

Hon Chris Bishop
Minister Responsible for RMA Reform

Hon Simon Watts
Minister of Local Government

Cabinet materials for the paper,
“Simplifying Local Government – Head start pathway”
5 May 2026

These documents have been proactively released:

- Cabinet Minute of Decision—Report of the Cabinet Economic Policy Committee for the Period Ended 1 May 2026 [CAB-26-MIN-0155];
- Cabinet Economic Policy Committee Minute of Decision—Simplifying Local Government: Head Start Pathway [ECO-26-MIN-0072]; and
- Cabinet paper, “Simplifying Local Government – Head start pathway”.

Some parts of these documents would not be appropriate to release as they do not relate to Simplifying Local Government and have been redacted as out of scope.

Other parts of these documents would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to redaction codes:

- **section 9(2)(f)(iv)**—the withholding of the information is necessary to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials;
- **section 9(2)(g)(i)**—the withholding of the information is necessary to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty; and
- **section 9(2)(j)**—the withholding of the information is necessary to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations.



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Report of the Cabinet Economic Policy Committee: Period Ended 1 May 2026

On 4 May 2026, Cabinet made the following decisions on the work of the Cabinet Economic Policy Committee for the period ended 1 May 2026:

Out of Scope


ECO-26-MIN-0072

Simplifying Local Government: Head Start Pathway
Portfolios: RMA Reform / Local Government

CONFIRMED

Out of Scope

Out of Scope



Rachel Hayward
Secretary of the Cabinet

Proactively released by the Minister of Local Government



Cabinet Economic Policy Committee

Minute of Decision

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Simplifying Local Government: Head Start Pathway

Portfolios **RMA Reform / Local Government**

On 29 April 2026, the Cabinet Economic Policy Committee:

- 1 **noted** that:
 - 1.1 in November 2025, Cabinet agreed to release a proposal document on simplifying local government (SLG) for consultation with experts and stakeholders [CAB-25-MIN-0397.01];
 - 1.2 consultation on the SLG proposal document closed on 20 February 2026;
- 2 **noted** that there was broad support for the need for local government reform, but also a concern to safeguard the effective delivery of the first generation of plans in the new planning system and a call for recently elected regional councillors to stay on until the 2028 local elections to support the transition required for both reforms to be successful;
- 3 **noted** that a number of councils and mayors have signalled that they wish to reorganise faster, and that the Minister Responsible for RMA Reform and the Minister of Local Government (joint Ministers) intend to support councils to do this;

Head start pathway

- 4 **agreed** to establish a voluntary 'head start' pathway for the creation of new unitary authorities covering part or all of a region;
- 5 **agreed** that outline proposals for new unitary authorities may only be submitted by groupings of two or more territorial authorities (TAs) comprising either a majority of the TAs directly affected by the proposal, or together representing a majority of the population across directly affected districts (including unitary authorities other than Auckland Council and excluding regional councils);
- 6 **agreed** that the outline proposals need not require a poll or the unconditional support of all affected local authorities, in contrast to the requirements of the standard approaches for council reorganisation under Schedule 3 of the Local Government Act 2002;
- 7 **noted** that joint Ministers intend that the opportunity for councils to submit outline proposals will close in August 2026, so that these can be assessed by officials for Cabinet to consider by September 2026;

- 8 **agreed** that the criteria for assessing the head start outline proposals will include:
- 8.1 deliverability by the 2028 local elections;
 - 8.2 support for the new planning system;
 - 8.3 simplifying local governance;
 - 8.4 economies of scale, including the effective delivery of key regional functions such as transport and catchment management; and
 - 8.5 providing for fair and effective representation and balancing of urban and rural interests;
- 9 **noted** that local authorities already engaged in reorganisation processes under Schedule 3 of the Local Government Act 2002 will not be required to withdraw from these, but may choose to submit a head start outline proposal if they meet the entry requirements;
- 10 **noted** that:
- 10.1 Cabinet will agree in principle, and joint Ministers will announce, outline proposals that meet the assessment criteria for detailed design in the head start pathway,
 - 10.2 Cabinet will confirm enabling legislation for council amalgamations in 2027;
- 11 **authorised** joint Ministers to make detailed policy decisions on the design of the head start pathway consistent with the direction in the paper under ECO-26-SUB-0072;

Backstop

- 12 **noted** that joint Ministers have directed officials to continue policy work on a standard 'backstop' approach for Simplifying Local Government (SLG) to apply to regions not in the head start, including the removal of regional councillors, to commence after the 2028 local elections;
- 13 **noted** that this timing is intended to allow councils to focus on the transition to the new planning system and the development of spatial and natural environment plans;
- 14 **agreed** that councils not in the head start will go through a compulsory backstop process, with regional council governance during the transition being exercised by some form of interim body (e.g., a board of mayors, Crown commissioners, or a hybrid), with the precise model to be confirmed by Cabinet in 2027;
- 15 **agreed in principle** that there will be no further elections for regional councillors, as the need for these will have been replaced by the head start process or the backstop arrangements before the 2028 local elections;
- 16 **invited** joint Ministers to report back to Cabinet by May 2027 seeking decisions on implementing head start proposals and setting the backstop approach to regional reorganisation, taking into account implications for the transition to the new planning system and the development of spatial, natural environment, and land use plans;

Legislative implications

- 17 **noted** that the decisions that joint Ministers intend to seek in 2027 would enable all necessary legislation to pass through the House by early 2028, including any bespoke provisions flowing from approved head start proposals;

Rapid review

- 18 **noted** that officials have undertaken a rapid review of regional council statutory roles, responsibilities and functions and found most functions are suitable to remain delivered at a regional or local level;
- 19 **noted** that two key council functions warrant more detailed consideration: transport, and environmental compliance and enforcement;
- 20 **noted** that regional council functions still delivered at a regional or local level, in particular transport, will be addressed and rationalised as intended through the roll-out of the SLG reforms, including the new head start pathway;
- 21 **invited** the Minister Responsible for RMA Reform to report back in 2027 with detailed analysis on the proposal to establish a national environmental compliance and enforcement regulator after officials engage on options with local authorities, the Parliamentary Commissioner for the Environment, and other experts.

Rachel Clarke
Committee Secretary

Present:

Hon David Seymour
Rt Hon Winston Peters
Hon Nicola Willis (Chair)
Hon Chris Bishop
Hon Brooke van Velden
Hon Shane Jones
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston
Hon Tama Potaka
Hon Simon Watts
Hon Chris Penk
Hon Penny Simmonds
Hon Andrew Hoggard
Hon Nicola Grigg
Hon James Meager
Hon Scott Simpson
Hon Cameron Brewer
Simon Court MP

Officials present from:

Office of the Prime Minister
Office of Hon Chris Bishop
Office of Hon Chris Penk
Office of Hon Cameron Brewer
Officials Committee for ECO

IN-CONFIDENCE

Office of the Minister Responsible for RMA Reform

Office of the Minister of Local Government

Cabinet Economic Policy Committee

Simplifying Local Government – Head start pathway

Proposal

- 1 This paper takes our reforms to simplify local government into their next phase. The core proposal is to open up a new streamlined process—the ‘head start’ pathway—so that councils can propose more rapid amalgamations and creation of unitary authorities.
- 2 The paper also seeks agreements in principle to develop the ‘backstop’ of default settings that will apply to councils and regions outside the head start pathway, and reports back on the related review of regional council roles and functions.

Relation to Government priorities

- 3 Councils play a critical implementation role for many of our priorities (such as fast-track consenting, water reform, building consenting, emergency management, and resource management). Creating a simpler, more effective and efficient system of local government should improve the delivery of these priorities and put downward pressure on the local government components of the cost of living.

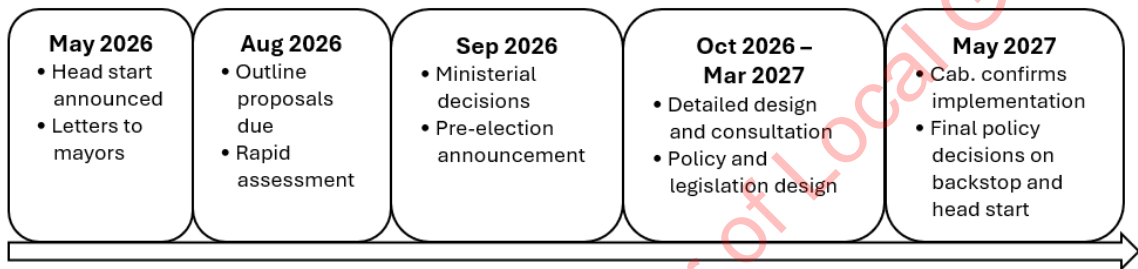
Executive summary

- 4 We announced our Simplifying Local Government (SLG) proposal in November 2025, and consultation closed at the end of February this year.
- 5 We now propose introducing a streamlined, voluntary head start pathway to enable councils that are ready and willing to reorganise faster. The wider reform of local government would commence after the 2028 local elections.
- 6 Consultation on SLG revealed there is support for the case for change, but many councils would prefer different approaches giving greater flexibility in locally led reform. Some mayors have indicated a desire to move fast and warned that setting up combined territories boards (CTBs) with new roles for mayors could slow progress.
- 7 We also heard that retaining regional councillors until the 2028 local elections would benefit the local government sector by providing capacity during a period of substantial change, institutional knowledge to support transition, and more democratic legitimacy.
- 8 The proposed head start pathway would operate through a three-month outline proposal process, with a narrowed scope. The pathway would only enable councils to propose the establishment of regional or subregional unitary authorities.
- 9 Large unitary authorities would integrate regional and local functions, simplify governance, reduce process duplication, better align decision-making across the region,

and enable regional efficiencies.

- 10 Head start proposals would be assessed against clear entry requirements and criteria—including deliverability, support for planning reform, simplifying local governance, and realising economies of scale—with final decisions taken by Cabinet (no requirements for a poll of electors or the unconditional support of all affected local authorities).
- 11 Approved outline proposals would be implemented following detailed design and the policy decisions required to support enabling legislation in 2027. We aim to integrate legislation for the reorganisation of all other regions—the backstop approach—with any bespoke legislation flowing from approved head start proposals.

Figure 1. Summary of the process and timing for the head start pathway.



- 12 For councils not engaging in the head start process, alternative regional reorganisation requirements will be imposed on councils after the 2028 local elections. Delaying broader structural reform will enable councils to focus on delivering the first generation of plans under the new planning system.
- 13 Council readiness to support planning and local government reforms varies widely, with some councils highlighting the opportunity for better sequencing. Effective implementation of the new planning system will be instrumental in supporting outcomes such as economic growth, regional system efficiencies, and cost savings.
- 14 We do not intend on having regional councillors elected at the 2028 local elections. We will seek further decisions from Cabinet on those arrangements.
- 15 Alongside the consultation, officials undertook a rapid review to identify which regional council functions might warrant cessation or centralisation and to help guide regions in preparing their regional reorganisation plans (RRPs).
- 16 Most functions are suitable to remain delivered at a regional or local level. However, two key council functions warrant more detailed consideration: transport, and environmental compliance and enforcement.
- 17 Transport presents opportunities for new and integrated service delivery models, so the assessment criteria for head start proposals will clearly signal the need to consolidate local and regional transport functions; and we have agreed to explore opportunities to rationalise environmental compliance and enforcement after RMA Reform is enacted.

Background

- 18 In November last year, Cabinet agreed to consult on a draft proposal for simplifying local government and invited us to report back [CAB-25-MIN-00397.01].

- 19 The two key elements of the proposal were to:
- 19.1 replace the elected layer of regional councils with a CTB comprising the mayors of the local councils in the region, with options for Crown commissioners to be appointed to the CTB (or even replace it); and
 - 19.2 require the CTB to assume the governance role and responsibilities of regional councillors and produce an RRP for the efficient and effective delivery of all local government functions.
- 20 At the same time, Cabinet initiated a rapid review of regional council statutory roles, responsibilities, and functions to identify any that should cease or be reallocated by the Government, rather than left to be considered as part of each region's RRP.

Public consultation outcomes

- 21 Public consultation on the SLG proposal closed on 20 February 2026. There were more than 1,150 submissions, including 68 from councils, three from the main local government representative groups, and 60 from iwi/Māori organisations such as the National Iwi Chairs Forum and post-settlement governance entities (PSGEs).
- 22 Submitters broadly supported the need for change but generally opposed the SLG proposal. Opposition concentrated around the replacement of regional councillors with CTBs and the need to uphold Treaty obligations. There were a wide range of views on proposal specifics, and many issues and other suggestions were raised.
- 23 Submissions indicated more support for the proposed RRP than CTBs. Many submitters raised concerns over the capability and resourcing of local government to progress these reforms at the same time as other government initiatives, notably planning system reform. There were calls to either modify the membership, reduce the remit, or delay the establishment of CTBs.
- 24 In light of this, there was strong support in submissions for keeping regional councillors in place until the 2028 local elections and allowing a transitional role to support local mayors. Many submitters raised concerns with democratic legitimacy if recently elected regional councillors were to be removed before their terms were up.
- 25 Other issues raised in submissions include:
- 25.1 preserving and supporting local democracy, including balancing urban and rural interests, with some support for Crown observers;
 - 25.2 retention of regional service delivery, particularly environmental management at a catchment level;
 - 25.3 mayoral workloads and adopting a regional perspective;
 - 25.4 funding and process concerns; and
 - 25.5 Treaty issues and the role of Māori in local government.
- 26 Officials have analysed submissions and we propose publishing these in full (subject to

privacy redactions) on the Department of Internal Affairs (DIA) website shortly after the head start pathway is announced.

Opening a head start pathway to accelerate regional council reorganisation

- 27 While consultation responses revealed broad support for the need for change, there was also a clear preference from a number of councils for greater flexibility to enable more locally led approaches to deliver the reform.
- 28 Some mayors have indicated a desire to make rapid progress, through established committees such as mayoral forums, and warned that the proposed establishment of CTBs with their wider remit could slow this down.
- 29 We therefore propose introducing a streamlined pathway for councils that are ready and willing to move ahead immediately to develop and progress reorganisation proposals.
- 30 The first step in the head start pathway would open up a three-month opportunity for groupings of two or more territorial authorities (TAs) to submit outline proposals for new unitary authorities covering part or all of a region. Unitary authorities other than Auckland Council may also submit as part of a grouping, but regional councils may not.
- 31 Unitary authorities fully integrate the functions of regional councils and TAs (city and district councils), and therefore simplify governance, reduce process duplication, and if established at sufficient scale, would better align decision-making across the region and enable regional efficiencies.
- 32 We intend that outline proposals need not cover a whole region, but should focus on structural change that reduces the number of local authorities within a region. To ensure the right scale and focus, the groupings submitting outline proposals would need to comprise either a majority of the TAs directly affected by the proposal, or together represent a majority of the population across directly affected districts.
- 33 In many cases a single unitary authority would be feasible, but in some larger regions with more complex issues, two or at most three unitary authorities per region could be contemplated. We are also open to outline proposals that consider boundary changes and the amalgamation of neighbouring TAs from different regions, but only where this maintains effective catchment management and supports stronger regional planning.
- 34 We note that allowing subregional groupings and potential cross-boundary proposals may result in counterproposals within a region. The relative merits of any counterproposals will be considered as part of the assessment process.

35 For example,—

- 35.1 9(2)(j) [Redacted]
- 35.2 9(2)(j) [Redacted]

35.3 9(2)(j) [REDACTED]
[REDACTED]
[REDACTED]

36 Having clear assessment criteria is important to ensure decisions are consistent and transparent, manage Government risk, and assure councils that proposals will be judged fairly. Criteria will ensure the head start objectives, such as regional efficiencies and a stable transition to the new planning system, are achieved.

37 We propose officials use a modified set of assessment criteria tailored to the scope and timeframes of head start proposals, and also reflecting feedback on the fuller set of criteria for RRP's consulted on in our November proposal document:

37.1 **Deliverability:** Proposals are realistic and demonstrate how new arrangements can be implemented in a timely manner.

37.2 **Supports the new planning system:** Demonstrates support for implementation of the new planning system, and avoids or minimises disruption to spatial and natural environment plan development, including associated services (e.g., freshwater management, environmental monitoring, and infrastructure).

37.3 **Simplifies local governance:** Proposes more efficient regional governance arrangements, consolidating decision-making and improving alignment between a region's councils.

37.4 **Economies of scale:** Supports regional strategic planning and the effective delivery of key regional functions (such as transport and catchment management), and demonstrates responsible and affordable asset management, infrastructure investment, and service delivery.

37.5 **Maintains local voice:** Demonstrates fair and effective representation for communities of interest and how decisions will be made at the local level, balancing urban and rural interests.

38 Following assessment, we would be in a position to decide which of the outline proposals for new unitary authorities should be agreed in principle and implemented, following detailed design and the policy decisions required to support enabling legislation. This detailed design phase is needed to provide Cabinet with sufficient information to confirm amalgamations in the first half of 2027.

39 Cabinet approval, and subsequent legislative change, will allow the amalgamations to proceed without requiring a poll or the unconditional support of all affected local authorities—the main barriers to amalgamations proceeding under current legislation.

40 We propose to make announcements before the November election about the proposals that we wish to see progressed, so that our intentions are clear and councils can immediately begin engaging with stakeholders and consulting their communities.

41 Final head start proposals would come to Cabinet for confirmation in May 2027, together with final decisions on the backstop for the reorganisation of all other regions. This would enable all necessary legislation to be progressing through the House in the second half of 2027, including bespoke provisions flowing from approved proposals.

42 Approved head start amalgamations should ideally be fully implemented before the 2028 local elections, so that the backstop settings would not apply to them and elections for new unitary authorities could follow.

43 9(2)(g)(i) [Redacted]

44 9(2)(g)(i) [Redacted]

The backstop approach for reform in other regions

45 Regions and councils not progressing through the head start pathway would instead be subject to a compulsory backstop process. During the transition, regional council governance would be exercised by an interim body (e.g., a board of mayors, Crown commissioners, or a hybrid model), with the precise model to be confirmed. We do not intend to see any further elections for regional councillors in 2028.

46 The backstop would apply to regions and councils that do not engage in, or are not ready to progress via, the head start. These arrangements would need to be clearly established ahead of the 2028 local elections, so that mayoral candidates are fully aware of any new roles and responsibilities, and electors can make informed choices.

47 The detailed design of the backstop would be confirmed by Cabinet in May 2027. This approach allows lessons from the head start, feedback from consultation on SLG, and further advice from officials to inform final policy decisions.

48 It also responds to the strong case made through submissions for changes to support the transition to the new resource management regime and the reconfiguration of regional council functions. Combined, the head start and backstop processes provide clarity and certainty for councils and communities, while ensuring governance and leadership arrangements are fit for purpose during the implementation of the new planning system.

Rapid review of regional council functions

49 Officials have completed a rapid review of regional council functions to identify which functions may warrant centralisation or be reallocated by the Government, in order to provide clearer guidance to regions on matters they should address in their RRP.

50 The review found the more significant opportunities for centralisation are already being progressed through existing government work programmes. For example, consideration of the national regulator for resource management compliance and enforcement.

51 Most residual functions are still best delivered at a regional or local scale, and these will be addressed and rationalised as intended through the roll-out of our SLG reforms, including the new head start pathway.

52 In general, centralisation would involve high transition costs, be disproportionate to the problem identified, and is unlikely to materially improve regional or system outcomes.

In some cases, the status quo is functioning effectively or could benefit from targeted modification rather than substantial change.

- 53 However, one key function requires further consideration. Transport responsibilities are currently split across local government, with TAs responsible for local roading and regional councils responsible for network planning and public transport.
- 54 The creation of unitary authorities through the head start pathway is intended to consolidate transport along with other key council functions across a region. To ensure this happens, improved regional service delivery is being lifted up as a key factor in the assessment criteria, and the need to consolidate local and regional transport functions will be clearly signalled. This is a good example of how the head start pathway will pave the way for rationalising local government functions in other regions.

National environmental regulator

- 55 The RMA Expert Advisory Group (EAG) recommended that in the new planning system compliance and enforcement functions should be transferred to a national regulator with regional compliance hubs. Cabinet agreed to progress policy work on this proposal after the Planning and Natural Environment Bills pass.
- 56 I (the Minister Responsible for RMA Reform) have considered the national regulator recommendation in light of our work to simplify local government. Before Cabinet considers any institutional change of this scale, we must be clear whether the core problem is one of structure, or whether it is more fundamentally about capability, resourcing, data systems, and nationally consistent monitoring tools and rules.
- 57 Further work is therefore required to test:
- 57.1 how roles between central and local government would remain clear, proportionate, and non-duplicative 9(2)(f)(iv)
 - 57.2 what happens to complementary functions (broader than those considered by the EAG) such as environmental reporting, science, and data;
 - 57.3 the likely costs and benefits of moving the function from local to central government; and
 - 57.4 alignment with the timing and approach of the backstop for SLG.
- 58 I intend to report back to Cabinet on progressing this work in the new year after officials work with local authorities, the Parliamentary Commissioner for the Environment, and others on the merits of different approaches. For now, our priority is supporting councils to implement the new planning system.

Implementing the head start pathway

- 59 The proposed head start pathway has two distinct phases. First is the three-month opportunity for councils to submit outline proposals. Following a quick-fire assessment by officials, Ministers would decide which outline proposals should be agreed in principle, and these could be announced before the November election.

- 60 Approved outline proposals would then proceed to the second phase of detailed design for implementation, so that Cabinet can confirm in the first half of 2027 which proposed amalgamations should be given effect through legislation.

Head start – Outline proposal phase May—September 2026

Milestone/Activity	Timeframe
Head start pathway publicly announced and letters sent to mayors inviting councils to submit outline proposals for amalgamations and unitary council creation	May 2026
Outline proposals deadline and rapid assessment begins	August 2026
Ministers decide which outline proposals will be agreed in principle and continue in the head start pathway, and make pre-election announcements	September 2026

Head start – Detailed design phase

Milestone/Activity	Timeframe
Approved head start outline proposals enter detailed design phase, to inform the policy decisions required to support enabling legislation	October 2026 to March 2027
Cabinet confirms which reorganisation proposals will be implemented, together with finalising the 'backstop' (i.e., the default settings that will apply to councils and regions outside the head start pathway) and clarifying what legislation is needed (for both options)	May 2027

Cost-of-living implications

- 61 None as a direct result of this paper. However, creating a simpler, more effective and efficient system of local government should put downward pressure on rates and other council fees and charges that contribute to the cost of living.

Financial implications

- 62 Implementing the head start pathway is likely to have some financial implications for agencies, but any additional resourcing will need to be met from existing baselines.

- 63 SLG has received time-limited funding of \$3.5 million for 2025/26. This is currently not fully allocated, and 9(2)(f)(iv) [REDACTED]

- 64 There may be some financial implications for councils seeking to enter the head start. But to the extent the head start is voluntary and reflects the aspirations and preparatory work already under way among relevant councils, this should be manageable.

Legislative implications

- 65 Legislation will be needed to implement the backstop and any approved head start proposals. Final policy decisions on these matters will be sought next year. We will

submit a bid for the 2027 Legislation Programme at the appropriate time.

Impact analysis

Regulatory impact

66 The Ministry for Regulation has determined that this proposal is exempt from the requirement to provide a regulatory impact statement on the grounds that it has been addressed by existing impact analysis [CAB-25-MIN-0397 refers and <https://www.regulation.govt.nz/our-work/regulatory-impact-statements/regulatory-impact-statement-simplifying-local-government-in-a-simplified-planning-system/>].

Climate implications

67 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this policy proposal, as the thresholds for significance are not met.

Population implications

68 None as a direct result of this paper.

Treaty of Waitangi implications

69 Officials have undertaken initial analysis on how the policy interacts with the Treaty of Waitangi and Treaty settlements. We note the following analysis comments:

69.1 Regional councils play a critical role in supporting the Crown to uphold the Treaty of Waitangi. Almost all Treaty settlements include redress that provides some form of enhanced recognition of iwi and hapū interests in resource management. Some redress instruments link directly to regional council governance structures and processes. Many iwi and hapū have established working relationships with regional councils independent of settlements.

69.2 Although regional councils have a role in administering settlement redress, the obligation for upholding Treaty settlements lies with the Crown. To support the Crown to uphold the Treaty, proposals should demonstrate how settlement arrangements could transfer to new unitary authorities with equivalent effect, including engagement with affected PSGEs to agree new arrangements. The Government should be satisfied that a proposal would support the Crown's ability to uphold Treaty settlements before it is agreed.

70 Officials from DIA and the Ministry for the Environment have been working closely to engage with PSGEs on the SLG proposal and transition to the new planning system. We have directed officials to continue to work closely to engage with affected PSGEs on any head start proposals received. Responsibility for engaging with PSGEs will transfer to the Ministry of Cities, Environment, Regions and Transport in the future.

Human rights

71 None as a direct result of this paper.

Use of external resources

- 72 DIA led the policy work underpinning this paper, making prudent use of external resources to fill unforeseen short-term staffing gaps and ensure ministerial priorities proceed without disruption. We understand one contractor has contributed to this paper.

Consultation

- 73 The following agencies were consulted on a draft of this paper: the Department of the Prime Minister and Cabinet, Treasury, Ministry for Regulation, Ministry of Housing and Urban Development, Ministry of Transport, Ministry of Justice, Crown Law, Ministry of Business, Innovation and Employment, Ministry for Primary Industries, Ministry of Māori Development—Te Puni Kōkiri, Office of Treaty Settlements and Takutai Moana—Te Tari Whakatau, Department of Conservation, National Emergency Management Agency, Land Information New Zealand, and Local Government Commission.

Communications

- 74 The Minister Responsible for RMA Reform and the Minister of Local Government (joint Ministers) would announce the head start pathway publicly and approve any communications and consultation material to support the request for outline proposals. Initial communication would be to all mayors, inviting councils to submit outline proposals—with copies to regional council chairs, sector peak bodies (Local Government New Zealand, Taituarā, and Te Uru Kahika), and iwi/Māori.
- 75 We intend that councils should continue to prioritise implementing the new planning system as our work to simplify local government progresses. In particular, regional council staff and expertise remain a critical input into regional spatial planning. We will build these expectations into our communications.
- 76 Joint Ministers will continue to work closely with the Prime Minister's Office on the overall communications approach.

Proactive release

- 77 This paper will be proactively released consistent with our communications approach.

Recommendations

The Minister Responsible for RMA Reform and the Minister of Local Government recommend that the Committee:

- 1 **note** that consultation on the Government's Simplifying Local Government (SLG) proposal document closed on 20 February 2026;
- 2 **note** there was broad support for the need for local government reform, but also a concern to safeguard the effective delivery of the first generation of plans in the new planning system and a call for recently elected regional councillors to stay on until the 2028 local elections to support the transition required for both reforms to be successful;
- 3 **note** that a number of councils and mayors have signalled that they wish to reorganise faster, and that the Minister Responsible for RMA Reform and the Minister of Local Government (joint Ministers) intend to support councils to do this;

Head start pathway

- 4 **agree** to establish a voluntary ‘head start’ pathway for the creation of new unitary authorities covering part or all of a region;
- 5 **agree** that outline proposals for new unitary authorities may only be submitted by groupings of two or more territorial authorities (TAs) comprising either a majority of the TAs directly affected by the proposal, or together representing a majority of the population across directly affected districts (including unitary authorities other than Auckland Council and excluding regional councils);
- 6 **agree** that the outline proposals need not require a poll or the unconditional support of all affected local authorities, in contrast to the requirements of the standard approaches for council reorganisation under Schedule 3 of the Local Government Act 2002 (legislation will be needed to give effect to this);
- 7 **note** the joint Ministers intend the opportunity for councils to submit outline proposals will close in August 2026, so that these can be assessed by officials for joint Ministers to consider by September 2026;
- 8 **agree** that the criteria for assessing the head start outline proposals will include:
 - i) deliverability by the 2028 local elections;
 - ii) support for the new planning system;
 - iii) simplifying local governance;
 - iv) economies of scale, including the effective delivery of key regional functions such as transport and catchment management; and
 - v) providing for fair and effective representation and balancing of urban and rural interests;
- 9 **authorise** the joint Ministers—in consultation with other Ministers as appropriate—to agree in principle and announce outline proposals that meet the assessment criteria for detailed design in the head start pathway, to enable Cabinet confirmation of enabling legislation for council amalgamations in 2027;
- 10 **authorise** the joint Ministers to make detailed policy decisions on the design of the head start pathway consistent with the direction in this paper;

Backstop

- 11 **note** that joint Ministers have directed officials to continue policy work on a standard ‘backstop’ approach for SLG to apply to regions not in the head start, including the removal of regional councillors, to commence after the 2028 local elections;
- 12 **note** that this timing is intended to allow councils to focus on the transition to the new planning system and the development of spatial and natural environment plans;
- 13 **agree** that councils not in the head start will go through a compulsory backstop process, with regional council governance during the transition being exercised by some form of interim body (e.g., a board of mayors, Crown commissioners, or a hybrid), with the

precise model to be confirmed by Cabinet in 2027;

- 14 **agree in principle** that there will be no further elections for regional councillors, as the need for these will have been replaced by the head start process or the backstop arrangements before the 2028 local elections;
- 15 **invite** joint Ministers to report back to Cabinet by May 2027 seeking decisions on implementing head start proposals and setting the backstop approach to regional reorganisation, taking into account implications for the transition to the new planning system and the development of spatial, natural environment, and land use plans;

Legislative implications

- 16 **note** the decisions joint Ministers intend to seek in 2027 would enable all necessary legislation to pass through the House by early 2028, including any bespoke provisions flowing from approved head start proposals;

Rapid review

- 17 **note** that officials have undertaken a rapid review of regional council statutory roles, responsibilities and functions and found most functions are suitable to remain delivered at a regional or local level;
- 18 **note** that two key council functions warrant more detailed consideration: transport, and environmental compliance and enforcement;
- 19 **note** that regional council functions still delivered at a regional or local level, in particular transport, will be addressed and rationalised as intended through the roll-out of our SLG reforms, including the new head start pathway; and
- 20 **invite** the Minister Responsible for RMA Reform to report back in 2027 with detailed analysis on the proposal to establish a national environmental compliance and enforcement regulator after officials engage on options with local authorities, the Parliamentary Commissioner for the Environment, and other experts.

Authorised for lodgement

Hon Chris Bishop

Minister Responsible for RMA Reform

Hon Simon Watts

Minister of Local Government