

23 June 2025

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29 Bowler Avenue, Gore 9710
PO Box 8, Gore 9740

Phone 03 209 0330
Email info@goredc.govt.nz
www.goredc.govt.nz

Dear [REDACTED]

Thank you for your request for information under the Local Government Official Information and Meetings Act, received by the Gore District Council on 22 May 2025. You asked for the following information:

All emails and written correspondence, including text messages, which have been sent between elected members of the Gore District Council, from August 12, 2024 to May 21, 2025, which include content related to the Southland District Council's two unitary authority proposal and those involved in the proposal.

The Gore District Council provides to you copies of email correspondence between elected members from August 2024 to May 2025 which contains content related to the Southland District Council's amalgamation proposal.

Some information has been redacted as it was outside the scope of your request, and on two occasions information has been withheld under section 7(2)(a) of the LGOIMA to protect the privacy of natural persons.

The elected members have all individually advised that no text messages exist between themselves on the amalgamation proposal. Therefore this part of your request is refused under section 17(e) of the Act as this information does not exist.

If you are unsatisfied with the response, you are entitled to lodge a complaint with the Office of the Ombudsmen. You can find more information on its website

<http://www.ombudsman.parliament.nz>

If you wish to discuss this decision with us, please feel free to contact me on 03 209-0330.

Kind regards

A handwritten signature in black ink, appearing to read "Debbie Lascelles".

Debbie Lascelles
Chief Executive



Fw: Proposal for change

From Ben Bell <bbell@goredc.govt.nz>

Date Wed 14/08/2024 1:59 PM

To .Councillors (with e-mail) <Councillors@goredc.govt.nz>

 1 attachment (598 KB)

Media Release- Mayor proposes local government change.docx;

Hi team,

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We are working on a statement and will let you know as soon as it is done.

Please let me know any feedback, I would very much welcome it.

Cheers,
Ben

From: Rob Scott <Rob.Scott@southlanddc.govt.nz>

Sent: Wednesday, August 14, 2024 11:53 AM

To: Nicol Horrell <nicol.horrell@es.govt.nz>; Nobby Clark <Mayor@icc.govt.nz>; Ben Bell <bbell@goredc.govt.nz>

Cc: SDC Comms Louise Pagan <louise.pagan@southlanddc.govt.nz>; Cameron McIntosh <Cameron.McIntosh@southlanddc.govt.nz>

Subject: Proposal for change

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Rob



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14 AUGUST

Mayor proposes new local government structure

Southland District Mayor Rob Scott is proposing a change to the structure of local government in Southland, saying “it’s time now to have this conversation.”

Mr Scott is putting forward a proposal to create two unitary authorities in Southland, rather the present four councils.

“Four councils are too many for a population of 100,000 – there’s a lot of efficiencies we can do by merging together and preliminary estimates show \$10 million a year can be saved,” he said.

“Simply put, a structural reform proposal led by Southland District for the benefit of the community it serves along with other communities in Southland is required. This is likely to involve stepping away from what has traditionally been adopted in Southland and looking elsewhere in the country where an alternative model to two tiers of local government within a region has been operating successfully.”

One unitary authority would be district-based, and would be made up of the Southland and Gore districts, along with regional council functions for that area, while the other would be urban-based, and would include Invercargill City Council and regional council functions for it. This could see 20 fewer councillors, two fewer chief executives, two fewer mayors/chair, and two fewer long term plans.

One of the key principles for Southland District Council is the retention of a local voice, and empowering the community boards and river liaison committees to be able to do more through further delegations. It is also important to ensure the unique identity and characteristics of Gore are recognised.

“This proposal will reduce cost, improve efficiency, reduce complexity and keep the local in community decision-making. There’s also more alignment in catchments and the ability to have a one-stop shop for consenting.

“We need to lead the way and look for the right structure for Southland now, rather than wait for something to happen, which never does,” Mr Scott said.

“We, as the elected representatives of the people of Southland, need to hear the call for change and be brave enough to look at other local government models, such as unitary authorities, which have been done successfully in other parts of New Zealand,” he said.

In particular, there are a lot of similarities between Nelson and Tasman unitary authorities and what could be happen here in the south, as Tasman is rural, with environmental issues to manage, and Nelson is principally urban with a different set of issues to cover.

Mr Scott does not believe a single unitary authority for all of Southland would work as there are totally different communities of interest in district and urban communities and so priorities would not align.

The work that has been done so far is preliminary and a lot more is needed, as is a lot of discussions, debate and conversations across the councils and across the province, he said.

Economics and efficiency are important in evaluation of a new local government structure, and so is the communities of interest that are identified, protected and ideally enhanced in this reorganisation proposal.

“It won’t be an overnight thing – there’s a lot of work to be done before it even goes to the Local Government Commission for a decision.

“I felt I needed to put this out there to at least move us forward,” Mr Scott said.

“I hope that the next step will see representatives from all the councils sit down and have a reasoned discussion looking at the advantages and disadvantages of this proposal. We also need to have conversations with iwi and other key stakeholders along with all of our communities to ensure everyone in Southland is part of the process,” he said.

ENDS

For further information please contact:

Rob Scott

Southland District Mayor

Released under the LGOMA



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Rob Scott

Southland District Mayor

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Outlook

Re: Proposal for change

From Ben Bell <bbell@goredc.govt.nz>**Date** Wed 14/08/2024 2:00 PM**To** .Councillors (with e-mail) <Councillors@goredc.govt.nz>Mayor wants the four Southland councils to become two | Stuff

From: Ben Bell <bbell@goredc.govt.nz>**Sent:** Wednesday, August 14, 2024 1:59 PM**To:** .Councillors (with e-mail) <Councillors@goredc.govt.nz>**Subject:** Fw: Proposal for change

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Mayor wants the four Southland councils to become two



Evan Harding

August 14, 2024 • 1:07pm

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SDC mayor proposes merger of Southland councils

VIDEO CREDIT: KAVINDA HERATH

Southland District mayor Rob Scott is proposing a massive shake-up to the local government structure in Southland, which he says will save ratepayers millions of dollars a year.

Southland's current local body scene comprises the Southland District Council, Gore District Council, Invercargill City Council and Environment Southland [regional council].

But Scott says four councils for a 100,000 population is too many and his proposal is for the creation of two unitary authorities.

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- 'Despot' or housing saviour? Chris Bishop to gain power to overrule councils
- Co-ed school principals fight 'deeply unethical' boys school-only rugby competition



Southland District mayor Rob Scott, left, and chief executive Cameron McIntosh.

KAVINDA HERATH / SOUTHLAND TIMES

Under Scott's proposal, one unitary authority would be district-based, made up of the Gore and Southland districts along with Environment Southland functions for the area; while the other would be urban-based and would include Invercargill City Council with Environment Southland functions for that area.

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saved,” Scott said.

Two unitary authorities may result in 20 fewer councillors, two fewer chief executives, two fewer mayors/chair, fewer council meetings and two fewer long term plans.

Along with reducing costs and complexity, the proposal, if successful, would also improve efficiency and keep community decision making local, he believed.

Scott said the Southland District Council’s elected members would endorse the proposal at an upcoming meeting and it would eventually be taken to the Local Government Commission for a decision.

But there was a lot of work to do before that happened.

“I hope the next step will see representatives from all the councils sit down and have a reasoned discussion looking at the advantages and disadvantages of this proposal.”

Conversations also needed to be had with iwi, stakeholders and the community, he said.

The time was “now” to look to the right structure for Southland.

“Simply put, a structural reform proposal led by Southland District Council for the benefit of the community it serves, along with other communities in Southland, is required.”

Two unitary authorities would have the ability for a one stop shop for consenting, allow more alignment in catchment areas, and community boards would be retained, he said.

“It is also important to ensure the unique identity and characteristics of Gore are recognised.”

Elected members in Southland needed to “hear the call for change” and be brave enough to look at other local Government models such as unitary authorities which had been successfully formed in other parts of New Zealand, he said.

He cited the Nelson and Tasman unitary authorities as examples, with Tasman being rural with environmental issues to manage, and Nelson principally urban with a different set of issues.

Scott said he did not believe a single unitary authority for all of Southland would work, saying the district and city had major differences so priorities would not align.

SDC chief executive Cameron McIntosh said all four councils did not have to agree on the merger into two unitary authorities before it was put to the Local Government Commission for a decision.

Invercargill mayor Nobby Clark said he had spoken to Scott about his proposal, but said it wasn't appropriate to make further comment until the Gore District Council and Environment Southland had time to consider it.

Clark said he also needed time to discuss the proposal with his elected colleagues and the city council chief executive.

"The decisions required are not to be taken without due consideration."

- The Southland Times

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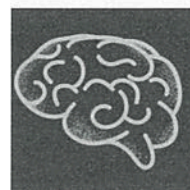
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By Glenn McConnell



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Outlook

Fw: Statement Take 2

From Ben Bell <bbell@goredc.govt.nz>
Date Wed 14/08/2024 3:28 PM
To .Councillors (with e-mail) <Councillors@goredc.govt.nz>

I recognise this is sudden team, but if you could give any feedback before this goes out shortly, that would be appreciated.

Cheers,
Ben

From: Bonnie Mager <bmanager@goredc.govt.nz>
Sent: Wednesday, August 14, 2024 2:51 PM
To: .Senior Management Team <SeniorManagementTeam@goredc.govt.nz>; Ben Bell <bbell@goredc.govt.nz>
Subject: Statement Take 2

Kia ora all.

Here is an amended statement with the Mayor's requested additions. I'm in a Zoom meeting from 3 to 4, but I am interruptible. I am just taking it at my desk.

Mayor Scott's proposal of an SDC, ES and GDC amalgamation is one of the many options our Council has as a potential solution to rising rates.

The Gore District Council is open to conversations about how to provide a more efficient service. However, amalgamation is just one option, and further investigation is needed.

Mayor Ben Bell's priority is ensuring we do what is best for the Gore District.

"It is important that we hear from our people about what they want when proposing large-scale service changes like this." Bell said.

"I worry that the proposal, as announced, is factually incorrect, misleading and "essentially selling struggling ratepayers hugs and rainbows"

Bell says he is not opposed to having the conversation, but it is very important to recognise this must be in agreement between the two/three councils, and there needs to be a clear desire from our community that this is something they want.

"We intend to have robust discussions and consultations with our residents to ensure any decisions we make are the right fit for the people of Gore."

ENDS



Re: Proposal for change

OUT OF SCOPE

From: Ben Bell <bbell@goredc.govt.nz>
Sent: Wednesday, August 14, 2024 2:00:39 PM
To: .Councillors (with e-mail) <Councillors@goredc.govt.nz>
Subject: Re: Proposal for change

[Mayor wants the four Southland councils to become two | Stuff](#)

From: Ben Bell <bbell@goredc.govt.nz>
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Outlook

Re: Proposal for change

From John Gardyne <JGardyne@goredc.govt.nz>

Date Wed 14/08/2024 8:30 PM

To Stewart MacDonell <SMacDonell@goredc.govt.nz>; Ben Bell <bbell@goredc.govt.nz>; .Councillors (with e-mail) <Councillors@goredc.govt.nz>

Hi Ben

We need to consider all options to lower our over head costs and provide better value for our ratepayers.

John

Get [Outlook for iOS](#).

OUT OF SCOPE

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Re: Statement Take 2

From Glenys Dickson <GDickson@goredc.govt.nz>

Date Wed 14/08/2024 8:49 PM

To Ben Bell <bbell@goredc.govt.nz>

It's a bit late I know but I am happy with what you have stated Ben.
Regards Glenys

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From: Ben Bell <bbell@goredc.govt.nz>

Sent: Wednesday, August 14, 2024 3:28:09 PM

To: .Councillors (with e-mail) <Councillors@goredc.govt.nz>

Subject: Fw: Statement Take 2

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Released under the LGOIMA



Outlook

Re: Statement Take 2

From Andy Fraser <afraser@goredc.govt.nz>**Date** Thu 15/08/2024 6:29 PM**To** Ben Bell <bbell@goredc.govt.nz>; .Councillors (with e-mail) <Councillors@goredc.govt.nz>

I would like Mayor Scott to show his calculations on where he got the \$10 million saving a year according to his media statement and apparently less meetings.

Andy

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From: Ben Bell <bbell@goredc.govt.nz>**Sent:** Wednesday, August 14, 2024 3:28:09 PM**To:** .Councillors (with e-mail) <Councillors@goredc.govt.nz>**Subject:** Fw: Statement Take 2

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Outlook

SDC Proposal

From Ben Bell <bbell@goredc.govt.nz>

Date Fri 16/08/2024 6:04 PM

To .Councillors (with e-mail) <Councillors@goredc.govt.nz>

Cc Debbie Lascelles <dlascelles@goredc.govt.nz>

Good evening everyone,

As some of you may be aware, Jess Hudson, who organised the rates meeting in Mataura a few months ago has organised another meeting tonight with key stakeholders to discuss SDC's amalgamation proposal.

I was invited by Jess and Mayor Scott to attend the meeting which will be attended by Groundswell, Fed Farmers and other locals such as Alan, Mark, Peter and Mike.

After much careful consideration I have decided that it would be unfair to attend tonight's meeting with the public before having a discussion as a Council.

Furthermore, it is important that we have a conversation post the Council meeting on Tuesday to get a steer on how we would like to proceed as a Council, especially given national conference is next week.

For your information, I have spoken to Mayor Scott to share my disappointment on how this has been handled. I have also cautioned SDC on comparing the Te Anau community board to the Gore District Council as it is degrading to our Council and making a difficult situation worse. This commentary was brought to me by staff via media.

I will be available via phone over the weekend if you would like to discuss this further, otherwise have a lovely weekend, and I will catch you next week.

Cheers,
Ben



Outlook

Re: SDC Proposal

From Glenys Dickson <GDickson@goredc.govt.nz>**Date** Sat 17/08/2024 10:03 AM**To** Ben Bell <bbell@goredc.govt.nz>

Very wise decision Ben.

I appreciate that you will speak to Councillors before further discussion on amalgamation.

To compare GDC to Te Anau Community Board is an insult and a very poor way to form any sort of consultation with our Council.

The wider public also need to be consulted.

See you Tuesday.

Have a good weekend.

Kind regards

Glenys

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From: Ben Bell <bbell@goredc.govt.nz>**Sent:** Friday, August 16, 2024 6:04:40 PM**To:** .Councillors (with e-mail) <Councillors@goredc.govt.nz>**Cc:** Debbie Lascelles <dlascelles@goredc.govt.nz>**Subject:** SDC Proposal

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For your information, I have spoken to Mayor Scott to share my disappointment on how this has been handled. I have also cautioned SDC on comparing the Te Anau community board to the Gore District Council as it is degrading to our Council and making a difficult situation worse. This commentary was brought to me by staff via media.

I will be available via phone over the weekend if you would like to discuss this further, otherwise have a lovely weekend, and I will catch you next week.

Cheers,
Ben

Released under the LGOIMA



Outlook

Re: SDC Proposal

From Richard McPhail <RMcPhail@goredc.govt.nz>

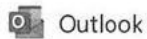
Date Sat 17/08/2024 6:15 PM

To Ben Bell <bbell@goredc.govt.nz>

Cc .Councillors (with e-mail) <Councillors@goredc.govt.nz>; Debbie Lascelles <dlascelles@goredc.govt.nz>

Hi Ben Yes - thank you for update - considerable amount of discussion within the community and local government community. We need to tread lightly as we go. On a lighter note - GO the All Blacks! Regards Richard Sent from my iPad > On 16 Aug 2024, at 6:04 PM, Ben Bell wrote: > > > Good evening everyone, > > As some of you may be aware, Jess Hudson, who organised the rates meeting in Mātaura a few months ago has organised another meeting tonight with key stakeholders to discuss SDC's amalgamation proposal. > > I was invited by Jess and Mayor Scott to attend the meeting which will be attended by Groundswell, Fed Farmers and other locals such as Alan, Mark, Peter and Mike. > > After much careful consideration I have decided that it would be unfair to attend tonight's meeting with the public before having a discussion as a Council. > > Furthermore, it is important that we have a conversation post the Council meeting on Tuesday to get a steer on how we would like to proceed as a Council, especially given national conference is next week. > > For your information, I have spoken to Mayor Scott to share my disappointment on how this has been handled. I have also cautioned SDC on comparing the Te Anau community board to the Gore District Council as it is degrading to our Council and making a difficult situation worse. This commentary was brought to me by staff via media. > > I will be available via phone over the weekend if you would like to discuss this further, otherwise have a lovely weekend, and I will catch you next week. > > Cheers, > Ben > >

Released under the Official Information Act 1982



Outlook

Weekly schedule - Week 34

From Ben Bell <bbell@goredc.govt.nz>

Date Mon 19/08/2024 3:21 PM

To .Councillors (with e-mail) <Councillors@goredc.govt.nz>

Good afternoon Councillors,

OUT OF SCOPE

Updates:

Thank you for all the positive messages over the weekend. It will be good to talk amalgamation with you all after the Council meeting tomorrow. Some of those that were in attendance for Friday's meeting have also given me updates from what happened, so I will share that tomorrow.

OUT OF SCOPE

See you all tomorrow!

Cheers,
Ben

withheld under section 7(2)(a)

h:

withheld under section 7(2)(a)

Sent:

Friday, 13 June 2025 1:42 pm

To:

withheld under section 7(2)(a)

Subject:

Fw: Re: SDC Agenda Item - Amalgamation Proposal

From: Glenys Dickson

Sent:

To: Keith Hovell; .Councillors (with e-mail); Debbie Lascelles

Subject: Fw: Re: SDC Agenda Item - Amalgamation Proposal

Thank you Keith.

Good to have this information.

I will watch the proceedings online as it is important we have firsthand knowledge of the thoughts and misguided aspirations of SDC.

Kind regards

Glenys

Get Outlook for iOS

From: Keith Hovell <khovell@goredc.govt.nz>

Sent: Thursday, August 22, 2024 1:48:27 PM

To: .Councillors (with e-mail) <Councillors@goredc.govt.nz>; Debbie Lascelles <dlascelles@goredc.govt.nz>

Subject: SDC Agenda Item - Amalgamation Proposal

Good afternoon all

FYI I enclose a copy of the agenda item from the SDC Council meeting next Monday. The meeting is live streamed on their facebook page.

The attachment referred to is not attached, and I am following up on that.

Your feedback / thoughts most welcome.

Cheers

Keith



SDC Additional Information

From Keith Hovell <khovell@goredc.govt.nz>

Date Fri 23/08/2024 6:54 PM

To .Councillors (with e-mail) <Councillors@goredc.govt.nz>; Debbie Lascelles <dlascelles@goredc.govt.nz>

 1 attachment (7 MB)

SDC Amalgamation Attachment.PDF;

The attached additional report was released to me at 5:15pm today. There appears to be a lot of very useful information included about process.

Would be good if all can read before Tuesday evening so we can discuss where to next.

Cheers

Keith

Released under the LGOMM



Date: Monday, 26 August 2024
Time: 10am
Meeting room: Council Chamber
Venue: Level 2
20 Don Street
Invercargill

Council OPEN ATTACHMENT

ATTACHMENTS UNDER SEPARATE COVER

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Southland Local Government Structural Opportunities: Preliminary Forward Planning

Introduction

1. This paper profiles opportunities to streamline the structure of local government in Southland. Whilst written on behalf of Southland District Council, the paper does include salient statistics, comparisons and advances arguments which could provide a platform and act as a catalyst for further debate with other Southland Councils, local Iwi, and the wider community.
2. The drive and interest in viewing other potential options does not have its genesis at a singular point. Extra-ordinary cost pressures on local government, a concomitant rise in anxiety from ratepayers about the ability to fund these costs, the age of the current structure of local government in Southland along with the performance and/or capacity of some of the Councils are all contributing factors.
3. These factors will be analysed along with profiling a preferred model for structural reform. The model is necessarily future focused, not encumbered by, yet retaining the best of what has worked in the past, but also points to other areas in New Zealand where the new structure being promoted for further conversation, has worked successfully.

The Current Structure of Local Government in Southland

4. Local government in Southland, like the rest of New Zealand was radically and rapidly reformed in the late 1980s as part of the Fourth Labour Government's aggressive economic reform agenda. In just under two years from the policy announcement of the Minister of Internal Affairs in December 1987, over 800 Councils and boards were conflated to just 86. The sheer pace of the reform is suitably encapsulated in the following passage from local government analyst and commentator Peter McKinley looking back at the reforms in 1998:

The structural reform which the Local Government Commission then put in place was without parallel in New Zealand's history, and probably internationally, both for its fundamental nature and the speed with which it was achieved. The fact that more than 800 disparate bodies could be reduced to rather less than 100, with the number of territorial authorities reducing from over 200 to just 74 was quite extraordinary. It owed much to the willingness of the then government to put in place a process which was, quite deliberately, insulated against political interference: decisions were to be taken by the Commission in accordance with a legislative mandate, and not by the Government. The Commission was required to consult, and did so extensively, with a concern that its process be seen as legitimate, but it had the final power to decide.

5. The breathtaking speed with which local government was overhauled in 1989, does pose the question of whether the arrangements put in place in some regions were sufficiently well thought out to warrant being undisturbed for decades. In Southland, with a regional Council and three territorial local authorities serving a population of just over 100,000, questions around the cost of sustaining this structure have arisen spasmodically since the 1989 reforms.
6. These questions have manifested themselves most prominently in a one Southland Council initiative/ campaign in the 1990s. This ultimately lost momentum, and a greater emphasis was placed on developing shared services around 2000. Notable shared services established around that time were Venture Southland, now known as Great South, solid waste management in the form of a shared sanitary landfill and kerbside recycling and the establishment of Emergency Management Southland in May 2010.
7. Despite these achievements, in the interests of both efficiency and addressing capacity limitations, the suspicion or belief that the region is not efficiently governed or administered, has persisted. These opinions have tended to be proffered in both formal and informal forums such as social media or submissions made to individual Councils on Long Term Plans.
8. The table below sets out the key statistical features of each of the four Councils in Southland. Expenditure and revenue figures are taken from year 1 of each Council's 2024/25 Long Term or Annual Plan, depending on which plan a particular Council chose to adopt prior to 30 July 2024.

Table 1: Southland Councils

	Invercargill City (Long Term Plan 2024/2034) ⁱⁱ	Southland District ⁱⁱⁱ	Gore District (Annual Plan 2024/2025) ^{iv}	Environment Southland (Long Term Plan 2024/2034) ^v
Population	57,900	31,833	12,396	102,600
Area (km2)	390	29,575	1,250	34,000
Councillors, including Mayor/Chair	13	13	12	12
Community Board members	5	56	5 + 1 Maitai Ward member	
Total Operating Revenue (\$million)	\$152.1	\$119.96	\$53.24	\$50.01
Total Operating Expenditure (\$million)	155.18	124.84	40.08	51.18
Rates 2024/25 (\$million)	78.86	72.394	27.158	28.906
Rating Units	25,966	21,092	8,381	55,439
Debt(\$million)	181.6	115	58.5	18.9
Equity(\$million)	1,239.87	2,200.79	524.95	92.123

9. Rating and projected debt levels for 2024/25 have been used in the above table due to all Councils in the region, in line with similar trends throughout the country, having experienced sharp increases in rates and debt. The use of 2024/25 actual rates and debt projection will enable the information to remain relevant as debate ensues over the remainder of this calendar year and beyond.
10. The table above reveals the high cost of having four Councils serving a population of just over 100,000 people. The four Councils combined will in the 2024/25 year, levy total rates to ratepayers in the region of \$207.31 million plus GST. This equates to \$1757.08 per capita, not allowing for GST.

11. The more appropriate metric is probably rates per rating unit as not every person directly pays or has ultimate responsibility for rates. When measured against this metric, the average liability of each rating unit for the region's total rates in 2024/25 equates to \$3,251.8 (exclusive of GST) per rating unit.

Central Government Expectations

12. The election of a new government at the 2023 General Election has seen a 180-degree shift in Three Waters policy. This has placed enormous financial strain on many territorial authorities, as the "Stop Three Waters" campaign brought about an abrupt cancellation of the proposed transfer of responsibility for financing and delivering Three Waters into new publicly owned entities.
13. Councils throughout the country had been planning on assets and debt associated with Three Waters to be transferred to the new entities. With debt sharply rising and the headroom to raise more debt diminishing quickly, Councils have been caught out with this policy U-turn.
14. Recent publicity concerning the Gore District Council and its lack of capacity to take on more debt to meet capital expenditure obligations is symptomatic of the pressures being faced by territorial authorities. In the *Stuff* article on 11 July 2024⁴, Mayor Bell shares concerns that the Council can ill-afford to deal with any emergency works arising from a natural event like a flood, given that the Council is only \$6 million away from a debt ceiling imposed by the Local Government Funding Agency.
15. Central Government meanwhile appears largely unmoved by this situation. The new Minister of Local Government has made it abundantly clear that dedicated financial assistance for Councils is not on its horizon.
16. Instead, it is moving to implement its *Local Water Done Well* policy. The nub of this policy is to ensure local control of water assets is maintained while the government imposes demanding expectations for Councils to prepare Water Service Delivery plans which are expected in the Minister's words to be "*financially sustainable, meet regulatory standards for water infrastructure quality and unlock housing growth*".
17. A strong hint from central government on where it sees financial efficiencies coming from lies in its plans for new legislation to pave the way for *Local Water Done Well*. Included in the legislation, will be a streamlined procedure in regard to consultation and decision-making processes for the creation of Water Services Council Controlled Organisations (WSCCOs).
18. In the meantime, regional Councils are also operating within an uncertain policy environment. The much maligned (in the eyes of the rural sector) National Policy Statement on Freshwater Management (NPS-FM) promulgated by the previous

government is to be replaced. However, the government expects that replacement of the Policy importing a more sustainable and balanced approach to waterway management, will take between 18 to 24 months^{viii}.

19. The reforms in Three Waters Policy and the NPSFM have placed considerable cost pressures on both territorial and regional authorities. However, despite the assuaging messages from central government that the reforms will deliver on financial sustainability, there remains considerable doubt in the sector that the new operating environment, will be as financially uplifting as its promoters portray.
20. On top of that financial anxiety is the reform timetable. Whether it is the creation of new WSCCOs or a revised/overhauled WSCCO within a region or regions, the timetable is defined in years, not months. All these reforms appear to pre-suppose that the existing structure of local government is fit for future purpose.
21. This paper suggests that the structure of local government in Southland is no longer adequate to meet the current and future needs of its people. Irrespective of how the government's reform agenda plays out, it is strongly suggested that Councils in Southland and particularly, Southland District Council, can no longer 'sit on their collective hands' and wait for the government to lead the way.
22. Simply put, a structural reform proposal led by Southland District for the benefit of the community it serves along with other communities in Southland is required. This is likely to involve stepping away from what has traditionally been adopted in Southland and looking elsewhere in the country where an alternative model to two tiers of local government within a region has been operating successfully.

The Concept of Unitary Councils

23. Unitary Councils fulfil the dual functions of both a territorial authority and a regional council. There are six unitary Councils in New Zealand. Four of the Councils, which are best described as provincial in size and location were created either at the outset or shortly after local government reform in 1989^{ix}.
24. Chatham Islands Council was also established as a unitary authority in 1995 by virtue of the Chatham Islands Council Act 1995, which dissolved the former Chatham Islands County Council. The sixth unitary authority was created in 2010 when the supercity of Auckland Council came into existence.
25. To provide meaningful comparisons with Southland, Chatham Islands and Auckland Councils have not been included. The table below profiles these four unitary Councils with the same statistics applied to the four Southland Councils.

Table 2: Unitary Councils in New Zealand, excluding Chatham Island and Auckland

	Gisborne District ^a	Marlborough District ^{vi}	Nelson City ^{xii}	Tasman District ^{xiii}
Population	52,100	52,200	54,500	60,500
Area (km2)	8,265	17,517	422	9,635
Councillors, including Mayor/Chair	14	14	13	14
Community Board members				8
Total Operating Revenue (\$million)	261	218.73	205.6	232
Total Operating Expenditure (\$million)	178.9	195.05	185.5	199.3
Rates 2024/25 (\$million)	85.7	95.26	98.7	110.325
Rating Units	22,300	27,193	23,222	28,199
Debt(\$million)	195.3	115	266	355
Equity(\$million)	2,755.08	2,155.915	2,293.148	2,437.56

26. Based on population, area, rating assessments and level of debt, to name just some, the four provincial unitary councils in New Zealand, provide a statistical basis for two councils of this type to be established in Southland. This suggestion will be explored further before examining the functions of a regional council and how they can be incorporated within a unitary authority.
27. The metrics described in paragraph 25, can be applied in tabulated form to include two unitary authorities in Southland. These unitary authorities would comprise on one hand, Invercargill City as it is currently constituted in respect of boundaries and representation arrangements. This proposed unitary authority would be principally urban in nature, being very similar to what exists in Nelson City.

28. The second proposed unitary authority would see an amalgamation of the Southland and Gore District Councils along with taking up the regional council functions currently administered by Environment Southland. This proposed authority would be predominantly rural in flavour and outlook, continuing the strong rural communities of interest that co-exist in both Southland and Gore Districts.
29. There are strong parallels with Nelson and Tasman in advancing this structural change. Those two authorities have a combined population of approximately 115,000 compared to the Southland region's population of 102,600. In a broad sense, two unitary authorities exist at the top of the South Island: one principally urban (Nelson), and the other more expansive, rural and with high environmental issues to manage (Tasman).
30. The table below compares the size and scale of two proposed unitary authorities, based on the metrics listed in paragraph 25, with the four existing provincial unitary authorities.

Table 3: Existing authorities compared with two new Southland unitary authorities.

	Gisborne District	Marlborough District	Nelson City	Tasman District	Invercargill	SD/GD (Rural)
Population	51,135	52,200	54,500	60,500	57,900	44,229
Area (km ²)	8,385	17,517	422	9,635	390	30,825
Rating Units	23,487	27,193	23,222	28,199	25,966	29,473
Debt (\$million)	195.3	115	266	355	181.6	173.5

31. A point of interest in the above table from the perspective of a future rural unitary authority for Southland, is that while that future Council might have the lowest population of its provincial unitary peers, it would have the highest number of rating units. This suggests that despite a slightly lower population, the proposed new unitary District would have a reasonable economic rating base to operate from.
32. Debt levels of Councils have generally increased sharply in recent years as major capital works, particularly in the three waters area, have been undertaken. This has led to concerns from ratepayers about the steep climb in debt to fund the projects concerned. Looking at Table 3 above, the debt level of both proposed unitary authorities for Southland is in the lower reaches of similar sized Councils.

Communities of Interest

33. Economics and efficiency are always important when evaluating a new local government structure. But of equal, if not more importance is the communities of interest that are identified, protected, and ideally enhanced in any reorganisation proposal.
34. In Southland, there is a regional sense of identity and pride, particularly evident with sporting and cultural pursuits. But even within those broad sectors, especially sport, there is a community division colloquially referred to as *Town and Country*.
35. The Local Government Commission in its guidelines for representation reviews, has provided the following helpful description to assist in identifying communities of interest¹⁰:

A sense of community identity and belonging reinforced by:

 - (a) *distinctive physical and topographical features (eg mountains, hills, rivers),*
 - (b) *similarities in economic or social activities carried out in the area,*
 - (c) *similarities in the demographic, socioeconomic and/or ethnic characteristics of the residents of a community,*
 - (d) *a distinct local history of the area resulting in a current perception of a community of interest,*
 - (e) *the Rohe or Takiwā of Local Iwi and Hapū; and*
 - (f) *dependence on shared facilities and shared services in an area including:*
 - (i) *schools, recreational and cultural facilities,*
 - (ii) *retail outlets, transport, and communication lines.*
36. These descriptors have been crafted by the Commission with the identification of wards and potential community boards in mind. But they are a useful touchstone when assessing on a macro level, broad communities of interest within a region.
37. It is contended that the economic interests of pastoral farming and its attendant support industries and networks is the principal factor in creating ties that bind in the Southland and Gore Districts. Obviously, there are other factors but pastoral farming, be it dairy, beef, sheep or deer is of enormous importance to Southland and the economic success of this important sector reverberates through the province.
38. When major incidents loom which threaten the economic livelihood of farmers of any persuasion, the common interest in and affiliation of rural people comes to the fore. The drought of 2021/22 or tractor protests opposing new freshwater regulations are graphic illustrations of rural people's sense of togetherness.

39. The common sense of purpose and shared ideals means that rural people from Tuatapere or Tokanui (for example) have broadly similar interests with people in Kaiwera or Waimumu (for example). This common sense of purpose, shared economic outlook and support for each other in good times or bad, has its pinnacle in evidential excellence, in the biennial Southern Field Days at Waimumu.
40. Rural people by necessity and inclination are fiercely independent and used to having to make do with limited resources. More self-reliant than those in larger urban centres, farmers in particular, have a strong connection to the land, local environment, and community together with a healthy dose of cautious concern about decisions affecting them being made from larger urban centres.

One Council for Southland?

41. A natural question to pose when evaluating a more streamlined structure for Southland, is why not just have one unitary Council serving the entire region? If viewed through the sole lens of efficiency, this suggestion may well have some merit.
42. However, a single Council for Southland would fail abysmally when viewed through the lens of communities of interest. As set out in paragraphs 36-39 above, rural people and communities have a significantly different outlook than those in an urban centre. Their concerns are different, the services they rely on are different and consequently their priorities are not aligned.
43. A single unitary authority for Southland would likely see a majority of the representation and voting power centralised in Invercargill. The rural voice, despite its economic importance to the region would likely be diluted and subsumed by urban interests.
44. As will become clearer later in this paper, ultimately the veracity or otherwise of this contention will be determined by the people affected and being served, not individual Councils. The balance of this paper therefore proceeds on assessing the advantages and disadvantages of a Rural Unitary Authority for Southland and pointing towards a potential pathway for change.
45. Before doing so, an important partner that needs to be acknowledged. The impact and potential reception from other Councils in the region will also be canvassed.

Early Engagement with Iwi

46. As stated at the outset, this paper is preliminary in nature and designed as a starting point for a wider conversation. Early engagement of local Iwi is an imperative. This engagement will need to occur both at a regional level with Te Roopu Taiao and with individual rūnanga.
47. The views of local Iwi to this proposal are unknown but will need to be ascertained at the earliest opportunity. It is likely that a strong focus on the environment will be one aspect of any change proposal that will be of significant interest to local Iwi.
48. A factor that may be welcomed is the reduction in the number of Councils that Iwi has to engage with. Local Iwi are often at pains to emphasise that their resources are limited and thus find it difficult to be fully across all proposals emanating from all four Councils. Cutting in half the number of Councils in Southland may provide relief in this area.

Environment Southland

49. As a regional Council, Environment Southland has jurisdiction of the following functions in the Southland region:
- Water quality and quantity (freshwater and sea water)
 - Air water and land pollution
 - Biodiversity conservation
 - Marine and freshwater ecosystems
 - River/ catchment management
 - Natural hazards (avoidance and mitigation)
 - Contaminated land (identification and monitoring)
 - Activities in the coastal marine area, including harbour management
 - Allocation of water and contaminant discharge capacity
 - Soil conservation
 - Pest management, both animals and plants
 - Emergency management in unison with territorial authorities
 - Regional/ public transport.
50. The inclusion of the function of regional and public transport does need to be qualified in the case of Southland. Environment Southland is responsible for coordinating regional land transport activities and preparing the regional land transport plan¹⁶. Public transport via a bus service is provided by Invercargill City Council. That Council also administers the Total Mobility Scheme of which the Gore District Council is a funding participant.
51. Under the preferred reform proposal, these functions, including relevant staff expertise would transfer to two new unitary councils. It is natural to ask how the two

unitary councils would cope with the assimilation of these additional functions. The answer lies with reference to the four provincial unitary councils that have been performing these functions consistently since 1992.

52. The two Councils of Nelson and Tasman offer a case in point. Nelson has a busy port and harbour while Tasman has a highly regarded coastline, national parks and an astute, environmentally aware, constituency. Both councils appear to have managed their dual roles of regional and territorial, responsibly and competently.
53. Conversely, in rural Southland there has been growing disquiet at the performance and focus of Environment Southland. Many rural people are concerned about the lack of attention placed on river and catchment management. These rural people have often lived in the same area for decades and have a strong reservoir of local knowledge about past practices regarding river and wider catchment management.
54. Criticisms of Environment Southland favouring on farm regulatory compliance over proactive management of rivers are regularly heard in rural circles. In addition, the performance of Environment Southland in recent emergency events has been the subject of concern^{xxx}. The dedicated Emergency Management service set up in 2010 is seen as not living up to expectations and has struggled to retain key staff.
55. A further concern for rural communities with Environment Southland, is how members are elected. With Invercargill City being the most populous centre in the region, it means that half the members elected to Environment Southland, come from an urban perspective.
56. However, the vast majority of issues the Environment Southland must address, pertain to the rural area of Southland. Farm compliance, rivers, water takes, water discharges, soil conservation and pest management all dominate in the rural area of Southland.
57. Another point that adds to the sense of inequity is the level of rates paid compared to the representation from the Southland and Gore Districts. For example, the general rate to be contributed within those two districts in the current year is \$13,130,703 out of a total of \$ 19,344,662^{xxx}. This constitutes 67.8% of the total general rate collected by Environment Southland, yet elected member representation for the area in which these rates are collected is the same as Invercargill.
58. In the case of major rivers for example, practically all the water would run through the proposed Rural Unitary Authority. The Waiau, Aparima and Mataura flow through the Southland and Gore Districts from source to mouth with only the final segment of the Ōreti river flowing through Invercargill.
59. Within rural communities, a view persists of Environment Southland as an Invercargill based institution, remote from ratepayers or communities and administering often unpopular measures to people who feel they have little control or influence. A unitary authority elected by rural people for rural people, would correct that perceived imbalance.

60. Whether this perception or the view conveyed in this paper regarding Environment Southland is accurate or fair, will ultimately be determined by the people who elect all Councils in Southland. But if a more streamlined approach to local governance is desired, complete with elected members being closer and more aligned to the values of the communities they serve, then the need to continue with a regional council in the province, must be seriously questioned.

Gore District Council

61. The other local authority in the region with its future affected by this proposal is the Gore District Council. It would be absorbed into the new Rural Unitary authority and would cease to exist as its own legal entity. That stated, the same would apply to Southland District Council.
62. Gore District Council is by some margin, the smallest territorial authority in Southland. It is easy to be distracted by the past 18 months of political turmoil at that Council. However, it needs to be borne in mind that the Council had many years of stable political leadership before then.
63. Gore District Council is considered by Local Government New Zealand in its categorisation of Councils as a rural authority. It has the second largest urban centre in Southland and is surrounded by a compact rural area.
64. The Council has regularly exhibited a strong streak of independence, often being cautious before opting to join in shared services arrangements, with the former Venture Southland being an apt example. A fear of being dominated appears to be the source of this caution.
65. More recently however, the Council has started to feel the price of its independence and need to comply with ever increasing central government obligations. Prominent publicity has been afforded in recent months to concerned ratepayers and the Council's future, due to a confirmed rate increase of 21.4%.
66. Independence of the Gore District Council irrespective of cost, may not be as strong in light of recent rate announcements and what lies ahead for next year. Therefore, the environment for an open conversation about an alternative model may not be as imposing as what it might have been in the past.
67. This view is reinforced by the aforementioned article profiling the Mayor's concerns about the Council fast approaching its debt ceiling. Looking ahead, the Council may be asked by its community not to summarily dismiss other structural possibilities.

Potential Governance Arrangements

68. Before analysing likely advantages and disadvantages of a Rural Unitary Authority in Southland, it would be appropriate to provide a broad and provisional indication on constitution of the elected member structure. These suggestions are put forward in the spirit of fostering debate and providing something tangible for participants to view as opposed to citing an amorphous concept.

69. A key principle for the Southland District and most likely for our neighbouring Council at Gore, is the retention of a strong local voice. Therefore, the Southland District Council's strong use of, and deference to, community boards on local issues needs to be retained in any new structure.
70. Given both Councils have recently completed representation reviews, there appears to be solid justification for the retention of community boards identified through that process. If anything, with a larger Council and bigger territory to administer, the use of community boards and delegation of authority should be enhanced in any new structural model.
71. The retention of River Liaison Committees with a stronger brief and influence in decision-making could bolster the network of 'grassroots governance'. Such an approach would enhance the local voice but also make sure that local knowledge is respected and better utilised.
72. The concept of a strengthened community board should be welcomed in the case of the Mataura Community Board. It is understood that the Mataura Board is frustrated at the dearth of authority delegated by the Council and wishes to have more autonomy like its Southland District counterparts.
73. There will need to be sensitive interaction with the community of Gore when it comes to settling on a governance structure in a new Rural Unitary Authority. With the community used to having its own Council, a change to becoming part of a much larger council which may be headquartered elsewhere, will not be easy for some to come to terms with.
74. It therefore appears sensible for a community board in Gore to be given more generous delegations of authority than others. This delegation could recognise that community's strong track record in successfully completing several very high-quality community projects.
75. Higher delegations to make decisions on what could be best described as *place making* matters would seem to be an appropriate start. Decisions encapsulating *place making* issues would cover the likes of library services, parks and recreation, arts and heritage, and aquatic services.
76. The concept of a superior level of delegation could extend to local regulation, such as parking, local bylaws together with property and facility issues. This would recognise the size of the township of Gore compared to others in the proposed Rural Unitary Authority.
77. On top of that extensive and empowered community driven structure, sits the Council itself. Given the new frontier being forged, the larger area being represented, and to ameliorate any concerns regarding dilution of representation, a larger Council than what exists individually at both Southland and Gore District is suggested.

78. But how large should the new Council be? Most objective and informed people would agree that there is a 'sweet spot' between the too small where diversity is severely compromised and too large where unwieldiness is imported and not welcomed.
79. The other four provincial unitary authorities profiled in this paper, have either 13 or 14 elected members, including the Mayor, with the most popular being 14. Southland District has 13 while Gore District has 12.
80. If the other similar sized unitary councils can operate successfully with a maximum 14 members, the new Rural Unitary Authority should be comforted and informed by that experience. However, given the large area involved and in the interest of investing in success and maintaining public confidence in respect of strong representation, a Council of 15 members, including the Mayor is nominated.
81. The word *nominated* is a deliberate inclusion to highlight that this is the commencement of a wide conversation but for meaningful dialogue to ensue, a starting point on future shape needs to be disclosed. This obviously begs the question on how those 14 Councillors would be elected.
82. The basis of election for a future Council yet to be endorsed or approved for establishment is a debate for another time. However, what is clear is that the law, in the form of the Local Electoral Act is unlikely to change in its strong stipulation around fair and effective representation.
83. In practical terms, this will mean that 14 Councillors (with some exceptions in the case of isolation) must represent the same number of people within a tolerance of plus or minus 10 per cent. Viewed at a macro level and having regard for existing territorial boundaries, based on a 14 Councillor strong Council, the following representation entitlements emerge for a proposed Rural Unitary Authority:
- | | |
|--------------------|----------------|
| Southland District | 10 Councillors |
| Gore District | 4 Councillors |
84. This apportionment of representation is very simple and based on the unlikely assumption that communities of interest will be quarantined within current local government boundaries. In all likelihood, the gravitational pull of the Gore township may mean that an electoral ward for that area is extended beyond the current boundaries of the Gore District. Also, with approximately 10 members to be elected from the Southland District as it is currently constituted, compared to the current 13, changes to existing wards appear inevitable, should the proposal proceed.

Finance and Rating

85. The desire to secure enduring cost savings is always a strong incentive behind structural reform. There are several other advantages which will be highlighted further in this paper.

86. However, there appears little point in pursuing a proposal that would be more expensive than the status quo. A more detailed analysis of likely costs of the new unitary councils would need to be undertaken if the proposal was considered worthy of serious consideration.
87. But at a high level, cost savings appear to be on offer. Intuitively, reducing four Councils in Southland to two, suggests a reduction in cost. There will be two less chief executives, one less Mayor, no regional Chair and approximately 18 fewer Councillors.
88. The ranks of senior management in the region would most likely be trimmed along with rationalising duplication in the likes of corporate support functions. However, details of those type of changes, would be the subject of a separate and deeper analysis.
89. But once again, a comparison with the existing four provincial unitary authorities is instructive. The current year's rates being levied by the four provincial unitary authorities ranges from \$85.7 million to \$110.3 million (refer to Table 2). The average of the four authorities is \$97.5 million, while the median is \$98 million.
90. The combined rates of Southland and Gore Districts in the current year totals \$99.5 million. On top of that total, there is the Environment Southland rates of \$28.9 million. If, for example, the new Rural Unitary Council had a rating input the same as Tasman District (which has very high debt) and levies the most rates of the four provincial unitary authorities, then even under that admittedly extreme scenario, savings in the order of \$5 million appear to be achievable.
91. The assessment is made based on two fronts. First, there is likely to be cost savings in amalgamating the two District Councils of Southland and Gore to form one rural unitary authority. As alluded to in paragraphs 86 and 87, a reduction in the number of elected members, senior staff and streamlining certain support functions should all drive down current costs.
92. Secondly, Environment Southland as an organisation would not exist under this proposal. Rates currently levied by Environment Southland would therefore no longer be separately issued to the region's ratepayers, but the services provided would still have to be delivered and funded by the two new unitary authorities.
93. However, it is not a simple case of just adding the current Environment Southland costs on top of existing territorial council budgets. In reality, significant costs currently being incurred by Environment Southland could be removed. These are the costs of elected members associated with having a regional council, senior management, and most corporate support functions such as finance, payroll, human resources, democratic support, and corporate communications.
94. Further, there are also significant opportunities to streamline policy, planning and compliance staff. These skills reside, to various degrees, in other Southland councils and there is likely to be overlap and duplication in some areas.

95. An evaluation of Environment Southland's 2024-34 long term plan reveals that approximately 75% of rate funding comes from Southland and Gore Districts^{xiii}. This equates to \$21.9 million being levied in rates across both districts. Therefore, if a further \$10.5 million in rates funding was required to match the level of rates levied by Tasman District, substantial savings to ratepayers would still ensue.
96. This is admittedly very high level, with the desk top approach applied to provide an indication of the scope of potential savings that might be available, even using a more extreme example. Some comfort can be taken that the assessment is based on running costs of unitary councils of a similar scale.
97. More detailed analysis awaits to further illuminate the pathway ahead. A principle worth considering is holding any new organisation created to a Year 1 target of rates income being under a certain threshold. The adoption of this technique might avoid 'gold plating' being imported into organisational design and thus allay fears that costs of any new and bigger institution might not be effectively controlled.
98. The final topic in this segment relates to the debts of each Council to be subsumed by the new unitary authority. This is often cited as a concern by ratepayers who do not want to own and have responsibility for, debt created by another District.
99. Whilst this is understandable, eventually debt does need to be spread over the entire rating base of the new entity to reflect the enlarged, unified area. A good time for this to occur is when a new rating system is introduced as inevitably there is a desire by the new council to have consistency in the way it levies rates across the enlarged territory.
100. A previous reorganisation proposal approximately ten years ago in another part of the country promoted the concept of debts remaining with each District for five years^{xiv}. The 1989 local government reform saw the best part of the following decade being used to assimilate rating systems, financial systems, and resource management plans. It is therefore suggested that debt should be quarantined to its originating authority for 5-10 years before being distributed throughout the new entity.
101. The case of Environment Southland is a little different, given its assets and liabilities are held on behalf of the region. Debt incurred for specific projects can readily be quarantined to the area benefitting and therefore placed with the relevant new unitary authority. A similar approach could be used for assets like flood banks and buildings based on their location, or special reserves that have a specific purpose with an identifiable geographical area of benefit.
102. Debt that cannot be assigned to a specific area of benefit and may have been raised for region-wide or organisational benefit, will need to be treated differently. This would also apply to other general reserves and the majority shareholding that Environment Southland has in South Port.

103. Possible formulas that could be applied to determine the apportionment of genuinely regional assets and liabilities amongst the proposed two unitary authorities, could be population, rating units or a combination of the two. In the case of population, Invercargill City has a 55.5% majority, while when measured in rating units, the combination of Southland and Gore Districts has its head in front to the tune of 53.2%.
104. This suggests that there are likely to be only small differences between the two methods if they were given equal weighting. A way forward on this issue may yet again lie with the experience of Tasman District and Nelson City. Both authorities arose out of the ashes of a short-lived regional council in 1992, with the result being that ownership of Port Nelson is equally shared by the two Councils.

Managing Conflicts of Interest

105. A concern that may emerge from some quarters is conflicts of interest that will inevitably arise when a unitary council must obtain a consent for itself when seeking approval to take from or discharge to water. The first point to make is that having a conflict of interest is not wrong. The more important point is how those conflicts are managed.
106. Secondly, there are very well-established protocols within Councils to manage conflicts of interest. Professional planning staff are well versed and alive to managing conflicts of interest, by ensuring there is independence in decision-making via the use of independent commissioners who are charged with deciding without fear or favour.
107. Thirdly, there is once again good experience to refer to with the existing Councils in New Zealand. Adopting good practice elsewhere would be a useful start to ensure that rigorous, ethical standards are applied to the management of identified conflicts of interest.

Advantages and Disadvantages

108. Based on this preliminary evaluation, a number of advantages have been identified in the establishment of two Unitary Authorities for Southland. These advantages will be principally, but not exclusively, viewed from a Southland District Council perspective:
- a. Cost savings. Ratepayers throughout the region are calling on Councils to take a serious look at their operating costs. The establishment of two unitary authorities to replace four Councils, could potentially unlock savings in excess of \$10 million in the region with the larger percentage of this figure favouring the higher rated Southland and Gore Districts.
 - b. A governance structure that better reflects the community it serves. Rural representatives being elected by rural communities and making decisions on their behalf resonates with the famous quote of USA President Abraham Lincoln, *government of the people, by the people, for the people*²⁰.

- c. A unitary council will be able to focus more on river management, flood protection and emergency management; areas which some believe have not been prioritised in recent times.
- d. A one stop for consenting. Under a unitary authority, all consents for a defined geographic area will be issued by one authority. There will be no need to apply for water and air consents from a regional authority.
- e. Less bureaucracy. The removal of two Councils and a layer of local government from the region, will streamline and simplify both governance and management within the province.
- f. Better on the ground interaction with ratepayers. The two district councils with their network of offices, libraries and service centres are well positioned to provide better accessibility for ratepayers and residents. The regional Council on the other hand does not have a customer facing presence outside Invercargill.
- g. Consolidation and strengthening of skilled staff. Specialist areas such as finance, engineering, science/environment, planning, and information technology are difficult to recruit. With four Councils competing for similar skills, compromise on choice or not filling vacancies at all, invariably occurs. This outcome is less likely to occur with just two unitary authorities with the added advantage that both unitary councils will likely be strengthened with a concentration and deeper skill base in critical areas.
- h. A reduction in the number of plans required to be produced in the region. There will be fewer long term plans, annual plans, and district/regional plans under the Resource Management Act, that will be prepared in the region. Not only is this far more efficient, but it will also likely come as a welcome relief to local Iwi, the general community and professionals who need to engage with and stay on top of plan content and changes.
- i. The end to a regional council prosecuting a territorial authority with the same group of ratepayers funding the cost of legal proceedings and the outcome. Prosecutions between councils are not popular with ratepayers who end up funding both sides legal costs along with any fine imposed. The senselessness of such a practice is encapsulated in an opinion piece by Jim Tucker in relation to a stand-off between Taranaki Regional Council and New Plymouth District Council^{ix}. As Mr Tucker bluntly asserts, ratepayer funds would be best directed to fix an infrastructural deficiency causing the issue of concern, rather than being diverted to lawyers' pockets.
- j. Centralisation of regional data. Presently data is held at both territorial and regional council levels. This can be less than efficient when data needs to be collected and verified from different sources. Spatial planning and assessment of natural hazards under the Building Act are two areas which would be enhanced and made easier if data could be sourced from within one organisation.

109. While not as numerous as the advantages outlined above, there are some disadvantages or 'stone in the shoe' pinch points that come with the proposed establishment of two unitary authorities. These are likely to be:
- a. Up-front costs of undertaking the necessary evaluation to build a robust proposal. It is likely external expertise will need to be engaged to provide the necessary rigour in any application that is submitted to the Local Government Commission. However, these costs need to be juxtaposed with the potential substantial savings that the new structure being mooted, may be able to achieve.
 - b. Uncertainty associated with change. Any change model can cause fear and anxiety within affected organisations. This will need to be carefully managed, particularly if messaging from other affected parties differs from that being imparted within our own organisation.
 - c. The perception that the focus on the environment will be diluted. This is likely to be the counter thrust from those who see a dedicated regional council as necessary for the protection of the environment. The success of unitary councils suggests that the environment is not compromised in the absence of a dedicated regional council.
 - d. The distraction of change. Often under-estimated at the outset, but usually rushing into view as momentum takes hold. With a lot of 'ink being spilt' on new structures it can be hard for all layers in an organisation to maintain a focus on 'the here and now'. Routine operations might continue to run smoothly but it can be hard for an affected organisation to engage in strategic long-term initiatives when its future existence as a singular entity is less than certain.
 - e. A potential strain on inter-Council relationships. The proposal is likely to have a mixed reaction with some Councils, particularly those that perceive the proposal as a significant diminution of influence. In the end however, it will be the community that heavily influences the outcome, not individual Councils.

Legislative Provisions Relating to Reorganisation

110. The process and criteria for reorganising structures of local government is set out in sections 20-37 of the Local Government Act 2002 (the Act). The purpose of the local government reorganisation provisions is contained in s24AA. The purpose is to *promote good local government by enabling and facilitating improvements to local governance*. Any proposal for re-organisation will be evaluated against this objective.
111. The scope of a reorganisation proposal is broad and is contained in section 24. Of relevance to the proposal under consideration, are the following actions, which are specifically mandated in s24(1):
- (a) the union of districts or regions

- (b) the constitution of a new district or region, including the constitution of a new local authority for that district or region
 - (c) the abolition of a district or region, including the dissolution or abolition of the local authority for that district or region.
- 112. A more detailed process for reorganisation proposals is contained in Schedule 3 of the Act. To a large degree, the fate of any reorganisation proposal initially rests with the Local Government Commission. But ultimately, as alluded to earlier in this paper, the final decision on whether any reorganisation proposal will be advanced for implementation is the preserve of the affected communities.
- 113. There are two broad options contained in the Act for a reorganisation proposal to be instigated. The first, under schedule 3 clause 3, permits the following to make an application to the Local Government Commission:
 - (a) one or more affected local authorities
 - (b) a group of at least 10% of electors in the affected area
 - (c) the Minister.
- 114. The second alternative, pursuant to sch 3 cl 22A, provides for a local authority-led re-organisation application being made to the Local Government Commission. However, that process is heavily qualified in sch 3 cl 22B by requiring each affected local authority to record its unconditional support for the plan. Given change is rarely universally supported, particularly when it involves abolition of some entities, this option would appear to be forlorn in this instance.
- 115. On the basis that the Council is desirous of investigating a reorganisation proposal further, the next formal step in the process is for an application to be lodged with the Local Government Commission. This could be done by the Council or jointly with another such as Invercargill City Council. The use of the term *formal step* is deliberate and in the interest of brevity. Obviously, there would need to be considerable socialisation and communication of the proposal before it was formally submitted to the Commission.
- 116. The Act helpfully sets out the information required in any reorganisation initiative or investigation request. The following content is required under sch 3 cl 3:
 - (a) the type of structural change sought as profiled in paragraph 111 above
 - (b) a plan or other description sufficient to identify the affected area or affected areas concerned
 - (c) an explanation of the outcome the proposed changes are seeking to achieve.

117. That is the bare minimum, and the Act encourages, rather than compels, and the Commission would expect, that further information is included. This information relates to demonstrating that the initiative has community support in the affected area or any information the applicant sees fit that would be relevant to the Commission's consideration of the initiative.
118. The Local Government Commission is the preliminary 'gatekeeper' on reorganisation proposals. The Commission is not duty bound to act on a request to investigate a reorganisation proposal. However, it is obligated under sch 3 cl 6 to have regard for the following factors when deciding whether to undertake a reorganisation investigation:
- (a) the purpose of reorganisation as set out in paragraph 110, above
 - (b) the potential scale and scope of improvements to local governance and services that might result from the investigation
 - (c) the potential costs, disruption, and other negative effects on affected local authorities and their communities that may be caused by the investigation
 - (d) any time or other constraints that apply to the opportunity to achieve potential improvements to local governance and services
 - (e) the need for urgent resolution of any problem identified by the Commission, or in the investigation request or reorganisation initiative
 - (f) the resources available to the Commission to undertake the investigation in a timely manner
 - (g) the likelihood of significant community opposition to any reorganisation that might result from the investigation.
119. The level of community support or otherwise for any reorganisation proposal is likely to be a crucial factor in the Commission's thinking. In 2013, the Commission opted to proceed with a proposal initiated by the Far North District Council for two unitary Councils to replace the three territorial authorities and the regional council in Northland. The Commission proceeded with an investigation and reorganisation proposal, but this was discontinued after submissions from the public gave a clear indication of a lack of support for what was being advocated.
120. Should the Commission decide to proceed with an investigation under sch 3 cl 7, it must determine, adopt, and publish an intended investigation process. The process must traverse the matters to be investigated, the affected area and local authorities affected, procedure and timetable, each affected iwi or hapu and opportunities for engagement with the investigation together with how and when the public will be consulted.

121. Irrespective of investigation process adopted by the Commission, it is obligated under sch 3 cl 10 to consider the following factors when assessing the desirability of any option put forward for reorganisation.
- (a) better fulfilment of the purpose of local government as specified in s10 of the Act
 - (b) productivity improvements within the affected local authorities
 - (c) efficiencies and cost savings
 - (d) assurance that any local authority established or changed has the resources necessary to enable it to effectively perform or exercise its responsibilities, duties, and powers
 - (e) effective responses to the opportunities, needs and circumstances of the affected areas
 - (f) enhanced effectiveness, efficiency, and sustainability of local government services
 - (g) better support for the ability of local and regional economies to develop and prosper
 - (h) enhanced ability of local government to meet the changing needs of communities for communities for governance and services into the future
 - (i) effective provision for any co-governance and co-management arrangements that are established by legislation (including Treaty of Waitangi claim settlement legislation) and that are between local authorities and iwi or Māori organisations.
122. Meeting the initial thresholds set out in paragraph 112, is a significant first hurdle to overcome before the Commission proceeds further. However, the Council can take a fair degree of comfort that there is a robust set of measures for the Commission to have reference to and evaluate against, when deciding to proceed with an investigation.
123. Upon completion of a reorganisation, the Commission will need to determine whether to proceed with advancing a formal proposal or discontinue the process. Ultimately the final reorganisation proposal determined by the Commission is put to a poll of electors, with more than 50 per cent support of valid votes cast required for the proposal to proceed.

Conclusions

124. Based on a population of just over 100,000, the Southland region is over-governed and has a high local government cost structure.
125. Sharp increases in rates emanating from high inflation and policy shifts in three waters and freshwater management, have led to calls from ratepayers in the region for Councils to look at other options for the delivery of essential services.

126. The success of other unitary councils, particularly in the top of the South Island, suggests that a unitary model of local government could work in Southland.
127. Two unitary councils, one based around Invercargill within its current boundaries and the other involving the union of Southland and Gore Districts, is the best option to gain efficiencies, remove duplication and ensure broad communities of interest are preserved.
128. Potential savings to the region of at least \$10 million could be achieved under a two unitary Council model with over half of that saving benefiting the Southland and Gore Districts.
129. The retention of a local voice and empowering decision making at a grassroots level through appropriate delegations of authority via a network of community boards, is essential in any new reorganisation model.
130. A unitary council for rural Southland will enable all decisions relating to local government to be made by members elected by rural communities and provide a one-stop-shop for all consents.

Next Steps

131. Once considered by the Southland District Council (including community boards) it is suggested that this preliminary proposal be shared with other Councils, local iwi, and other key stakeholders such as Southland Federated Farmers. This will assist in gauging support or otherwise for the proposal.
132. It is suggested that a visit to unitary councils at the top of the South Island be conducted to assist in gaining knowledge of how a unitary council operates. This visit could also assist in identifying any issues or gaps that may need to be addressed in any application submitted for reorganisation to the Local Government Commission.
133. Further detailed financial analysis will also need to be undertaken to assess in a more detailed format, the likely costs and resultant savings arising from the new structure being advocated.

¹ The 1990s Local Government Reforms in New Zealand: What was ordered and what was delivered.

McKinley Douglas Ltd, March 1998.

² Invercargill City Council Long Term Plan 2024-34 <https://lsc.govt.nz/wp-content/uploads/2024/07/2024-2034-LTP-Praper-Full-document-19-July-V3-SM.pdf>

³ Southland District Council Long Term Plan 2024-34 <https://www.makeitstick.nz/assets/ltp2024/LTP-Consultation-2024-2034.pdf>

⁴ Gore District Council Annual Plan 2024/25

<https://www.goredc.govt.nz/repository/libraries/id:2bww3j7c17q9rz9ase/hierarchy/Your%20Council/Documents/Plans%2C%20policies%20and%20bylaws/Annual%20Plan/2024-25%20Annual%20Plan.pdf>

⁵ Environment Southland Long Term Plan 2024-34 <https://www.es.govt.nz/repository/libraries/id:25p9qyo517q9st81sd/hierarchy/about-us/plans-and-strategies/council-plans/long-term-plan/Long-term%20Plan%202024-2034/documents/Environment%20Southland%20Long-term%20Plan%202024%20-%202034.pdf>

⁶ <https://www.stuff.co.nz/nz-news/350835790/em-left-gore-council-hits-self-imposed-debt-ceiling>

¹⁴³ <https://www.beehive.govt.nz/release/delivering-local-water-done-well>

¹⁴⁴ <https://www.beehive.govt.nz/release/government-takes-first-steps-towards-pragmatic-and-sensible-freshwater-rules>

¹⁴⁵ After the first Unitary Authority was established in Gisborne, in 1989, the central government of the time decided to abolish the Nelson-Marlborough Regional Council, which had Nelson, Tasman, Marlborough and Kaitiaki as territorial authorities within its boundaries. Following an election in 1992 in which residents voted for their councils to become unitary authorities, Kaitiaki moved under the umbrella of the Canterbury Regional Council (ECAN), while Nelson, Tasman and Marlborough all became unitary authorities.

¹⁴⁶ Gisborne District Council Three Year Plan 2024-27 https://www.gdc.govt.nz/_data/assets/pdf_file/0024/77721/2024-2027-Consultation-Document.pdf and Financial Strategy https://www.gdc.govt.nz/_data/assets/pdf_file/0030/77529/Financial-Strategy-2024.pdf

¹⁴⁷ Marlborough District Council Forecast Statement of Comprehensive Revenue and Expense

<https://www.marlborough.govt.nz/repository/libraries/id/21/r1p01cbyrnkvw/hierarchy/documents/your-council/2024-24-1p/1p-consultation-supporting-documents/Forecast-Financial-Statements-for-Marlborough-District-Council-LTP-2024-24-V2.pdf>

¹⁴⁸ Nelson City Council Long Term Plan 2024-2034. <https://www.nelson.govt.nz/assets/Our-council/Downloads/ltp-2024-2034/NCC-LTP-2024-2034-Web-single-page-view.pdf>

¹⁴⁹ Tasman District Council Long Term Plan 2024-2034. <https://tasman.govt.nz/my-council/key-documents/long-term-plan/tasman-10-year-plan-2024-2034/>

¹⁵⁰ Local Government Commission. <https://www.lgc.govt.nz/assets/Resources-Representation-Review/Representation-Review-Guidelines-2023-v2.pdf>

¹⁵¹ <https://www.es.govt.nz/environment/transport>

¹⁵² <https://www.stuff.co.nz/nz-news/350203897/bluecliffs-beach-owner-slams-state-emergency-response>

<https://www.nz.co.nz/news/national/511174/very-stressed-bluecliffs-residents-unhappy-over-evacuation>

<https://southlandtribune.substack.com/p/m-intending-to-stay-bluecliffs-resident>

¹⁵³ P.98, Environment Southland Long Term Plan 2024-34

<https://www.es.govt.nz/repository/libraries/id/26a9e5517c31t81sd/hierarchy/about-us/plans-and-strategies/council-plans/long-term-plan/Long-term%20Plan%202024-2034/documents/Environment%20Southland%20Long-term%20Plan%202024%20-%202034.pdf>

¹⁵⁴ Rates funding impact statement for 2024/25, pages 98-108 of the SDIC 2024-34 LTP

¹⁵⁵ Proposed establishment of two unitary authorities promoted by Far North District Council in 2013.

¹⁵⁶ President Abraham Lincoln, *The Gettysburg Address*, 19 November 1863.

¹⁵⁷ <https://www.stuff.co.nz/taranaki-daily-news/news/116257175/one-council-prosecuting-another-again-draft>, 5 October 2019.



Outlook

Weekly schedule - Week 35

From Ben Bell <bbell@goredc.govt.nz>

Date Mon 26/08/2024 10:04 AM

To .Councillors (with e-mail) <Councillors@goredc.govt.nz>

Mōrena everyone,

OUT OF SCOPE

Updates:

OUT OF SCOPE

Southland District Council are to vote on their amalgamation proposal today. After reading the lengthy report from SDC, none of my concerns have been addressed. There are no forecasts of the costs, whether its the amalgamation costs or simply just the referendum. Furthermore the estimated savings are a very, very rough estimate and I doubt you would get anywhere near that figure. Despite all this, it think the proposal is worth the conversation and if SDC want to spend \$30k of their ratepayers money to explore it, then hats off to them. Looking forward to hearing your thoughts tomorrow.

OUT OF SCOPE

See you all tomorrow!

Cheers,
Ben



Outlook

Re: Weekly schedule - Week 35

From Robert McKenzie <RMcKenzie@goredc.govt.nz>

Date Mon 26/08/2024 1:44 PM

To Ben Bell <bbell@goredc.govt.nz>; .Councillors (with e-mail) <Councillors@goredc.govt.nz>

Amalgamation where do I start... perhaps extreme caution may be a good idea.....Something pointed out to me by a listener IF AMALGAMATION DID TAKE PLACE what would happen to our penny per unit power deal for GDC ? Very good question I said. Just a thought Cheers Robert John Murray McKenzie.

Get Outlook for iOS

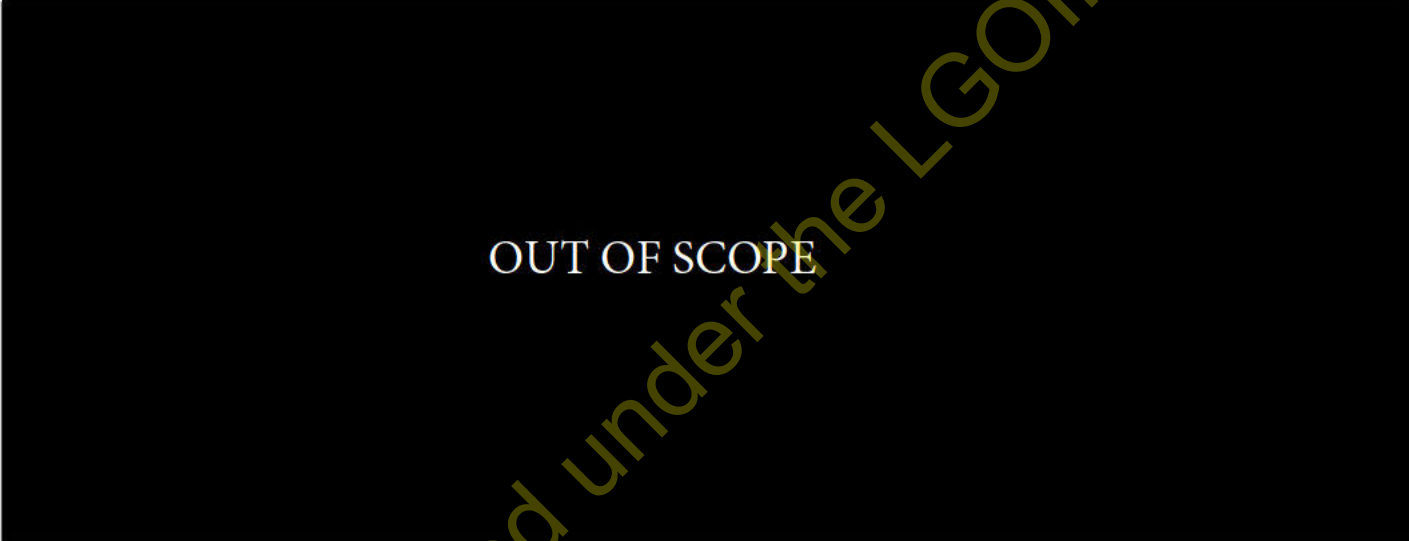
From: Ben Bell <bbell@goredc.govt.nz>

Sent: Monday, August 26, 2024 10:04:00 AM

To: .Councillors (with e-mail) <Councillors@goredc.govt.nz>

Subject: Weekly schedule - Week 35

Mōrena everyone,



OUT OF SCOPE

Updates:

OUT OF SCOPE

Southland District Council are to vote on their amalgamation proposal today. After reading the lengthy report from SDC, none of my concerns have been addressed. There are no forecasts of the costs, whether its the amalgamation costs or simply just the referendum. Furthermore the estimated savings are a very, very rough estimate and I doubt you would get anywhere near that figure. Despite all this, it think the proposal is worth the conversation and if SDC want to spend \$30k of their ratepayers money to explore it, then hats off to them. Looking forward to hearing your thoughts tomorrow.



OUT OF SCOPE

See you all tomorrow!

Cheers,
Ben



Outlook

Weekly schedule - Week 36

From Ben Bell <bbell@goredc.govt.nz>

Date Mon 02/09/2024 1:37 PM

To .Councillors (with e-mail) <Councillors@goredc.govt.nz>

Afternoon everyone,

OUT OF SCOPE

Updates:

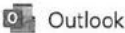
OUT OF SCOPE

OUT OF SCOPE

As for the amalgamation stuff, it hasn't made any waves in local media, therefore I see no point in giving it any oxygen. We will wait till the SDC report comes back and go from there.

See you all on Wednesday.

Cheers,
Ben



Weekly schedule - Week 7 2025

From Ben Bell <bbell@goredc.govt.nz>
Date Tue 11/02/2025 1:20 PM
To .Councillors (with e-mail) <Councillors@goredc.govt.nz>

Gidday Councillors,

OUT OF SCOPE

Released under the LGOIMA

Amalgamation
Thank you to John and Stewart who went along to the meeting at the RSA last week. We can talk more in person but our position has not changed; We have no position until we see some realistic financials. To be honest, when we look at the amount of work we have to complete, this, along with regional deals should be the lowest of priorities.

OUT OF SCOPE

6/19/25, 8:49 AM

Weekly schedule - Week 7 2025 - Fiona Tierney - Outlook

Cheers,
Ben

Released under the LGOIMA



Outlook

(No subject)

From Keith Hovell <khovell@goredc.govt.nz>

Date Sat 26/04/2025 2:51 PM

To Glenys Dickson <GDickson@goredc.govt.nz>;

withheld under section 7(2)(a)

1 attachment (573 KB)

Reorganisation-investigation-request-18-February-2025.pdf;

<https://www.southlanddc.govt.nz/assets/Local-Government-Reorg-2024/Reorganisation-investigation-request-18-February-2025.pdf>

Released under the LGOMIA

Southland Local Government:
**Together,
for our Future**

Released under the LGOMIA

2025

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Executive Summary

Southland District Council seeks to improve local government performance for Southland Murihiku.

Our communities have asked us to focus on our core responsibilities, and we have heard their reasons for considering change in the way we deliver services. We now require a clear pathway for our future that will enable us to 'do the basics well' – a sentiment reflected across in messaging from central government on their expectations for local government service delivery.

To do the basics well, our governance and operational structures need to be as efficient as possible. With four local authorities working across a population of just over 100,000, there is waste of time, money, and resources – and at times, conflicted leadership on important strategic issues leading to opportunity costs.

Reorganisation offers a significant opportunity to strategically adapt planning and operations to create sustainable change and efficiency for our future. The current local government structure is not set up for long-term success for the management of our infrastructure and services, nor for the value of service to our communities. It is debatable whether the environment has been well-served under this structure either.

An efficient, well-performing local government structure with two entities – one district unitary authority with 11 community boards and one city unitary authority – provides significant advantage to accomplish a wider, more complex range of tasks in a more efficient manner.

This governance structure will truly reflect the community it serves, through strengthened local voice and enhanced local representation.

Through a reduced governance structure under two unitary authorities, Southland Murihiku can more easily achieve an aligned regional voice, providing strengthened political influence and greater representation in government negotiations, and increased potential for economic development initiatives.

While there will be a centralisation of administration, there will be increased localism of representation. Our long-standing successful community board structure will be enhanced through increased decision-making abilities and delegations, ensuring the retention of a local voice in governance matters.

This approach will strengthen the connection between communities and local government, allowing for more responsive and efficient decision-making at the community level. District representatives being elected by their local communities and making decisions on their behalf will ensure the voices of these communities are being actively and accurately represented.

Reorganisation will support more efficient planning processes with better outcomes for our communities. With integrated planning, the time and cost of consultation will be halved, and plans will be streamlined.

Consolidated long-term planning as a region under two authorities will result in strategic integration, enhanced collaboration and improved decision making.

There will be fewer planning documents required under the Resource Management Act that will be prepared in the region. Not only is this far more efficient (in terms of time and cost), but it will likely come as a welcome relief to local Iwi, the general community and professionals who need to engage with and stay on top of multiple plan rules and changes.

Addressing the longstanding issues that have been the catalyst for this investigation request is imperative. New ways of operating are required to implement legislative change and are a necessity for delivering infrastructure critical for our region (namely water infrastructure, but also roading networks).

Environmental emergencies are top of mind when highlighting the importance of local leadership, particularly when major environmental events are likely to be ongoing and increasing in frequency and severity. A more strategic approach to environmental risk management will be enabled through having two unitary authorities working cooperatively – further supported by empowered community boards who understand the compounding impacts of environmental management (*regional aspect*) on the day-to-day requirements of community life (*territorial/district aspect*).

Successfully addressing these issues requires a strong commitment and effort from local government leaders to lean into challenging discussions and ideas - which could ultimately cause their entity to cease in its current form. Roles will inevitably be disestablished. Retaining expertise in the eventuating authorities is a key priority, as is ensuring any new authorities are right-sized and scoped for the responsibilities and duties they are required to undertake. Investigating reorganisation provides for this rightsizing and enables Southland Murihiku's local government authorities to retain and attract skills and expertise in a strategic manner, based on current and future priorities.

By properly addressing the needs of our communities based on geography, population demographics, collective and local identity – as well as specific place-based service requirements (like infrastructure or water) – service delivery can be adequately scoped to provide for cost-effective provision to communities. This will support better “on the ground” interaction with ratepayers, with the existing district councils network of offices, libraries and service centres being well positioned across the region to provide accessibility for ratepayers and residents.

Importantly for our communities, their money stays in the community – directed to delivery of services, service improvement, or infrastructure, for the benefit of the local community - rather than administration.

The reorganisation process supports the communities of Southland Murihiku to determine their own future and contribute to the review process in a meaningful way. These communities will ultimately decide how they are best served by local government – voting on the best structure to address financial pressures, strains on capacity, limited resourcing, and service issues.

Structure of this request

1. Southland District Council are requesting, under Schedule 3 of the Local Government Act 2002, an investigation of reorganisation of the current local government structure in Southland Murihiku. Throughout the course of this paper, several reasons supporting this request will be detailed.
2. While Southland District Council are making this request based on the reasons evidenced in this paper, the request is made through the lens of what shape Southland Murihiku's future of local government could take.
3. Our communities have long asked for the consideration of a combined local governance structure within Southland Murihiku, noting that four councils is too many for our population. But in balancing the population size with our expansive geographic area, careful consideration of a reorganised structure is required. Our communities consider separate district and city authorities will be more effective than one single authority for the region.

4. This paper has therefore been developed on the basis that future reorganisation would be in the shape of two unitary authorities with enhanced community boards:
 - Invercargill City Council would take on regional council responsibilities,
 - Southland District Council and Gore District Council would combine, and take on regional council responsibilities
 - Environment Southland would no longer exist as a separate entity.
5. Southland District Council has looked to the successful assimilation of these additional functions, referencing the four provincial unitary councils that have been performing these functions consistently (Gisborne, Nelson, Tasman, and Marlborough).
6. Through consideration of advice provided from Nelson City Council and Tasman District Council, there is a strong sense that a unitary structure will undoubtedly achieve efficiencies in operations, streamlined planning and regulatory processes, and enhanced collaboration with iwi and communities. These advantages are detailed further throughout this paper.

Application Details	Legislative reference under LGA 2002 Schedule 3
Investigation Request proposed by Southland District Council	Clause 3(1)(a)
Contact Person Rob Scott – Mayor of Southland District Postal Address: PO Box 903, Invercargill 9840 Physical Office: 15 Forth Street, Invercargill 9810 Phone: 0800 732 732	Clause 4(1)(a)
Description of opportunity to be investigated Reorganisation of the current structure of four local government authorities, with the potential establishment of new structure with two unitary authorities – one district-focused and one city-focused.	Clause 4(1)(d)

Southland Murihiku – Our region

OUR HISTORY

Murihiku, the 'last joint of the tail,' the tail that propels the whale forward

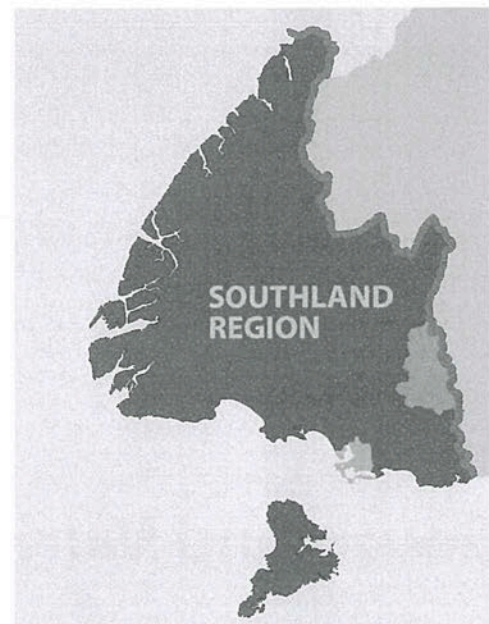
7. The name Murihiku was given to the southern part of Te Waipounamu and the subantarctic island by Māori. One story tells that the South Island is Te Waka a Māui - the canoe from where Māui fished up Te Ikaroa a Māui, the 'great fish.' The southern edge of the South Island represents the 'tail end' or stern of Māui's waka, from where it would have been steered. Rakiura is Te Punga o Te Waka a Māui, the anchor stone of Māui's canoe,

tethered to the waka by Ngā Kahukura O Hine Nui Te Pō (Aurora Australis), also known as Māui's ropes.

8. In 1852 Walter Mantell, an early European explorer of the area, bought the Murihiku block (more or less today's Southland) for the Crown from local Ngāi Tahu and Kāti Māmoe. European settlement proceeded swiftly, with Scottish immigrants establishing a thriving primary production-based economy. Today, the mana of Ngāi Tahu, whose takiwā now encompasses the entire Murihiku region, is upheld by the four papatipu rūnaka in Southland Murihiku: Te Rūnaka o Awarua, Te Rūnaka o Waihōpai, Oraka-Aparima Rūnaka, and Hokonui Rūnanga.
9. Southland District Council was officially gifted its ingoa Māori, Te Rohe Pōtae o Murihiku, at a naming ceremony at Takutai o te Tītī marae at Colac Bay Ōraka in November 2005. This strengthened links between Council and tangata whenua, emphasising the importance of Council's partnership with Ngāi Tahu.
10. Te Rohe Pōtae o Murihiku acknowledges Council's role as an all-embracing shelter ("umbrella or lid") for its district. Te Rohe Pōtae o Murihiku is not just a name, but a prediction for the shape of our future – an umbrella for all those in the wider Southland and Gore districts whose interests are intertwined through shared histories, connections to whenua, awa, and moana, and a strong sense of identity.

OUR PLACE, OUR PEOPLE

11. Encompassing Southland District, Gore District and the city of Invercargill, the region covers more than 3.1 million hectares and spans 3,400 km of coast, with a population of over 100,000 people.
12. The region contributes around \$80,150 GDP per person, the 3rd highest contributing region in New Zealand (after Auckland and Wellington). Our economic engine room is driven by approximately 14,000 mostly small and medium sized businesses, which provide for a diverse and resilient economy.
13. Southland Murihiku's economy is dominated by primary industries (primarily dairy and sheep farming) and manufacturing. About 12% of all of New Zealand's pastoral exports come from Southland Murihiku, reflecting the region's significant agriculture and manufacturing sector contributions. Southland Murihiku's high reliance on these sectors flows through to other enabling sectors such as transport, wholesale trade, and professional services. Tourism is also an important contributor to Southland Murihiku's economy.



- Southland District Council
- Gore District Council
- Invercargill City Council

14. Southlanders are rightly proud of their region, their lifestyle, and their ability to welcome new people. Perception studies have found that Southlanders are connected to the land and nature that surrounds them. Community values ring true here - Southlanders believe in creating a sense of belonging where everyone can thrive.



Local government in Southland Murihiku

15. Local government in Southland Murihiku was reformed in the late 1980s as part of the fourth Labour government's economic reform agenda. With a regional council and three territorial local authorities serving a population of just over 100,000, questions around the cost of sustaining this structure have arisen since the 1989 reforms.
16. A 'One Southland Council' initiative/campaign was launched in the 1990s, but lost momentum. A greater emphasis was placed on developing shared services around 2000. Notable shared services established around that time were regional development agency Venture Southland (now known as Great South), solid waste management in the form of a shared sanitary landfill and kerbside recycling, and the establishment of Emergency Management Southland in May 2010.
17. Opinions on 'amalgamation' have been put forward in both formal and informal forums such as submissions made to individual councils on annual and long term plans or on social media. This is detailed further below in the community support section.
18. Opinions on shared services also persist, again particularly seen through long term plan consultation but also through social media and public voice. There are concerns around the money allocated to shared services for project delivery, where outcomes are not seen as being value for money or in the community's interest.

CURRENT STRUCTURE

19. The table below sets out the key statistical features of each of the four Southland Murihiku councils. Expenditure and revenue figures are taken from year 1 of each Council's 2024/25 Long Term or Annual Plan, depending on which plan was adopted prior to 30 July 2024.
20. Rating and projected debt levels for 2024/25 have been used in the table due to all councils in the region, in line with similar trends throughout the country, having experienced sharp increases in rates and debt. The use of 2024/25 actual rates and debt projection will enable the information to remain relevant as investigation progresses over the remainder of this calendar year and beyond.

Table 1: Overview of Southland Murihiku Councils

	Invercargill City	Southland District	Gore District	Environment Southland
Population	57,900	31,833	12,396	102,600
Area (km²)	390	29,575	1,250	34,000 (includes coastal marine area)
Councillors, including Mayor/Chair	13	13	12	12
Community Board members	5	56	5 + 1 Mataura Ward member	
Total Operating Revenue (\$million)	152.1	119.96	53.24	50.01
Total Operating Expenditure (\$million)	155.18	124.84	40.08	51.18
Rates 2024/25 (\$million)	78.86	72.394	27.158	28.906
Rating Units	25,966	21,092	8,381	55,439
Debt (\$million)	181.6	115	58.5	18.9
Equity (\$million)	1,239.87	2,200.79	524.95	92.123

21. The table above reveals the high cost of having four councils serving a population of just over 100,000 people. The four councils combined will in the 2024/25 year, levy total rates to ratepayers in the region of \$207.31 million plus GST. This equates to \$1757.08 per capita, not allowing for GST.
22. The more appropriate metric is probably rates per rating unit as not every person directly pays or has ultimate responsibility for rates. When measured against this metric, the average liability of each rating unit for the region's total rates in 2024/25 equates to \$3,251.8 (exclusive of GST) per rating unit.

Environment Southland

23. Established as a regional council, Environment Southland has authority of the following functions in the Southland Murihiku region:
 - Environmental management of the air, land, marine and freshwater ecosystems
 - Monitoring and managing water quality and quantity
 - Managing flood protection and control works
 - Managing land use and sustainability
 - Biodiversity and biosecurity management and conservation (animals and plants)
 - Natural hazards (avoidance and mitigation)

- Harbour management and activities in the coastal marine area
 - Allocation of water and contaminant discharge capacity
 - Identification and monitoring of contaminated land
24. The following services, while being responsibilities of the regional council, are funded and/or undertaken by all four councils:
- Emergency management:
 - Established by the four councils, Emergency Management Southland is responsible for the delivery of Civil Defence and Emergency Management responses throughout this region.
 - Emergency Management Southland is responsible for the 24/7 operation of the Emergency Coordination Centre (located at Environment Southland) which facilitates planning and operational activity during an event.
 - Regional/public transport:
 - The regional council is responsible for coordinating regional land transport activities and preparing the regional land transport plan. However, the other three councils are responsible for the management of the roads within their council boundaries (apart from state highways).
 - Public transport via a bus service is provided by Invercargill City Council, who also administers the Total Mobility Scheme (of which the Gore District Council is a funding participant)
25. It is noted that NZTA Waka Kotahi fund the regional council approximately \$1.5m to manage roads and public transport, even though they do not have any roads or public transport to manage – money that would be far better utilised for management of Southland District and Gore District roads.
26. Under the reorganisation structure detailed in this paper, the functions covered by the regional council, including relevant staff expertise, would transfer to two new unitary councils.

Challenges

27. There is concern about the lack of attention placed on river and catchment management. Rural communities have often lived in the same area for decades and have strong knowledge of past local practices regarding river and wider catchment management.
28. In rural Southland Murihiku there has been growing disquiet at the performance and focus of the regional council, particularly around rapidly deteriorating water bodies. This is upheld by recent court proceedings against the regional council.
29. Suggestions of the regional council favouring on farm regulatory compliance over proactive management of rivers are regularly heard in rural circles. Some people believe that the regional council has put its policy and regulatory matters ahead of core functions such as catchment management and the provision of stop banks.
30. In addition, the performance of the regional council in recent emergency events has been the subject of concern. The dedicated Emergency Management service set up in 2010 is seen as not living up to expectations and has struggled to retain key staff. Some have suggested that EMS accountabilities are to stakeholders ahead of community.

31. A further issue for rural communities is how members are elected to the regional council. With Invercargill City being the most populous centre in the region, it means that half the members elected to the regional council come from an urban perspective. However, the vast majority of issues the regional council must address pertain to the rural area of Southland Murihiku. Farm compliance, rivers, water takes, water discharges, soil conservation, and pest management all dominate in the rural area of Southland Murihiku.
32. This exacerbates the view within rural communities that the regional council is an Invercargill based institution, remote from ratepayers or communities and administering often unpopular measures to people who feel they have little control or influence. The view is further supported by the fact the regional council have no district-based offices, or community boards, meaning no local (district) interface with communities.
33. Another point that adds to the sense of inequity is the level of rates paid compared to the representation from the Southland and Gore Districts. For example, the **general rate** to be contributed within those two districts (as set out in the 2024/2025 rates resolution) is \$13,130,703 out of a total of \$19,344,662. This constitutes 67.8% of the total **general rate** collected by the regional council, yet elected member representation for the area in which these rates are collected is the same as Invercargill.

Gore District Council

34. The second local authority in the region with its future affected by this request for reorganisation is Gore District Council. It would be absorbed into the new district unitary authority.
35. Gore District Council (GDC) is considered as a rural authority by Local Government New Zealand. It has the second largest urban centre in Southland Murihiku and is surrounded by a compact rural area. GDC was established in 1989, incorporating the former Gore and Mataura Borough Councils and part of the former Southland County Council.
36. GDC is the smallest territorial authority in Southland Murihiku by some margin, and on a relative scale, GDC is a very small council. Through discussions with Tasman District Council we realised that Richmond is larger than Gore and does not even have community board representation.
37. GDC has had many years of stable political leadership, and staff dedicated to providing service to their region. Now, with the youngest serving Mayor in New Zealand working alongside a new Chief Executive, a recharged style of leadership is continuing to drive the council forward.

Challenges

38. The Council has regularly exhibited strong independence, often being cautious before opting to join in shared services arrangements, an example being the former Venture Southland (now Great South Regional Development Agency). However, they are heavily subsidised by the other stakeholders for the shared services they receive. For their small contribution, they receive a natural benefit from the work done – a further example being their contribution of only 9% of emergency management costs.
39. More recently however, the Council has started to feel the price of its independence and need to comply with ever increasing central government obligations. Prominent publicity has been afforded in recent months to concerned ratepayers and the council's future, due to a confirmed rate increase of 21.4%. Similar to other towns across the Southland District, Gore faces an inescapable challenge of maintaining infrastructure with a small population to fund it.

40. Independence of GDC irrespective of cost, may not be as strong in light of recent rate announcements and what lies ahead. Therefore, the environment for an open conversation about an alternative model may not be as imposing as what it might have been in the past.
41. Publicity concerning the Gore District Council and its lack of capacity to take on more debt to meet capital expenditure obligations is symptomatic of the pressures being faced by territorial authorities. In the *Stuff* article on 11 July 2024, Mayor Bell shared concerns that the council can ill-afford to deal with any emergency works arising from a natural event like a flood, given that the Council is only \$6 million away from a debt ceiling imposed by the Local Government Funding Agency (LGFA).

Invercargill City Council

42. Established in 1871, Invercargill City Council (ICC) is the largest entity among the four councils with the greatest ratepayer concentration (excluding the regional council). In 1989, ICC incorporated Bluff Borough and some of the former Southland County Council areas.
43. In terms of financial position, their strong standing can be attributed to historic prudent management. The Council has a number of council controlled entities, including Invercargill Venue and Events Management Ltd, Invercargill Community Recreation and Sports Trust, Invercargill City Charitable Trust; shared entities including Great South (Southland Regional Development Agency); and participates in joint committee structures such as the (formerly known as) Southland Museum and Art Gallery Trust Board, and the Southland Regional Heritage Committee.
44. In terms of assets, ICC owns Holdco (Invercargill City Holdings) on behalf of Invercargill ratepayers. This investment company outright owns Electricity Invercargill Limited (PowerNet), has a 97.47% share in Invercargill Airport Limited, and shares in HWCP Management Limited (49.9%) and Invercargill Central Limited (47.78%).

Challenges

45. Similar to Gore District Council, ICC has had its own fair share of public interest in fraught governance level relationships. In 2020 two External Appointees were selected to guide the organisation in its response to concerns initially raised by the Department of Internal Affairs, and subsequently reiterated in an independent governance review (the "Thomson Report"). The noise at the governance level detracted from the work being undertaken on a day-to-day basis by a majority of staff who are dedicated to improving services and outcomes for Invercargill ratepayers and community members.
46. Under the reorganisation structure detailed in this paper, ICC would become a city based unitary authority. Compared with the majority of environmental issues found in rural Southland Murihiku, the regional council responsibilities will be far less for ICC.

Southland District Council

47. Southland District Council (SDC) was formed in 1989, through the amalgamation of four territorial authorities – Southland County, Winton County, Stewart Island County, and Wallace County councils. Under the preferred approach detailed in this paper, Southland District Council would again experience a merger, this time with Gore District Council. The new entity would become a unitary authority and take on responsibilities from the regional council.

48. SDC covers a large geographic area, home to a mix of urban towns and rural communities, which highlight the beauty of Southland Murihiku. Southland District provides the quintessential Aotearoa image of green rolling hills, sheep and cows, and tight-knit communities – particularly evidenced through SDC’s long-standing community boards.
49. Southland District Council has history of successful community representation, existing since its constitution in 1989. Initially there were six community boards (covering six of twelve wards), with a further six boards for other designated communities within the district. In addition to community boards, there have previously been Community Development Area subcommittees (CDAs) for particular communities in the district, with there being at times up to 19 CDAs.

Challenges

50. The council’s transport network has 5000km of roads, 841 road bridges (with six of them closed) 49 posted bridges, and an estimated 14,000 culverts. All these need to be maintained, with just over 21,000 rating units to contribute funding. Difficult decisions around maintaining or reducing levels of service were upfront in the Council’s latest long term plan, where it was confirmed that levels of service would need to decrease due to inadequate funding from Waka Kotahi NZTA.
51. SDC owns and operates Stewart Island Electricity Supply Authority (SIESA). SIESA is responsible for the generation and supply of electricity to consumers on Stewart Island Rakiura. The council also owns Te Anau Airport Manapōuri, purchased from Air New Zealand in 2002. Listed as a strategic asset, ownership and operation of the airport has faced significant challenges, particularly around the long-term viability of operations.
52. At times, SDC has faced strong criticism from communities concerned with losing their voice. The 2018 Representation Review received several negative submissions from CDA and Community Board members, which leading up to the 2022 elections resulted in many not standing again. CDAs, established as subcommittees of the council, were a familiar structure to residents of the district and as one appellant suggested, something over which residents of other districts were jealous, due to their strong community voice.
53. More recently, one of the nine elected community boards did not adopt the 2022 Southland District Council code of conduct and has taken longer to establish itself. A mixture of strong personalities, challenging decisions and – at times – questionable behaviour, has led to frustrations and tensions between staff and elected members played out in the public eye.
54. Referencing tension with communities where SDC has implemented representation adjustments, the Council undertook a “Health Check” of community boards in 2022. This check highlighted a number of ways in which council could improve the way it works with its boards, and the resulting implementation of this has been successful.

Te Ao Mārama Incorporated

55. Te Ao Mārama Incorporated is the organisation authorised by Te Rūnanga o Ngāi Tahu to represent tangata whenua in Southland Murihiku. The membership is made up of the four papatipu rūnanga in Murihiku, being Te Rūnaka o Awarua, Hokonui Rūnanga, Ōraka Aparima Rūnaka, and Waihōpai Rūnaka.
56. Te Ao Mārama Incorporated (TAMI) is authorised to represent the four Southland Murihiku papatipu rūnanga in Resource Management Act and Local Government Act matters and is an avenue for iwi liaison for resource management within local government in Murihiku.
57. TAMI is essentially a business unit providing a direct link to local papatipu rūnanga, consent applicants, the local authorities and Te Rūnanga o Ngāi Tahu. The Te Ao Mārama Incorporated Board is made up of appointed members from each of the rūnanga.

Te Roopu Taiao Murihiku

58. Te Roopu Taiao Murihiku (The Councils/Tangata Whenua Joint Management Committee) was established in the 1990s to develop relationships between the local authorities and tangata whenua of Murihiku especially in matters concerning environmental resource management.
59. Te Roopu Taiao meets four times a year and deals with the higher level political interface, budget setting, accessing resources, commitments for members.
60. To help promote and develop its relationship with Māori, Te Roopu Taiao together with Queenstown Lakes District, Clutha District and Otago Regional councils, and Te Ao Mārama Inc, signed *He Huarahi mō Ngā Uri Whakatapu - A Pathway for the Generations Coming Through* (The Charter of Understanding).
61. The Charter of Understanding provides:
 - the basis for an ongoing relationship between the seven councils and tangata whenua of Murihiku to assist in developing the capacity of Māori to contribute to decision-making processes
 - a foundation for consultation on a wide range of local government issues
 - for the recognition and willingness of Te Ao Mārama Inc to assist all councils in consultation with all ngā mātāwaka (other Māori who are not Ngāi Tahu) living in Murihiku. This is important in terms of Māori contribution to decision making in the Southland Murihiku region, particularly as the responsibilities of Councils under the Local Government Act in relation to Māori are with all Māori, not solely local iwi.
62. The Charter is based on a co-management model and is unique in the South Island. It sets out the basis and conduct of the councils and rūnanga in the context of the Local Government Act 2002 and Resource Management Act 1991. The Charter also provides the basis for Māori to contribute to the decision-making process via Te Roopu Taiao Murihiku.

SHARED SERVICES

63. The history of Southland Murihiku's shared services dates back to the formation of the Shared Services Committee in 2000. The committee was made up of elected members of Clutha District Council, Environment Southland, Gore District Council, Invercargill City Council, Southland District Council, with an independent chair.
64. The committee was formed to consider the responsibilities or projects that councils are tasked with, and whether any of these can be jointly managed to improve efficiency. The committee no longer operates.

Released under the LGOMA

Table 2. Examples of existing Shared Services across Southland Murihiku

Shared Service	Shareholders	Summary
Great South Regional Development Agency	Class A funding shareholders SDC, ICC, GDC, ES	Great South (previously Venture Southland) is responsible for regional and economic development
Emergency Management Southland (EMS)	SDC, ICC, GDC, ES	EMS is responsible for delivery of Civil Defence and Emergency Management responses throughout the region.
WasteNet Southland	SDC, ICC, GDC	WasteNet Southland is a shared solid waste service that coordinates the effective and efficient delivery of waste services to the councils.
Road Safety Southland	SDC, ICC, GDC, with additional NZTA funding	Road Safety Southland runs projects and programmes in response to local road safety issues on behalf of Southland Murihiku's local authorities.
SouthLib Consortia (Libraries/Archives)	Clutha District Council, CODC, DCC, GDC, ICC, SDC, QLDC, Waitaki District Council	The SouthLib Consortium provides free reciprocal membership of any public library in the Otago and Southland Murihiku regions to permanent residents living anywhere in the regions.
Combined Dog Control facility	SDC, ICC	Invercargill City Council and Southland District Council share a dog control facility (pound), operational since 2012.
Sale and Supply of Alcohol	SDC, ICC, GDC	The three Territorial Local Authorities combined to produce a Joint Local Alcohol Policy on a regional basis to meet the requirements of the Sale and Supply of Alcohol Act 2012.
Environmental Health Services	SDC, GDC	Gore District Council contracts Southland District Council to provide environmental health services, mainly inspections of registered premises and hazardous substance advice.
Southland Regional Heritage Committee	SDC, GDC	The Southland Regional Heritage Committee was established to look after regional heritage in the province and manage the distribution of funding.
Southland Heritage Building and Preservation Trust	SDC, ICC, GDC, ES	The Southland Heritage Building and Preservation Trust (NZHB&PT) was formed to encourage the retention, preservation, and maintenance of historic registered buildings through low-interest loans.

65. There have been a number of shared services over the years - some have endured, while others have been fraught with problems and political tension. A reduced number of councils will make the delivery of shared services easier through reduced bureaucracy and time taken to reach consensus, enhanced decision-making powers, and improved understanding of responsibilities and service delivery.

Why this request?

RESPONDING TO CENTRAL GOVERNMENT DIRECTION

Overview of system improvements for local government

66. Putting local government on a more efficient, affordable path is a priority for the current National government. Central government has provided a framework for intended local government system improvements. The framework includes:
 - Decision making
 - Systems and processes
 - Funding and financing
 - Transparency and accountability.
67. These four areas of focus underpin what is being sought through reorganisation of the local government structure in Southland Murihiku – to ensure local governance is fit for/its meeting its purpose and provides the most efficient, expedient, and timely levels of service for our communities.
68. Recent comments from Prime Minister Christopher Luxon were indicative of a desire to reduce the number of individual councils across Aotearoa New Zealand, to support the efficiencies sought by central government. It is clear that with 78 council entities across the motu, central government may welcome a reduction in the number of councils it will continue to engage with in the future.

Water services reform

69. The Local Government (Water Services) Bill was introduced to the House on 10 December 2024, amending the Water Services Act 2021 and the Resource Management Act 1991 to provide for a single standard for wastewater and stormwater environmental performance.
70. This is the third bill that the Government has produced as part of its “Local Water Done Well” policy programme. The first bill repealed the previous Government’s water services legislation. The second bill established the preliminary arrangements for the new water services system.
71. The third bill establishes the enduring settings for the water services system. One intent of the bill is to reduce rates burden on communities without cutting service delivery. To achieve this intent, the enduring settings for the new water services system will necessitate change.
72. The Bill covers all aspects of the new water services delivery system and delivery entities. Territorial authorities will have flexibility to determine optimal water services delivery structures. Further, the Bill ensures that regional councils implement a single approach to resource consents, with a mechanism for exceptions.
73. The Bill’s immediate impact (once enacted and if unchanged) will be on the processes and requirements leading to a council’s selection of its approach and/or structure for the provision of water services. Similarly, the Local Government (Water Services Preliminary Arrangements) Act provides a process for identifying and deciding on a proposed water

services delivery model (and establishing a WSCCO) as part of the adoption of a Water Services Delivery Plan (WSDP). Consultation is mandatory on that particular part of a WSDP.

74. If a preferred delivery model has not been implemented by the time the Bill becomes law, the requirements in the Bill will apply (the Bill prevails over the Preliminary Arrangements Act if there is an inconsistency). This may involve further consultation, after a council has already consulted under the Preliminary Arrangements Act. Consultation fatigue among communities will likely be apparent, due to the repetitive nature of the subject matter. This further consultation will of course increase costs for Councils and prolong decision-making.
75. While the LGFA has confirmed that it will provide financing to support council-controlled water organisations established under Local Water Done Well, it will only look to assist *high growth councils* - which excludes all of the four Southland Murihiku councils. Our nearest high growth councils are Queenstown Lakes District, Dunedin City, and Otago Regional Councils – despite towns within northern Southland Murihiku experiencing high rates of growth.

Resource management reform

76. The Resource Management (Freshwater and Other Matters) Amendment Act has been passed into law, making amendments to the RMA in relation to freshwater, coal mines, significant natural areas, farming practices and national direction processes.
77. The final Act includes several changes from the original Bill, including:
 - Applying to consent applications currently before consent authorities
 - Changes to section 107 to soften the effect of recent court decisions
 - A pause on freshwater farm plans
 - A last-minute bar on regional councils notifying freshwater plans and plan changes.
78. Regional councils who were about to notify freshwater plans must now reassess work programmes. Consent application processes and templates will need to be updated to ensure compliance. Freshwater farm plans, a practical way for farmers and growers to identify, manage and reduce the impact of farming on the freshwater environment, are paused until system improvements have been finalised. However, the rollout of these plans had already been implemented in Southland Murihiku.

Further challenges

79. There are several other initiatives already introduced or planned by the current government which impact on local government operations, including the Fast Track Approvals Act 2024, reductions in climate change and waste minimisation funding, and introduction of levies (such as for the economic regulation of water services).
80. At the very least, the continual churn of change in the legislative and policy spaces takes staff away from their day-to-day mahi to develop submission documents for central government consultation. Once implemented, the wide ranging effects from these changes will be felt not only by councils, but by communities who will bear the cost of changes twice through tax and rates.

ENGAGEMENT WITH MANA WHENUA

81. In its engagements with other unitary councils, Southland District Council found there is an enhanced relationship with mana whenua through a unitary structure. Comments from Tasman District Council acknowledged the unitary authority structure has strengthened relationships with iwi in Te Tau Ihu (top of the south) through the integration of territorial and regional responsibilities.
82. The strengthened relationships come from a strong focus on the environment and a holistic view of te ao Māori across council responsibilities and service delivery. Iwi representatives find it easier to be involved in conversations where there are a reduced number of councils to work with.
83. Capacity of iwi representatives is stretched when having to continually be the voice for their region on multiple council plans, projects, and processes, whilst still maintaining their own roles outside of this work. Moving from four to two councils would drastically reduce the time spent going between the existing entities and help to avoid or mitigate situations where economic interests of iwi are constrained by environmental considerations.

COMMUNITIES OF INTEREST

84. The Local Government Commission provides guidelines to assist in identifying communities of interest. While these descriptors have been crafted with the identification of wards and potential community boards in mind, they are a useful touchstone when assessing broad communities of interest within a region on a macro level.
85. It is contended that the economic interests of pastoral farming and its attendant support industries and networks is the principal factor in creating ties that bind the Southland and Gore Districts.
86. When major incidents loom which threaten the economic livelihood of farmers of any persuasion, the common interest in and affiliation of rural people comes to the fore. The drought of 2021/22 or organised tractor protests opposing new freshwater regulations are graphic illustrations of rural people's sense of togetherness.
87. District communities have a strong connection to the land, local environment, and community, together with a healthy dose of cautious concern about decisions affecting them being made from larger urban centres. The value of continued community board structures is enhanced autonomy around the nuances of separate district areas, with the similarities being considered by the collective through council.
88. Obviously, there are other factors, but pastoral farming is of enormous importance to Southland Murihiku and the economic success of this important sector reverberates through the province. For example, Gore as an urban area is a main centre for Riversdale, Te Tipua, and Wyndham, showing reliance is spread across the greater Southland Murihiku province as a whole.
89. This cross-boundary reliance is burgeoning in Northern Southland, where growth in towns such as Athol and Garston is trending northward towards Queenstown Lakes District. Within the eastern boundaries of Southland Murihiku, Clutha and Gore districts also share cross-boundary family and health services.

Community engagement

CIVIC ENGAGEMENT

90. In 2024, all four Southland councils undertook public consultation on their long term plan documents (ICC, SDC and ES produced Long Terms Plans, with GDC producing an Annual Plan). The feedback obtained from consultation provides a wide range of issues for Councils to consider and demonstrates the need for a considered approach to the future of local government in Southland Murihiku.

Table 3: Number of submissions received for Annual Plan (2024) and Long Term Plans (2024 -2034)

Council	LTP 2024-2034 Submissions received	Submissions as % of council-area population	Submissions as % of rating units
Invercargill City Council	451	0.78%	1.74%
Environment Southland	330	0.3%	0.6%
Gore District Council	150	1.2%	1.7%
Southland District Council	312	0.98%	1.4%

91. It is clear there are barriers that result in low engagement/response. It may be the subject matter is too complex or timely to engage with, or more reflective of general apathy toward the mechanism of local government. This is not exclusive to Southland Murihiku, with overall civic engagement across New Zealand being low.
92. It is possible there is confusion between who the four councils represent, and the responsibilities they have. This is heard anecdotally from staff, and also evidenced through long term plan submissions that show public misunderstanding of “who does what, and where.” This confusion may impact on engagement and voter turnout.
93. The sheer volume of plans, policies, bylaws, and other council projects being consulted on by four authorities may also lead to overwhelm and “consultation fatigue,” where ratepayers and members of the public aren’t sure where to begin in terms of providing feedback. Many will only provide feedback if they feel they are personally impacted by a proposal, rather than generally providing their thoughts on critical planning documents that impact their entire district or city.
94. Despite low engagement with long-term planning processes, the insights provided through the consultation periods show strong commonalities in sentiment towards council operations and structures, as discussed further.

WHAT OUR COMMUNITIES HAVE PREVIOUSLY TOLD US

95. The following information on community views has been found through analysis of previous long term and annual plans, representation reviews, and general comments from members of the public.

Long Term Plan 2024-2034: Consultation

96. All four councils received submissions regarding proposed rates increases, with the greatest concern being continued affordability by ratepayers. Funding the basics and delivering core services were common across submissions, and each council received comment on their individual operations.
97. Identified in the Beyond 2025 Southland Regional Long Term Plan the region faces change in population, where projections see an increase in the 65+ population. Residents from this age group provided feedback detailing their anxiety over their future, with some submitters worrying they may be forced out of their homes due to unaffordable rates.
98. Ongoing rates increases will become unsustainable and contribute to heightened anxiety around affordability, particularly for those on fixed incomes. Councils need to consider the economic wellbeing of communities while providing the services they are responsible for. Ratepayers in our communities have told us they are struggling financially and already deem rates to be unaffordable.
99. Costs have not only risen for our communities, but for local government itself. This creates even greater complexity around balancing the increased cost of operating requirements, and communities' expectations of councils being able to absorb the increase for rate payers (or even further, reduce the cost-burden).
100. Councils cannot rely on population growth for increased rates revenue, as growth in Southland Murihiku's population is forecast at just over 3% by 2034. Ratepayers are looking at councils to find solutions to increased costs now, rather than in ten years' time.
101. A common suggestion to reduce operating costs was that councils focus on delivering their core services and maintaining levels of service. 'Scope creep,' a sentiment reflected across many submissions, was particularly pointed regarding Environment Southland, with submitters referring to a steep trajectory of staff growth and questioning the requirement of "new activities" being undertaken.
102. Submitters asked for improved operating efficiencies alongside reduced operating costs. It is noted that 'amalgamation' was mentioned in submissions for both Gore District Council and Southland District Council, and a review of Environment Southland organisation structure and operations was repeatedly referenced.
103. Common themes across all submissions included:
 - General affordability concerns, particularly due to the current increased cost of living
 - Discomfort around unsustainable rates increases
 - Belief that councils spend too much on contractors and consultants, and are not getting value for money
 - Criticism of use of outsourced consultants/contractors rather than local knowledge and expertise
 - A call for councils to stick to core responsibilities, fund the basics, and maintain core infrastructure
 - Suggestions that councils should seek to reduce internal costs by reducing staff
 - Sentiment towards unreasonable government legislation.
104. Further to those issues listed above, thematic analysis of the 2024 Long Term Plan and Annual Plan submissions found:

Environment Southland:

- Concerns about effectiveness of flood protection measures; concerns spending for flood protection is being diverted into non-essential areas
- Feedback that consent processes are not easy (resource consent 'red tape' and bureaucracy)
- Comments that Council is justifying existence through growth in staff and activities adjacent to core responsibilities.

Southland District Council:

- Comments on the need for greater visibility in/engagement with communities
- Suggestions of greater collaboration between councils (including amalgamation)
- A desire for stronger political influence to push back against central government legislation/policies/reduced funding contributions.

Gore District Council (Annual Plan):

- Suggestions that Council should consider amalgamation (one unitary authority for Southland Murihiku, or combine with SDC)
- Suggestions to reduce the number of councillors (and general negativity around representation which may be indicative of longer-term issues)
- Criticism around membership of LGNZ and potential savings through cutting membership.

Invercargill City Council:

- Suggestions of greater collaboration with other councils
- Mixed opinions on service provision, with some viewing disproportionality between rates increase and the services received
- A desire for increased transparency and accountability.

105. While not expressly consulted on, it is clear that submitters want change in the way Southland Murihiku's local government operates, with feedback suggestive of support in (at least) consideration of reorganisation.

Further findings from historic Long Term Plan consultation

106. A brief overview of previous LTP consultation across ICC, SDC, ES and GDC found the same themes have been prevalent for a number of years. The following statements are drawn from LTPs produced in 2015, 2018, and 2021:
- "[It is] high time that all lower South Island (at least rural) authorities looked seriously at amalgamation of resources and a strengthened lobby for NZTA and other Govt. funding rather than competing against each other."
 - "Environment Council constantly let us down."
 - "[SDC] Governance is a large cost and now we have Community Boards that are paid,

with less representatives in the area than when we had [Community Development Areas] who were volunteers.”

- “City-slicker know-alls make decisions for our small town [despite not knowing or caring] what we want.”
- “Cut down council members or amalgamate locally.”
- “Responsibility of Council to ensure small towns survive by providing amenities and encouraging young people to live here.”

Findings from Southland District Council 2018 Representation Review

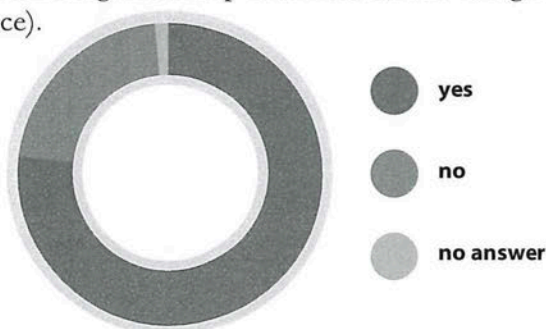
107. During consultation for SDC’s 2018 representation review, submissions provided commentary around the eventual “coming together” of councils in Southland Murihiku. Statements included:

- “I feel the time will come [Invercargill, Southland, and Gore Councils] will need to be under one umbrella. I would urge council work towards this end, sooner rather than later. I feel this would save money from all the rate payers’ pocket. It would also reduce the number of candidates seeking election.”
- “We know that this is not part of the review but we would like to have the Council investigate the long term viability of the amalgamation of the three local authorities in the Southland Region.”
- “Questioning could have been undertaken to assess the interest in drawing regional Southland (excluding Invercargill) into one local government jurisdiction. I believe it would be more appropriate to have 12 councillors for all of Southland Province (excluding the ICC area).”
- “Southland is over-governed with four councils and less than 100,000 people.”

CONSULTATION ON CURRENT REORGANISATION IDEAS

108. Southland District Council developed a short survey (with supporting information) to gather feedback on the proposed reorganisation detailed in this paper. The survey was advertised via Council’s website, Facebook page, and Antenno (app). Printed handouts were circulated at various district events, which contained a QR code to complete the survey online and space to provide written submissions.
109. Between 20 January and 11 February 2025, Council received 174 submissions. Of these, 134 agreed with the ideas for reorganisation put forward and 38 disagreed (with 2 submitters not stating a preference).

Do you support the current proposal to create two new unitary authorities?



Consultation themes

110. Comments from those who chose 'yes' included:

- **Protection of rural voices** – “if implemented well, and if everyone leans into the mahi rather than protecting their own patch, we can really strengthen local and rural voices”
- **Cost savings** - “the potential cost savings create major financial benefits that can’t be realised any other way... I want to see our money spent to the benefit of all Southland. Makes sense not to have 4 when we can do it with 2 and spend the saved money on our core infrastructure .”
- **Streamlined administration and reduced operating costs** – “I feel it would make things more streamlined and have less admin staff than the current set up”
- **Less bureaucracy** – “better utilization of resources and finances. Greater efficiency. Less bureaucracy... Reduce the red tape that’s now between communication of the 4 councils.”
- **Efficiencies** – “more efficient, cost effective, saving ratepayers from paying unnecessary expenses over council roles which could be merged... I see great advantages in reducing costs and gaining efficiencies. Gore is clearly too small to have its own separate council and amalgamating Environment Southland would simplify points of contact for ratepayers.”
- **Impact on rates** – “because it should hopefully cheapen our current rates that seem to keep rising but the infrastructure doesn’t improve. And for a small area, it makes financial sense”
- **Dissatisfaction with current regulatory authority** – “I only support it if environmental issues are of high consideration in a rural setting, and not overlooked by rural farming focused decision-making. Environment Southland have been appalling in addressing environmental issues in the past. Non notification of consents when they should be notified to all affected parties”
- **Comparisons with other unitary authorities** – “The move to separate these into two separate authorities has led to increased charges to us all. Tasman, Marlborough operate efficiently as [unitary authorities] and I would like to see the same apply in Southland”
- **Economies of scale** – “Southland has a small population and current segmentation means that we as rate payers are paying for duplication and not benefiting from the economies of scale that can be gained especially through things such as support services. It will give more focus to the activities of the territorial authorities”
- **Less duplication/confusion** – “it can be confusing as a rate payer who is responsible for what, and why I need to deal with two different places... one council responsible for rural areas will make things easier and more efficient. As it stands, you’re never sure where to go for the right information.”

111. There was also general support for the idea, with many submissions stating the proposal “just makes sense.”
112. There were a small number of submitters that agreed with reorganisation but believed one unitary authority for all of Southland Murihiku would be sufficient. Those who suggested one unitary authority stated:
- “Just make it all one council – fewer councillors, more streamlined, more cooperation and community understanding, stronger community voice”
 - Moving to one Unitary aligned with the regional councils boundaries would be better, as it would unite town and country, provide more consistent rules and approaches (e.g. building consents), and continue to enable a wholistic approach to managing rivers and protecting communities from flood risks”
 - “I do not think the proposal goes far enough. I think there should be one authority as Southland is small in comparison to the other regions with similar issues”
 - “The reality is the issues that Invercargill faces are not that different to Gore or Te Anau, and the issues rural communities within the ICC face are similar to rural communities within SDC or GDC”
 - “There [are] already things that are sensibly joint services (rubbish collection) and areas that are currently under the responsibility of ES that would be difficult to separate into two councils (particular catchment concerns where the majority of river catchments are outside of the ICC area but they have significant downstream effects for Invercargill)”
 - “Support the merger in principle but Environment Southland currently can hold the other council responsible e.g. breaching the RMA like the Otago Regional Council charging the QLDC. So there would need to be a department that could do that.”
113. In relation to the final comment above, one reason for establishing a unitary authority is to decrease the occurrences of one council charging another for environmental breaches. A unitary authority still has the ability to issue abatement notices to itself, but the key is to have the right staff across potential issues before they get to a litigious stage. Feedback from Nelson City Council suggests the Council is held to a higher standard regarding regulatory matters, so community members should have their concerns allayed in this sense.
114. Comments from those who chose ‘no’ included:

-
- **One unitary authority is sufficient** – “if there is to be amalgamation in Southland it should be one council for the region... One council for all is the preferred option, with significant community boards where ratepayers are represented proportionately on population. ICC and GDC would be community boards within the greater council”
 - **Concerns about loss of identity** – “small towns will lose their voice – some already don’t have one... When Gore and Mataura boroughs merged - Gore became the identity and Mataura became a ghost town”
 - **Lack of information to make an informed decision** – “[I] don’t support due to the lack of transparency around the proposal [and] lack of information – where is the research?”
 - **Cost implications and taking on other councils’ debt** – “no consideration of cost implications of doing this which would be significant”

- **Differing responsibilities of authorities** – “regional and district councils cover very different things... regional council responsibilities are best done on the whole-of-Southland basis as the proposal would end up splitting catchments”
- **Savings will not be achieved** – “Because I simply do not believe that any cost saving or reduction in bureaucracy will take place... There is never the savings envisaged when these things are proposed, aka Health NZ, Auckland City. Some savings will occur but after massive expenditure”
- **Potential for conflicts of interest** – “There is a conflict with the interests of infrastructure and development over the environment and natural hazard risk, and hence they should be separate to keep checks and balances in place”
- **Duplication will not decrease** – “The work of the regional council is going to be duplicated in both ICC and SDC... It seems illogical given the challenges for local and regional councils are so different. Plus separating ICC from this would cause confusion and risk of double ups or even lower levels of service for the city”
- **Concerns about decreased environmental regulatory focus** – “The rivers are the main focus and they run from the mountains to the sea, two of them around or through ICC... Regional council responsibilities need to be for all of Southland as what happens at the top of the catchment influences the bottom.”

115. As is typical with consultation on council operations, there were several comments directed towards expenditure, service delivery and rates affordability. Some comments reflected a potential lack of understanding of the process that would take place if an investigation were to proceed, particularly where people were concerned about a lack of transparency or consultation.
116. The concerns above are addressed in the next section, through discussion of what the future of Southland Murihiku’s local government structure could look like.

What could Southland Murihiku's local government future look like?

STREAMLINED LOCAL GOVERNMENT

117. A unitary authority combines the functions of both territorial authorities (district or city councils) and regional councils into a single entity. In New Zealand, there are six unitary authorities: Auckland Council, Gisborne District Council, Chatham Islands Council, Nelson City Council, Marlborough District Council, and Tasman District Council.
118. The table below profiles four unitary councils with the same statistics previously applied to the four Southland Councils. To provide meaningful comparisons with Southland, Chatham Islands and Auckland Councils have not been included.

Table 4: Unitary Councils in New Zealand, excluding Chatham Island and Auckland

	Gisborne District	Marlborough District	Nelson City	Tasman District
Population	52,100	52,200	54,500	60,500
Area (km²)	8,265	17,517	422	9,635
Councillors, including Mayor/Chair	14	14	13	14
Community Board members				8
Total Operating Revenue (\$million)	261	218.73	205.6	232
Total Operating Expenditure (\$million)	178.9	195.05	185.5	199.3
Rates 2024/25 (\$million)	85.7	95.26	98.7	110.325
Rating Units	22,300	27,193	23,222	28,199
Debt (\$million)	195.3	115	266	355
Equity (\$million)	2,755.08	2,155.915	2,293.148	2,437.56

119. There are strong parallels with Nelson and Tasman in advancing structural change. Those two authorities have a combined population of approximately 115,000 compared to the Southland Murihiku region's population of just over 100,000.
120. Mirroring this top-of-the-south structure in Southland Murihiku, the two unitary authorities would comprise of:

Invercargill City as currently constituted in respect of boundaries, primarily urban focus, and representation arrangements (similar to Nelson City Council); and

a combination of the Southland and Gore District Councils taking on regional council functions currently administered by Environment Southland. This proposed authority would be predominantly rural in flavour and outlook (similar to Tasman District Council), continuing the strong rural communities of interest that co-exist in both Southland and Gore Districts.

121. The table below compares the size and scale of two unitary authorities, based on the metrics listed in Table 4, with the four existing provincial unitary authorities.

Table 5: Existing authorities compared with two new Southland Murihiku unitary authorities.

	Gisborne District	Marlborough District	Nelson City	Tasman District	Invercargill	SD/GD (Rural)
Population	51,135	52,200	54,500	60,500	57,900	44,229
Area (km²)	8,385	17,517	422	9,635	390	30,825
Rating Units	23,487	27,193	23,222	28,199	25,966	29,473
Debt (\$million)	195.3	115	266	355	181.6	173.5

122. A point of interest in the above table from the perspective of a future district unitary authority for Southland Murihiku, is that while that future Council might have the lowest population of its provincial unitary peers, it would have the highest number of rating units. This suggests that despite a slightly lower population, the proposed new unitary District would have a reasonable economic rating base to operate from.
123. Debt levels of Councils have generally increased in recent years as major capital works, particularly in three waters, have been undertaken. This has led to concerns from ratepayers about the steep climb in debt to fund these projects. Table 5 shows the debt level of both *proposed* unitary authorities for Southland Murihiku is in the lower reaches of similar sized Councils.

POTENTIAL GOVERNANCE STRUCTURES

124. The four provincial unitary authorities profiled in this paper have either 13 or 14 elected members, including the Mayor. Southland District has 13 elected members while Gore District has 12. A district unitary authority with 13 elected members, including the Mayor is nominated. The continuation of community boards will be vital to the sustained community voice and localised representation.
125. As well as retaining the Mātaura Community Board, there would be an additional Community Board for Gore. This would not impact their ability to keep their identity, and there are similarities across many of our town and Board areas. For example, Riverton Aparima has Te Hikoi Museum, Te Anau has an airport, Stewart Island Rakiura runs its own electricity supply and all of our towns are able to manage their own unique attributes and identities through their boards.
126. The law, in the form of the Local Electoral Act, is unlikely to change in its strong stipulation around fair and effective representation. In practical terms, this will mean that 12

Councillors (with some exceptions in the case of isolation) must represent the same number of people within a tolerance of plus or minus 10 per cent.

127. Viewed at a macro level and having regard for existing territorial boundaries, based on a 12 Councillor strong Council, the following representation entitlements emerge for a proposed district unitary authority:
- Southland District 9 Councillors (9)
 - Gore District 3 Councillors (3)
128. It is possible that the gravitational pull of the Gore township may mean that an electoral ward for that area is extended beyond the current boundaries of the Gore District. Also, with approximately 9 members to be elected from the Southland District as it is currently constituted, compared to the current 13, changes to existing wards appear inevitable, should reorganisation proceed. Future representation reviews would determine the most appropriate apportionment of representation.

RETAINING AND EMPOWERING LOCAL VOICE

129. A key principle for the Southland District and most likely for our neighbouring council at Gore, is the retention of a strong local voice. Therefore, the Southland District Council's strong use of, and deference to, community boards on local issues must be retained in any new structure.
130. Given both councils have recently completed representation reviews, there appears to be solid justification for the enhancement of community boards identified through that process. If anything, with a larger council and bigger territory to administer, the use of community boards and delegation of authority should be enhanced in any new structural model.
131. The retention of River Liaison Committees with a stronger brief and influence in decision-making could bolster the network of 'grassroots governance.' Such an approach would enhance the local voice but also make sure that local knowledge is respected and better utilised. These committees could be integrated with Community Boards to enhance both structures with a wider range of knowledge and expertise to support their decision making.
132. The concept of a strengthened community board should be welcomed in the case of the Mataura Community Board. It is understood that the Mataura Board consider it important to have more authority delegated by the Council and to have more autonomy like its Southland District counterparts.
133. There will need to be sensitive interaction with the community of Gore when it comes to settling on a governance structure in a new district unitary authority. With the community used to having its own council, a change to becoming part of a much larger council which may be headquartered elsewhere, might not be easy for some to come to terms with.
134. Higher delegations to make decisions on placemaking matters would be an appropriate start. These matters would include the likes of library services, parks and recreation, arts and heritage, and aquatic services (most of the focus within community services and facilities business units).

135. The concept of a greater level of delegation would recognise the size of the township of Gore compared to others in the proposed district unitary authority. The case could also be made for Te Anau and Winton to have a continued greater level of delegations, as this appears to already be in place.

TWO UNITARY AUTHORITIES

Advantages

136. An efficient, well-performing local government structure with two entities provides significant advantage to accomplish a wider, more complex range of tasks in a more efficient manner. Based on preliminary evaluation, a number of advantages have been identified in the establishment of two unitary authorities for Southland Murihiku. These advantages will be principally, but not exclusively, described from a Southland District Council perspective:
- a. **Cost savings.** Ratepayers throughout the region are calling on councils to take a serious look at their operating costs, as evidenced above. Concentrating on specific changes in the cost of services pre-and post-reorganisation is less than straightforward, but the establishment of two unitary authorities to replace four councils, could potentially unlock savings in excess of \$10 million in the region with the larger percentage of this figure favouring the higher rated Southland and Gore Districts.
 - b. **Consideration and right-sizing of the range, nature, and quality of services new entities could deliver.** By properly addressing the needs of our communities based on geography, population demographics, collective and local identity – as well as specific place-based service requirements (like infrastructure or water) – size and service delivery can be adequately scoped to provide for cost-effective provision to communities
 - c. **An opportunity to enhance Māori representation in elected governance structures.** This is one avenue through which Councils can uphold Te Tiriti o Waitangi obligations and other statutory obligations to include Māori in decision-making.
 - d. **Strengthened environmental focus and increased collaboration with Mana Whenua.** Mana whenua knowledge is essential specific expertise – particularly where environmental concerns are present – integration of regional and territorial processes will maximise capacity of mana whenua representatives.
 - e. **Consolidated strategic vision and cohesive strategic planning.** Long-term planning as a region will result in strategic integration, enhanced collaboration and improved decision making.
 - f. **Improved planning will lead to reduction in the number of plans required to be produced.** There will be fewer long term plans, annual plans, and district/regional plans required under the Resource Management Act that will be prepared in the region. Not only is this far more

efficient (in terms of time and cost), but it will likely come as a welcome relief to local Iwi, the general community and professionals who need to engage with and stay on top of plan content and changes. There will be more consistency and less confusion in our communities and we will be easier to work with.

- g. **An aligned, strong regional voice**, providing strengthened political influence and greater representation in government negotiations, and increased potential for economic development initiatives.
- h. **Streamlined and simplified governance and management structures within the region**. The resulting two Mayors and CEs will be empowered to make efficient decisions at a regional level, rather than decision-making processes being dragged out through bodies such as the Mayoral Forum.
- i. **A governance structure that better reflects the community it serves**. Rural representatives being elected by rural communities, for rural communities, and making decisions on their behalf strengthens local democracy and ensures the voices of these communities are being actively and accurately represented.
- j. **Regional spatial planning, leading to sustainable development, economic and social benefits, and effective resource management**. Regional spatial planning will also support infrastructure and roading network resilience, as well as anticipate future land use from an environmental risk management approach (i.e. managed retreat).
- k. **A more strategic approach to environmental risk management**. The examples of environmental crises impacting Southland Murihiku as a region have highlighted the inefficiencies in multi-council coordination of response.
- l. **Improved purchasing power** through the benefits achieved from economies of scale, greater negotiating leverage and preferential treatment (as preferred contract managers/clients), and access to greater capital reserves.
- m. **Reorganisation based on the required services may also see the reduced reliance on external contractors/consultants** due to an increased capacity to employ specialist staff - this is particularly important given the community views on “excessive” use of consultants and contractors. Assessment of the intended levels of service will enable right-sizing of staff numbers.
- n. **Efficiencies in internal transactional services, freeing up resources to be reallocated to customer services** – together with the removal of duplication (such as long term planning, district/spatial planning, and reporting requirements) reorganisation would provide capacity for improved services, and increased ability to meet regulatory obligations.

- o. **A unitary council will be able to focus more on river management, flood protection and emergency management;** areas which some believe have not been prioritised in recent times (as demonstrated through feedback on the long term plan in paragraph 112).
- p. **Streamlined consenting processes.** Under a unitary authority, all consents for a defined geographic area will be issued by one authority. There will be no need to apply for water and air consents from a regional authority.
- q. **The end to a regional council prosecuting a territorial authority with the same group of ratepayers funding the cost of legal proceedings and the outcome.** Prosecutions between councils are not popular with ratepayers who end up funding both sides legal costs along with any fine imposed.
- r. **Better on the ground interaction with ratepayers.** The two district councils with their network of offices, libraries and service centres are well positioned to provide better accessibility for ratepayers and residents. The regional Council on the other hand does not have any customer facing presence outside of Invercargill.
- s. **Consolidation and enhancement of skilled staff.** Specialist areas such as finance, engineering, science/environment, planning, and information technology are difficult to recruit. With four Councils competing for similar skills, compromise on choice or not filling vacancies at all, invariably occurs. This outcome is less likely to occur with just two unitary authorities with the added advantage that both unitary councils will likely be strengthened with a concentration and deeper skill base in critical areas.
- t. **Centralisation of regional (council) data.** Presently, data is held at both territorial and regional council levels and is sometimes merged with Otago-centric data. This can be less than efficient when data needs to be collected and verified from different sources. Spatial planning and assessment of natural hazards under the Building Act are two areas which would be enhanced and made easier if data could be sourced from within one organisation.
- u. **Improvement in the long term viability of local government.** Without change, councils face the possibility of a diminishing role as individual services are contracted to the private or voluntary sectors, while other concerns, such as the environment, are addressed by special interest groups or agencies. These factors may undermine local democracy and reduce service integration.

137. Importantly for our communities, **their money stays in the community** – directed to delivery of services, service improvement, or infrastructure, for the benefit of the local community - rather than administration and council operating costs. To achieve this, effective governance, and an ongoing openness to finding new and better ways of delivering the services our communities need is vital.

Disadvantages

138. While not as numerous as the advantages outlined above, there are some potential costs, disruption, and other negative effects that may be caused by an investigation, such as:

- a. **Uncertainty associated with change.** Any change model can cause fear and anxiety within affected organisations. This may lead to an early loss of employees who have concerns about the long-term security of their roles, which over time contributes to a decrease in morale for all employees. This will need to be carefully managed, particularly if messaging from other affected parties differs from that being imparted within our own organisation.
- b. **The perception that the focus on the environment will be diluted.** This is likely to be the counter thrust from those who see a resolute regional council as necessary for the protection of the environment. The success of unitary councils suggests that the environment is not compromised in the absence of a resolute regional council. In fact, feedback from Nelson City Council stated that the operations were held to a higher regulatory standard, given the expectations of their communities and the political detriment that would be caused by a lax approach to regulation.
- c. **The distraction of change and its impact on long-term initiatives.** Routine operations might continue to run smoothly, but it can be hard for an affected organisation to engage in strategic long-term initiatives when its future existence as a singular entity is less than certain.
- d. **A strain on inter-council relationships.** The proposal is likely to have a mixed reaction with some councils, particularly those that perceive the proposal as a significant diminution of influence. It is important to remember that it will be the community who heavily influences the outcome, not individual councils.
- e. **Alternative options could yet be discovered.** The idea of town vs country may not necessarily be sustained into the future, as communities continue to evolve. Rakiura/Stewart Island is also a distinctly different community with specialised needs, and due to their geographic separation, it would be unreasonable to draw comparisons with other regional localities.

ONE UNITARY AUTHORITY

139. A natural question to pose when evaluating a more streamlined structure for Southland Murihiku, is why not just have one unitary council serving the entire region? If viewed through the sole lens of efficiency, this suggestion may well have some merit.
140. A single unitary authority for Southland Murihiku would fail when viewed through the lens of communities of interest. That approach is unlikely to meet the differing needs of our communities at this time, given different lived experiences, socio-economic circumstances, and place-based requirements. Regional co-operative structures and shared service arrangements generally offer less efficiency and economies of scale than could be achieved through reorganisation (essentially because of the additional overheads they incur).
141. Our interaction with various communities and stakeholders in Southland shows there is a preference for two unitary authorities – one city and one district – as opposed to a single unitary authority.
142. A single authority would likely see a majority of the representation and voting power centralised in Invercargill. The rural voice, despite its economic importance to the region would likely be diluted and subsumed by urban interests.
143. Further potential drawbacks of having a single local government entity include several significant concerns:
 - a. A single entity may struggle to adequately represent the diverse interests and needs of different communities within Southland Murihiku. As previously discussed, city and rural areas have distinct priorities, and a centralised governance structure would almost certainly overlook specific local issues.
 - b. Residents may feel their specific community needs are not adequately represented in a larger governance framework. The concentration of power can lead to inefficiencies if the governing body does not effectively engage with local communities or if it prioritises broader regional goals over specific local concerns
 - c. Further to this, merging councils into one entity risks diminishing the representation and celebration of the unique identities and of various communities within Southland Murihiku – something that lies at the heart of existing Council priorities.
 - d. While a single entity could simplify administrative processes, it would also create new complexities. Managing a larger entity may require more sophisticated governance structures and could lead to slower decision-making processes due to the increased scale of operations.
 - e. Some staff within larger Councils already feel as though they do not know their colleagues; one large entity may not support a collegial and cooperative workplace. This is important in terms of staff and skills retention, not to mention efficiency in being able to complete the work, rather than having to continually onboard new employees.
 - f. Invercargill City Council covers only two urban areas (Invercargill and Bluff). Southland District is unique in that it represents around 120 different towns and settlements that have vastly different needs to the city. For a single unitary authority to work, Invercargill and Bluff would need to become Community Boards.

- g. Holdco - Invercargill City Holdings (ICHL) is an investment company fully owned by Invercargill City Council. The CCTO ensures its trading companies are operating efficiently to ensure maximum returns are made as a dividend back to Invercargill ratepayers. It would be inequitable for Invercargill ratepayers to have the CCTO entwined with other councils through a single unitary authority structure.

Potential scale and scope of improvements to local government

COST SAVINGS, EFFICIENCIES, AND PRODUCTIVITY IMPROVEMENTS

144. The desire to secure enduring cost savings is always a strong incentive behind structural reform. Detailed analysis of likely establishment, transition, and operational costs of new unitary councils would be undertaken as part of a reorganisation investigation.

Elected members

145. At a high level, cost savings appear at the executive level. There will be two less chief executives, one less Mayor, no regional Chair and approximately 24 fewer Councillors. There are also the costs associated with these roles, including vehicles, travel disbursements, hardware and software, and all other expenditure required to enable these roles to be fulfilled.
146. The Remuneration Authority sets the base remuneration for local government members, including Mayors and Councillors. Table 5 shows the approximate remuneration for councillors, Mayors/Chair, and Chief Executives for Southland Councils. The total (approx.) is indicative of savings dependent on which current council structure ceases to operate.

Executive leadership and elected members

147. At a high level, cost savings appear at the executive level. There will be two less chief executives, one less Mayor, no regional Chair and approximately 18 fewer Councillors. There are also the costs associated with these roles, including vehicles, travel disbursements, hardware and software, and all other expenditure required to enable these roles to be fulfilled.
148. Some costs currently incurred by the regional council could be removed, including the costs of elected members, senior management, and most corporate support functions such as finance, payroll, human resources, democratic support, and corporate communications. There would also be savings in the form of asset rationalisation and improved information systems once new unitary authorities were up and running.

Table 5: Local Government Members (2023/24) Determination 2023, Remuneration Schedule, Parts 1-2, with Chief Executive details added

	Invercargill City Council	Southland District Council	Gore District Council	Environment Southland
Councillors (excl. deputy mayor/chair)	(12 x \$42,000) \$504,000	(12 x \$37,900) \$454,800	(11 x \$24,000) \$264,000	(11 x \$45,000) \$495,000
Mayor/Chair	\$149,291	\$134,914	\$112,010	\$129,434
Deputy mayor/chair	\$63,055	\$49,327	\$35,638	\$63,265
Chief executive	\$379,000	\$333,600	\$300,000	\$325,000
Total (approx.) per annum	\$1,095,346	\$972,641	\$711,648	\$1,012,699

Note: All figures are approximate. Councillor remuneration is calculated on allowance with no additional responsibility (to account for difference between minimum allowable and those with separate committee chair positions)

Community Boards

149. An analysis of potential savings around community board structures has not been undertaken, as the new entities would first need to establish the required structures for community board representation. There may realistically not be any savings achieved in this space – rather, a reallocation of roles. However, with greater delegations provided to community boards, there would be efficiencies and time savings in terms of decision making and follow through of operations.

Debt

150. The debts of each Council to be subsumed by a new authority is often cited as a concern by ratepayers who do not want to own and have responsibility for debt created by another council. This has been reflected in SDC consultation feedback, where there has been concern mainly regarding Gore District Council's high level of debt, and who will bear the burden of this cost.
151. One possible way of addressing some of the debt is looking at particular assets such as Gore Council office which would benefit the entire district, meaning that this debt could be transferred at the start. Also facilities such as the sports complex and pool that have a wider ward benefit in terms of community of interest could also be looked at.
152. Another way of doing so can be as per a previous reorganisation proposal in another part of the country (approximately ten years ago) which promoted the concept of debts remaining in each district for five years. It is suggested that debt is quarantined to its originating authority for 5-10 years before being distributed across the new entity.

153. The case of Environment Southland is different, given its assets and liabilities are held on behalf of the region. Debt incurred for specific projects can readily be quarantined to the area benefitting and therefore placed with the relevant new unitary authority. A similar approach could be used for assets like flood banks and buildings based on their location, or special reserves that have a specific purpose with an identifiable geographical area of benefit.
154. Regional Council debt that cannot be assigned to a specific area of benefit and may have been raised for region-wide or organisational benefit, will need to be treated differently. This would also apply to other general reserves and the majority shareholding that Environment Southland has in South Port.
155. Possible formulas that could be applied to determine the apportionment of genuinely regional assets and liabilities amongst the proposed two unitary authorities, could be population, rating units or a combination of the two. In the case of population, Invercargill City has a 55.5% majority, while when measured in rating units, the combination of Southland and Gore Districts has its head in front to the tune of 53.2%.
156. This suggests that there are likely to be only small differences between the two methods if they were given equal weighting. A way forward on this issue may yet again lie with the experience of Tasman District and Nelson City. Both authorities arose from short-lived regional council in 1992, with the result being that ownership of Port Nelson is equally shared by the two Councils.
157. Eventually debt will need to be spread over the entire rating base of the new entity to reflect the enlarged, unified area. This is helpful to communities from an economies of scale perspective.

Planning

158. Unitary authorities have several advantages that make long-term planning easier and more effective. Integrated decision-making means that unitary authorities can manage all local government functions under one organisation, allowing for more coordinated and comprehensive planning across different sectors.
159. Operating at a larger scale enables unitary authorities to influence more long-term strategic initiatives and take a wider view of planning needs. With a single planning service, unitary authorities can adopt a place-based approach, joining up all assets and opportunities rather than working with multiple local plans. Unitary authorities can manage the availability of land for housing and development in a coordinated fashion across a broader functional economic area.
160. Tensions that sometimes exist between regional councils and territorial authorities over shared responsibilities are eliminated in unitary authorities, simplifying decision-making processes. Unitary authorities serve as a single centre of responsibility for all environmental management decision-making in their district, reducing confusion among resource users and the public. There is no 'duck-shoving' as everyone shares responsibility to provide service to the ratepayer.
161. Unitary authorities can more easily align infrastructure strategies with planned levels of service and community needs. Feedback from both Nelson City and Tasman District Councils highlighted the value in being able to have a conversation with a colleague once a potential issue was identified, to mitigate or remedy any adverse outcome.

Regulatory functions

162. Integration of both regional and territorial functions will allow for more streamlined and efficient regulatory processes. This integration helps avoid disputes (heading off potential issues) and reduces confusion among resource users and the public regarding environmental management responsibilities.
163. Feedback from both Nelson City Council and Tasman District Council reflected the potential of unitary authorities to simplify and develop consistent planning processes, leading improved coordination of regulatory activities – they can allocate resources more efficiently across various regulatory functions, as they have a comprehensive view of all local government responsibilities within their remit.
164. While these improvements are notable, it is important to recognise that unitary authorities still face challenges, such as potential conflicts of interest between regulatory roles and service delivery. However, these can be worked through as there is the potential to resolve disputes internally, avoiding inter-council litigious situations that might arise in the regional council/territorial authority structure.

Relationships with Mana Whenua

165. Unitary authorities can develop stronger relationships with mana whenua, as iwi can participate in all areas of council operations - rather than just the environmental aspects. This fosters true partnership. In discussions with other unitary authorities, we found the experience has been improved for all parties.
166. The improvement is not only due to a holistic approach to addressing challenges and opportunities, but due to a reduction in the volume of work required by (already stretched) iwi representatives. Their capacity for other initiatives or mahi will be enhanced as they are relieved from (often duplicate) workstreams covered by the existing number of councils.
167. Through the establishment of new authorities, a commitment to kaitiakitanga and rangapū can be reinvigorated, and mana whenua aspirations can be part of the founding principles driving the key focus for these authorities. This is crucial for addressing key environmental challenges, fostering community connections, and strengthening existing relationships.

Consultation

168. In terms of benefits for communities, there would be less consultation, While it seems counterintuitive to reduce consultation, it will come as a relief to those whose role is to provide feedback to all things local government – for example, iwi representatives or health in all policies advocates.
169. There would be fewer annual and long term plans, representation reviews, bylaw and policy reviews, and consolidated district plans - but also two fewer councils for Government agencies to deal with. For example, the costs for local government commission to undertake representation reviews would decrease, as too would the time and burden of finding sufficient numbers of auditing personnel for long term plans.

Connection to the community

170. By combining regional and local functions, unitary authorities can provide a comprehensive approach to community well-being, considering social, economic, environmental, and cultural aspects together.
171. Unitary authorities can continue to support democracy at the local level by retaining and enhancing community boards and river liaison committees, ensuring better outcomes for communities.
172. There are increased options for community members to interact with council staff through retaining and utilising council offices that are currently spread around the district – enhancing the level of service councils are able to provide. This is particularly important for many community members who value *kanohi ki te kanohi* engagement with staff, but offices can also serve as community spaces where meeting rooms or common areas can be shared or utilised for non-council purposes.

Operations

173. As mentioned in preceding statements, productivity improvements will be achieved alongside cost savings:
 - **Consents** – streamlined, consistent processes delivered through standardised templates and documentation; implementation of shared workflows; centralised expertise and resources with the ability to manage complex consents or increased workflow; establishing one point of contact (a one stop-shop)
 - **General operations** – reduced duplication of functions that exist in multiple authorities and having the ability to recruit for specialist staff – which in turn leads to more efficient processing of tasks.
 - **Decision making** – centralised expertise to manage complex decisions and manage workloads effectively; a smaller base to identify system bottlenecks and implementing solutions; faster decision-making timeframes with less go-between of authorities.
 - **Planning processes and plans** – simplified planning processes, consistent and coordinated approach for communities and businesses, avoidance of duplication, efficient and operationally cost effective
 - **Bylaws, policies, and regulation** – a cohesive set of bylaws, policies and rules which will enhance consistency of regulatory functions. Operationally cost effective, clear, and consistent for those providing services across communities.

CONCLUSION

Based on a population of just over 100,000, the Southland region is over-governed and has a high local government cost structure. The success of other unitary councils, particularly in the top of the South Island, suggests that a unitary model of local government could work in Southland.

Reorganisation of the existing four councils into two unitary authorities presents a compelling case for improved governance, efficiency, and community outcomes. Two unitary councils, one based around Invercargill within its current boundaries and the other involving the union of Southland and

Gore Districts, is the best option to gain efficiencies, remove duplication and ensure broad communities of interest are preserved.

While reducing the number of councils, this model can still maintain strong local representation through enhanced community boards and local committees. The retention of a local voice and empowering decision making at a grassroots level through appropriate delegations of authority via a network of community boards, is essential in any new reorganisation model.

By integrating regional and territorial functions, the new unitary authorities can make more cohesive and timely decisions, particularly in areas of environmental management and urban planning. This integration will likely reduce administrative overheads and duplicate services, leading to cost savings that can be reinvested in community services or used to minimise rate increases.

With combined resources and expertise, the new unitary authorities can offer a wider range of higher-quality services to residents. They can take a more holistic approach to environmental issues, managing both regional and local environmental concerns under one governance structure.

While challenges in implementation are anticipated, including potential resistance to change and the need for careful management of the transition process, the long-term benefits of this restructuring appear substantial. We also see immediate short-term benefits with significant efficiencies right at the start.

By creating more integrated, efficient, and responsive local government entities, this proposal aims to better serve the evolving needs of our communities and position our region for future growth and sustainability.

Moving forward, it will be crucial to engage extensively with all stakeholders, including residents, businesses, and mana whenua, to ensure the new unitary authorities are designed to truly reflect and serve the diverse needs of our region. Southland District Council are poised to support the Local Government Commission throughout a potential reorganisation investigation.

With careful planning and implementation, transformation of local governance will deliver significant improvements in our environment, and in quality of life for all residents of Southland Murihiku.

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Outlook

Meeting questions

From Joe Stringer <JStringer@goredc.govt.nz>

Date Mon 05/05/2025 8:59 PM

To Ben Bell <bbell@goredc.govt.nz>; Debbie Lascelles <dlascelles@goredc.govt.nz>; Jason Domigan <jdomigan@goredc.govt.nz>

Hi Debbie

Reading over the reorganisation investigation report again tonight I've got some questions.

How much does the GDC save in power yearly with its penny a unit? Would this contract be broken if merging with SDC? I'm guessing a lot of the \$10M in savings Rob Scott is talking about would disappear if that went too. I feel this merger talk will have already affected the GDC ability & credibility to make any deal with power net about them buying out that contract, I would say its now worthless to us. They will now know they just have to wait for the merger to happen and the contract disappears meaning they get more income. We are being left in a really bad negotiating position because of this.

Have they considered a 1 up process, where each area with a community board has its chair represent on the regional council?

I think we push it to them that it becomes a much larger entity all the way to above Dunedin or south island wide and let the cities be cities.

This does not also help the rural urban divide.

Paragraph 103 bullet item 3 - Councils have to use roading outsourced by government requirement so their theme is somewhat incorrect in what its portraying.

Will we really get much more purchasing power at 100k people? Page 30 point L

I would include in any response the reduction of front line staff that can be taken out with the use of AI these days as a saving.

Regards,
Joe

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