



# **AGENDA**

## **Supplementary Report Ordinary Council meeting Tuesday, 23 June 2026**

**Date: Tuesday, 23 June 2026**

**Time: 9:30 am**

**Location: Tauranga City Council Chambers  
L1, 90 Devonport Road  
Tauranga**

**Marty Grenfell  
Chief Executive**



## Order of Business

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## 11 BUSINESS

### 11.10 Simplifying Local Government - Head Start Pathway

**File Number:** A20509249

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**Authoriser:** Marty Grenfell, Chief Executive

#### PURPOSE OF THE REPORT

1. To brief Council on the Simplifying Local Government – Head Start opportunity, and to request delegation be provided to the Chief Executive to work with neighbouring councils to prepare a draft Head Start outline proposal for consideration by Council before the 9 August deadline set by the Government.

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#### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Simplifying Local Government - Head Start Pathway".
- (b) Approves Option 1A, that Tauranga City Council works to progress a Head Start outline proposal for consideration by the Government.
- (c) Approves Option 2A, that Tauranga City Council works with other councils in the Bay of Plenty, and adjoining districts where appropriate, in progressing a Head Start outline proposal.
- (d) Delegates the Chief Executive to work with other councils in the Bay of Plenty region and adjacent districts to prepare a Head Start outline proposal, for consideration by Council prior to the Government deadline of 9 August 2026.
- (e) Notes that:
  - (i) The Government will confirm which Head Start outline proposals are approved to proceed to detailed design stage by the end of September 2026.
  - (ii) The Head Start detailed design stage would produce a Head Start final proposal by the end of March 2027, for a Government decision by mid-2027.
  - (iii) A Head Start final proposal would include results from public engagement and consultation and would provide additional information around matters such as representation (ensuring local voice), finances and proposed boundaries of the proposed new unitary authority.

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#### EXECUTIVE SUMMARY

2. On 5 May 2026, the Government announced amendments to the Simplifying Local Government process, which introduced the Head Start pathway<sup>1</sup>. This voluntary process enables two or more councils to propose the formation of new unitary authorities, with the intention of reducing the number of councils in New Zealand.

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<sup>1</sup> Refer to Department of Internal Affairs (DIA) information: <https://www.dia.govt.nz/simplifying-local-government>

3. Head Start outline proposals must be submitted to the Government by 9 August 2026. If accepted, councils and government officials would then work together to refine the proposals, with a view that enabling legislation and proposed council structures would be in place in time for the 2028 local government elections.
4. For councils not ready to take advantage of the Head Start pathway, a Backstop process will be developed by the government, taking lessons from the Head Start pathway with the intention of remaining councils being taken through this process in time for the 2031 local government elections.
5. This report presents the background information on the Simplifying Local Government reform process, discusses the options available to the Tauranga City Council, and recommends that Council progresses work with adjoining councils to prepare a Head Start outline proposal.
6. Tauranga City Council will have the opportunity to make a final decision on whether it wishes to be part of a resulting Head Start outline proposal before the Government's 9 August 2026 deadline. This decision is provisionally scheduled for the 21 July 2026 Council meeting.

## BACKGROUND

7. Government released its initial Simplifying Local Government proposal on 25 November 2025. This proposal recommended removing elected members from regional councils during 2027, and for the mayors of each region to come together to form Combined Territorial Boards (CTBs). The CTBs were proposed to essentially govern the regional councils and to prepare regional reorganisation plans within two years, to reform local government across New Zealand.
8. As a result of feedback from the sector, the Government released an amended proposal on 5 May 2026, which gave councils 90 days (until 9 August 2026) to provide outline proposals for reform, known as the Head Start Pathway.
9. The aim of this policy framework is to reduce the number of councils by replacing the current structures with larger, unitary authorities (councils undertaking the functions of both territorial authorities and regional councils). While a single unitary authority per region is preferred, a maximum of three unitary authorities per region may be allowed if circumstances warrant it.
10. Head Start outline proposals can be made by two or more territorial authorities, who together represent over half of the territorial authorities in an affected region, or over half of the population of an affected area. Regional councils are unable to lodge an outline proposal themselves but can participate in others' proposals.
11. The intent is for any councils accepted into the Head Start process to work alongside government officials to prepare a detailed proposal by March 2027, with bespoke legislation to enter parliament late 2027 or early 2028 and any changes being effective from the local government elections in October 2028.
12. For councils that do not apply to be part of the Head Start Pathway (or who are not accepted into that Pathway), a mandatory 'Backstop' process will commence after the 2028 local government elections. This design of this process will not be determined until after the completion of the Head Start Pathway process. The changes from this process will be implemented at the 2031 local government elections.

## STATUTORY CONTEXT

13. Councils' existence and operations are provided for under the Local Government Act 2002 (and various other Acts).
14. The Simplifying Local Government – Head Start Pathway process does not currently have a legislative basis, however the policy framework presumes that "bespoke legislation" will be progressed for Councils that are part of this process.
15. A subsequent legislative process will be required after the 2028 local government elections to mandate any changes required as part of the Backstop process.

**STRATEGIC ALIGNMENT**

16. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	✓
We are a well-planned city that is easy to move around	✓
We are a city that supports business and education	✓
We are a vibrant city that embraces events	✓

17. Local Government form and function is critical to local democracy, and as such will impact on all community outcomes for the city.

**OPTIONS ANALYSIS**

**Issue 1: Whether Tauranga City Council should participate in a Head Start process**

18. The key consideration for this report is whether the council should invest time and resource towards furthering a Head Start outline proposal with other councils, or should wait for the Backstop process.
19. The Head Start Pathway is a voluntary process, where councils will have the opportunity to promote a model that works best for the communities within it. The legislation implementing these changes will be ‘bespoke’ to that proposal, allowing some flexibility in terms of design of resulting council structures and other regulatory matters.
20. The Backstop process is yet to be determined, with decisions on how this process unfolds not being made until the completion of the Head Start Pathway. This will, however, be a mandatory process for all remaining councils.
21. **Option 1A (Recommended): Proceed with developing a Head Start outline proposal with partner councils**

<b>Advantages</b>	<b>Disadvantages</b>
Council has the ability to work with partner councils to design a system that works best for Tauranga’s communities.	There is a tight timeframe to develop an outline proposal.
There is the ability for bespoke legislation to address a number of associated issues, such as representation, finance tools and organisation design.	There is no certainty that a Head Start outline proposal will be accepted for progression through to the detailed design stage.
Changes will be implemented for the 2028 local government election, providing certainty for communities, and being able to realise benefits earlier.	A Head Start outline proposal requires agreement from at least one other council. A willing partner(s) may not align with the most effective and efficient model.
We know what the Head Start Pathway involves, whereas the Backstop process is unknown.	Government policy and direction may change following the general election in November 2026.
We can be in control of our own future.	

22. **Option 2: Wait for the Backstop process**

Advantages	Disadvantages
Avoids having to prepare a Head Start outline proposal without thorough engagement with our communities (due to the tight deadline).	We know what the Head Start Pathway looks like, but don't know what the Backstop model or process will look like (signals are that the process would be similar to the Government's original proposal of CTBs to govern regional councils while producing a regional reorganisation plan within two years).
Avoids the possibility of wasted effort in the event that our Head Start outline proposal was not accepted to progress to the detailed design stage.	Unlikely to be bespoke legislation to implement a Backstop model, giving rise to a risk that Backstop legislation may not address associated issues, such as representation, finance tools and organisation design.
Avoids the risk that any willing partner council(s) in a Head Start outline proposal may not align with the most efficient and effective model for our city and communities.	Changes will not be implemented until the 2031 local government election, creating a longer period of uncertainty for Tauranga's communities, and a longer time until any benefits would be realised.
We would know whether government policy and direction changed significantly following the general election in November 2026.	Little, if any, ability to determine the outcome.

**Issue 2: Which councils should Tauranga City Council work with (required only if option 1A is approved)**

23. There are several options for the councils Tauranga City Council could work with to progress a Head Start outline proposal.
24. The Head Start policy framework provides that an outline proposal can come from a minimum of two territorial authorities, and that they must represent a majority of councils in an affected area, or a majority of the population of an affected area. The policy goes on to outline a preference for a single unitary authority for a (current) region, but a maximum of three unitary authorities may be approved if the situation warrants this.
25. Discussions have commenced with other councils in the Bay of Plenty region to gauge interest in progressing through the Head Start Pathway. These councils include Western Bay of Plenty District Council, Rotorua District Council, Kawerau District Council, Whakatane District Council and Opotiki District Council. Taupo District Council is also part of these discussions as a part of their district is within the Bay of Plenty region.
26. Tauranga City Council is boundaried on all sides by the Western Bay of Plenty District Council. Both councils together comprise the western Bay of Plenty subregion, with residents living, moving and working over the territorial boundaries. Our two councils have a shared community of interest and work together in a variety of ways such as SmartGrowth, and the Western Bay of Plenty Sub-regional Deal.
27. Several other councils adjoining or close to the Bay of Plenty regional boundary have also voiced an interest in potentially being involved in a future Head Start Pathway process with Bay of Plenty councils.
28. There are advantages and disadvantages for each option, or combination of options. These will be further explored as part of the process leading up to any Head Start application, allowing Council as much information as possible to assist in decision making. At this stage, staff are seeking Council direction only on the following:

29. **Option 2A (Recommended): work with some or all Bay of Plenty councils plus willing adjoining district councils from other regions to progress a Head Start outline proposal**

Advantages	Disadvantages
Potential for more ‘out of the box’ thinking around what might work best for Tauranga’s communities now and in the future.	Results wouldn’t necessarily align with freshwater catchment areas (needs further investigation to determine if this is the case).
Potential to enable Tauranga City Council to participate in a Head Start outline proposal in the event that no willing partner councils exist within the Bay of Plenty council grouping.	Less history and likely less developed relationships with adjoining districts outside the Bay of Plenty region.
Outside the region partners would be acceptable for the Head Start process, subject to sufficient rationale being provided.	

30. **Option 2B: work with some or all Bay of Plenty councils to progress a Head Start outline proposal**

Advantages	Disadvantages
Most aligned with the Head Start policy framework’s region-by-region approach to unitary council structures.	Restricts potential Head Start partner councils to those within the Bay of Plenty region, potentially limiting options for achieving the greatest benefit for our current and future communities.
Likely to best align with freshwater catchment areas.	If no willing partners within the Bay of Plenty, Tauranga City Council may not be able to develop and submit a Head Start outline proposal.
The Bay of Plenty Mayoral Forum provides an existing governance level discussion forum with established relationships at both Mayoral and chief executive level.	

**FINANCIAL CONSIDERATIONS**

- 31. The current work on this matter is being undertaken utilising in-house resources, therefore being an opportunity cost.
- 32. Tauranga City Council is currently undertaking a statistically valid community survey to gather our communities’ thoughts and preferences. This work is estimated to cost approximately \$50,000, funded from within existing budgets.
- 33. If accepted into a Head Start Pathway, there will be subsequent costs associated with detailed design to develop a final proposal, as well as with transitioning to a new system. The quantum of these costs, and where they fall is yet to be determined, and will not be known until the groupings and requirements are clear.
- 34. The Government has indicated that there is no government funding available for this stage of the process, however it is unclear if future funding to assist in the transition will be available.

## RISKS AND LEGAL IMPLICATIONS

35. The biggest risk associated with agreeing to work towards a Head Start outline proposal is that no suitable council(s) may choose to partner with us to develop a logical Head Start outline proposal. This would result in the council having no choice but to go through the Backstop process.
36. There is a risk that the council may be accepted into a Head Start Pathway process, only for the process to subsequently change after the general election in November 2026.
37. Any change brings uncertainty, which can result in increased staff turnover and an impact on current services.

## TE AO MĀORI APPROACH

38. Tauranga City Council has commenced engagement with Tangata Whenua alongside the current public engagement process.
39. A specific meeting has been arranged for the elected members and Iwi Chairs, so that we can understand Tangata Whenua views as to the future governance arrangements for Tauranga City.

## CLIMATE IMPACT

40. This matter has negligible impact on council's climate responsibilities.

## CONSULTATION / ENGAGEMENT

41. Initial community engagement has commenced on this matter, including a community survey, a business breakfast event hosted by Priority 1, an online livestream Q&A by the Mayor, and the aforementioned Iwi Leaders' session.

## SIGNIFICANCE

42. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
43. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
  - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
  - (b) any persons who are likely to be particularly affected by, or interested in, the matter.
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
44. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the specific matter relating to this report is of medium significance, noting that the subsequent decision required by 9 August 2026 will be of High Significance.

## ENGAGEMENT

45. Taking into consideration the above assessment, that the matter is of medium significance, officers are of the opinion that no further engagement is required prior to Council making the decisions included in the recommendations section of this report.

## NEXT STEPS

46. If Council is in agreement with the recommendations in this report, the Chief Executive (or delegate) will work with neighbouring councils to identify and fulfil the information

requirements needed for a decision to be made before 9 August 2026, on: whether Tauranga City Council will participate in an application to the Head Start Pathway; and if so, what options should be considered for inclusion in that Head Start outline proposal.

47. This work will be brought back to a subsequent meeting of Council, provisionally the meeting of 21 July 2026, for decisions to be made prior to a Head Start outline proposal being lodged with the Government by 9 August 2026.

## **ATTACHMENTS**

**Nil**