option 3 is likely consistent with the Head Start examples relating to sub-regional proposals and multiple unitary structures. It appears eligible in principle but currently has no formal support from either WDC or KDC.

Advantages

This option aligns most closely with FNDC survey feedback and provides the greatest opportunity to retain local identity, local decision-making and local representation. It allows regional functions and NRC responsibilities to be consolidated through a shared service delivery entity while minimising organisational disruption and service delivery risk. It also responds more directly to the concerns raised by KDC regarding local autonomy.

Disadvantages

Option 3 delivers less structural simplification than Options 1 and 2 and is less closely aligned with the Government's simplification objectives. It may also deliver fewer economies of scale and require more complex shared governance arrangements. It currently lacks support from WDC and KDC.

Consequences

Adoption of Option 3 would require FNDC to actively seek support from WDC and/or KDC before a viable regional proposal could proceed.

Key Risks

- Government preference risk: This option may not be viewed as strongly aligned with Government's simplification objectives as Options 1 or 4.
- Shared governance risk: Joint ownership of regional functions could result in complex governance and decision-making arrangements.
- Regional mandate risk: Neither WDC nor KDC has formally supported this option despite aspects of it responding to concerns raised through engagement.
- Long-term uncertainty risk: Future governments may revisit further structural reform.

Option 4 – Staged Transition Model (EMSG Recommended)

Draft Resolution

That Council:

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

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

c. Notes the recommendations outlined in this report from the Local Government Reform Elected Member Steering Group following the meeting held 6 July 2026.

d. Agrees to progress development of a Head Start Outline Proposal based on Option 4 – Staged Transition Model.

e. Requests that all FNDC conditions be assessed and addressed during the detailed design phase before any subsequent transition decisions are made.

Head Start Eligibility Assessment

Option 4 remains the only option currently carrying a formal regional mandate. It is supported by EMSG and WDC. KDC opposes the option. If FNDC supports Option 4, the proposal would satisfy the majority council and majority population tests described in the Head Start guidance.

Advantages

Option 4 remains strongly aligned with Government policy objectives and is the option recommended by EMSG. Importantly, it provides time to negotiate and address FNDC's conditions before any final transition decision is made. Governance arrangements, Māori representation, local representation, debt allocation, asset ownership, service delivery protections and funding arrangements can all be tested during the transition period.

A further advantage is that regional planning functions and NRC functions could be incorporated into a shared service delivery entity governed by the two interim unitary authorities. This may reduce immediate organisational disruption compared with moving directly from four organisations to one.

Disadvantages

KDC has unanimously rejected this option and requested exclusion from any proposal based on it. The option also involves multiple transition phases, increased programme cost, additional governance complexity and a longer period of uncertainty.

Consequences

Option 4 is the only option that can reasonably proceed immediately using the current regional mandate. However, it also creates the greatest tension between KDC and the remainder of the region.

Key Risks

- Regional consensus risk: KDC has unanimously resolved against this option and requested exclusion from any proposal based on Option 4.
- Programme cost risk: Transitioning from four organisations to two and potentially from two to one introduces additional implementation costs.
- Extended uncertainty risk: The staged model prolongs organisational change and uncertainty.
- Reputational risk: FNDC may be perceived as supporting an option one council has consciously voted against.
- Design risk: FNDC conditions will only be achieved if they are successfully embedded during detailed design.

Option 5 – Same Position as KDC

Draft Resolution

That Council:

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

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

c. Notes the recommendations outlined in this report from the Local Government Reform Elected Member Steering Group following the meeting held 6 July 2026.

d. Does not support the EMSG recommendation to progress Option 4.

e. Requests FNDC's EMSG representatives communicate this position to the EMSG.

f. Directs the Chief Executive to undertake further analysis regarding alternative local government reform options.

Advantages

This option respects KDC's unanimous decision and avoids imposing an outcome on KDC that it has consciously voted against. It allows additional analysis to be undertaken before FNDC commits to a particular reform model and aligns with concerns raised through community engagement regarding local representation and local autonomy. [Page_7_thumbnail | Undefined]

Disadvantages

This option moves FNDC away from the only proposal currently progressing through the Head Start pathway. It increases the risk that FNDC may ultimately become subject to the Government's backstop process and does not provide a clear alternative reform pathway.

Consequences

This option aligns FNDC with KDC and avoids imposing an outcome on KDC that it has consciously voted against. However, it effectively removes FNDC from the only proposal currently progressing through the Head Start process and materially increases the risk that future reform would instead be considered through the Government's backstop pathway.

Key Risks

- Backstop process risk: FNDC would effectively step away from the only proposal currently progressing through the Head Start process. Government guidance indicates councils not progressing through Head Start remain subject to the future backstop pathway.
- Loss of influence risk: FNDC may lose the opportunity to shape reform outcomes through a locally led process.
- Strategic uncertainty risk: No alternative reform pathway would be identified. Regional relationship risk: FNDC could become misaligned with WDC and EMSG.

Option 6 – Same as KDC plus request for more time

Draft Resolution

That Council:

- Notes the options analysis for local government reform in Northland, provided by Morrison Low Advisory (Attachment 1).*
- Notes the results of the public surveys for local government reform conducted by each of the Northland Councils (Attachment 2).*
- Notes the recommendations outlined in this report from the Local Government Reform Elected Member Steering Group following the meeting held 6 July 2026.*
- d. Does not support the EMSG recommendation to progress Option 4.***
- e. Recommends that the EMSG formally request that Government provide Northland councils until March 2027 to undertake further analysis, address key concerns, test all options against FNDC's conditions and undertake additional engagement before determining a preferred pathway.***

Advantages

This option respects KDC's position while providing a constructive pathway forward. It allows further analysis, engagement and testing of all options against FNDC's conditions, and provides an opportunity to address concerns relating to governance, representation, debt allocation, service delivery and community outcomes.

Disadvantages

There is no guarantee that Government will agree to extend the current Head Start timeframe. The option prolongs uncertainty for communities and stakeholders and, if an extension is not granted, FNDC may face similar backstop process risks to Option 5.

Consequences

This option provides a constructive alternative to Option 5 by proposing a structured programme of further analysis and engagement. It aligns closely with KDC's concerns regarding evidence, debt allocation, representation and timing. However, there is no guarantee Government would agree to amend the current Head Start timeframe. If Government declines the request, the practical outcome may be similar to Option 5.

Key Risks

- Government response risk: There is no guarantee Government will agree to extend the process to March 2027.
- Backstop process risk: If an extension is not granted, FNDC may still face the same risk as Option 5.
- Delay risk: Communities, staff and stakeholders remain uncertain for a longer period.
- Momentum risk: Existing regional reform work may stall while further analysis is undertaken.
- Political risk: Could be perceived as deferring rather than resolving the issue.

Summary

The decision before FNDC is no longer simply which structural model is preferred.

The more fundamental question is whether FNDC wishes to:

- support the only option currently carrying a regional mandate (Option 4);
- seek to restart the regional discussion around a different model (Options 1–3); or
- move outside the current Head Start pathway and either support KDC's position or seek additional time from Government (Options 5–6).

Of those options, Option 4 remains the strongest alignment with Government policy and the only option currently supported by another council resolution, while Option 3 remains the strongest alignment with FNDC survey feedback, and Option 6 provides the strongest governance argument if Council considers further analysis and testing of conditions necessary before committing to structural reform.

Overall principal risk trade-offs:

- Option 4 carries the greatest regional consensus risk, but remains the only option currently supported through an existing regional mandate and aligns most closely with the Head Start pathway.
- Option 3 carries the lowest risk of community opposition in the Far North but currently lacks support from either WDC or KDC.
- Options 5 and 6 carry the greatest strategic risk because they move FNDC away from the current Head Start pathway and increase the possibility that future reform decisions are ultimately made through the Government's backstop process rather than through a locally developed proposal.
- Option 1 carries the highest implementation and organisational change risk but the strongest alignment with the Government's long-term simplification objectives.

Appendix One: Comparative Assessment of Resolution Options

Assessment Criteria	Option 1 One Northland Unitary Authority	Option 2 One Northland Unitary Authority + Community Councils	Option 3 Two Unitary Authorities + Shared Regional Entity	Option 4 Staged Transition Model (EMSG Recommended)	Option 5 Same Position as KDC	Option 6 Same as KDC + Request More Time
Eligibility under Head Start	Eligible in principle under Head Start if majority council or population support emerged. No current support from WDC or KDC.	Eligible in principle under Head Start if majority support emerged. No current support from WDC or KDC.	Eligible in principle as a sub-regional proposal. No current support from WDC or KDC.	Eligible if FNDC supports WDC's resolution. Would then likely meet majority council and majority population tests. Currently the only option carrying an existing regional mandate.	Not a Head Start proposal. Does not advance an eligible reform proposal.	Not a current Head Start proposal. Eligibility depends entirely on Government agreeing to alter the current process and timeframe.
Alignment	Very High – strongest structural simplification and most direct alignment with Head Start objectives.	High – simplifies governance while retaining local representation mechanisms.	Moderate-High – delivers reform but not to the same degree of simplification as Options 1 and 4.	High – EMSG recommended option.	Low – does not advance a reform proposal through Head Start.	Low-Moderate – supports better evidence and analysis but not the current Head Start timetable.
Alignment with WDC Resolution	Low – WDC did not support this option. WDC formally resolved to support Option 4.	Low – WDC did not support this option.	Low – WDC did not support this option, although the interim structure bears some similarities.	Very High – WDC formally resolved to support this option.	Low – inconsistent with WDC's adopted position.	Low – inconsistent with WDC's adopted position.
Alignment with KDC Resolution	Low – does not address many concerns raised by KDC.	Low-Moderate – Community Councils partially address local representation concerns.	Moderate-High – responds to local representation and autonomy concerns raised by KDC.	Low – KDC unanimously rejected Option 4 and requested exclusion.	Very High – aligns directly with KDC's adopted resolution.	Very High – aligns directly with KDC's position and rationale.

Assessment Criteria	Option 1 One Northland Unitary Authority	Option 2 One Northland Unitary Authority + Community Councils	Option 3 Two Unitary Authorities + Shared Regional Entity	Option 4 Staged Transition Model (EMSG Recommended)	Option 5 Same Position as KDC	Option 6 Same as KDC + Request More Time
Alignment with FNDC Survey Feedback	Low – strongest survey preference was to retain FNDC.	Moderate – provides local representation mechanisms.	High – most closely reflects the strongest FNDC survey preference.	Moderate – initially retains two authorities but ultimately moves beyond the preferred outcome.	Moderate-High – reflects concerns about local voice and autonomy.	Moderate-High – allows additional testing of options against community feedback.
Alignment with FNDC Conditions	Moderate – conditions could be incorporated but would require significant design work.	High – Community Councils could assist with local representation and local decision-making conditions.	High – provides the strongest ability to retain local decision-making and local identity.	Very High – principal benefit is the ability to test and embed FNDC conditions before any future transition.	Moderate – preserves conditions but does not actively progress a structure capable of implementing them.	High – explicitly allows time to test all options against FNDC conditions.
Organisational Disruption	Very High – direct move from four organisations to one.	High – significant structural change plus additional governance arrangements.	Moderate – less disruptive than a single Northland authority.	Moderate – change is staged which may reduce immediate disruption.	Low – maintains status quo.	Low – maintains status quo while additional analysis is undertaken.
Implementation Risk	Very High – largest structural change and integration challenge.	High – governance and delegation complexity.	Moderate – shared governance and regional entity design required.	Very High – multiple transitions, increased programme complexity and cost.	Moderate – risk moves from implementation to strategic uncertainty.	Moderate-High – dependent on Government agreement and future regional consensus.
Backstop Process Risk	Moderate – if unable to secure regional support and no proposal proceeds.	Moderate – same risk applies as Option 1.	Moderate – same risk applies if regional support cannot be secured.	Low – only option currently capable of proceeding immediately through the existing Head Start pathway.	High – moves FNDC away from the current Head Start proposal and increases reliance on the Government's backstop pathway.	Moderate-High – depends on Government agreeing to extend the programme. If not granted, risk becomes similar to Option 5.
Overall Assessment	Strongest alignment	Balanced compromise	Strongest alignment	Only option currently	Strongest alignment with	Strongest governance

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Assessment Criteria	Option 1 One Northland Unitary Authority	Option 2 One Northland Unitary Authority + Community Councils	Option 3 Two Unitary Authorities + Shared Regional Entity	Option 4 Staged Transition Model (EMSG Recommended)	Option 5 Same Position as KDC	Option 6 Same as KDC + Request More Time
	with Government simplification objectives but currently lacks regional support and has the highest implementation risk.	between simplification and local representation but currently lacks regional support.	with FNDC survey results and local autonomy objectives but currently lacks regional support.	supported by WDC and capable of progressing immediately through the existing regional mandate. Best opportunity to test FNDC conditions before future transition decisions.	KDC's position but effectively steps outside the current Head Start pathway.	argument if Council believes further analysis is required, but relies on Government agreeing to extend the process.