

Head Start outline proposal for sub-regional unitary council

Outline proposal for a Western Bay sub-region unitary authority, as part of a three unitary authority model for the Bay of Plenty Region.

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1. Introduction

This Head Start Pathway outline proposal is made as part of an application for three sub-regional unitary authorities for the Bay of Plenty. This “chapter” of the application is led by Tauranga City Council (TCC) , and intends to create a new sub-regional unitary authority covering the existing combined territorial authority areas of Tauranga City and the Western Bay of Plenty District, and most of the services currently provided by the Bay of Plenty Regional Council (BOPRC).

This sub-regional outline proposal is made as part of an application for the future of the Bay of Plenty region that includes three sub-regional proposals for the Bay of Plenty. Please see the attached letter from the Mayors of the Bay of Plenty region in section 10 of this outline proposal for supporting information.

As a sub-regional unitary authority, it’s intended that the majority of functions carried out by BOPRC would be delivered by, or on behalf of, the new sub-regional unitary authority. While this process will greatly simplify governance and reduce duplication by creating one new entity, it will also be critical that current regional council functions and responsibilities are well understood and appropriately resourced by the new entity. This is particularly important to ensure local government continues to provide a ‘voice for the environment’ and continues to build on existing iwi partnerships.

Through the detailed design phase, we intend to undertake detailed function modelling (in collaboration with the other territorial authorities in the region as well as BOPRC) to determine which functions would be most effectively delivered at a regional scale. It is noted that the Head Start Pathway guidance document identifies transport, planning and catchment management as functions requiring consideration. The detailed design phase would also include determining the most appropriate method for delivering regional functions, such as a shared services arrangement or joint committee of the three new sub-regional unitary authorities. This is an agreed position across all but one territorial authority of the Bay of Plenty region.

A new sub-regional unitary authority will bring the services of two Territorial Authorities (TCC and WBOPDC), and the functions of the BOPRC together. Many people believe that the current model of local government could be delivered more efficiently if we are prepared to change. We cannot keep doing the same thing, and expect a different outcome. We need to deliver the services we do for our community faster, cheaper and better. As such, a conscious decision by both territorial authorities has been made to ensure that this process take the opportunity to design how services and functions are delivered to ensure the best value for money, customer outcome and efficiency, rather than simply “lifting and shifting” existing arrangements into the new sub-regional

unitary authority. This is seen as an opportunity to design something new, that removes existing regulatory and process impediments to growth. Further, a new organisation can create a “can do” attitude in order to get the best outcome for our people, and improve the reputation of local government in the Western Bay sub-region.

2. Our proposal at a glance

A new sub-regional unitary authority created across the existing Tauranga City and Western Bay of Plenty District areas, taking on the majority of the functions of Bay of Plenty Regional Council that are delivered for this sub-region.

- Establishment of an appropriate method for delivering regional functions, that would deliver those functions best delivered at a scale beyond the sub-region.
- A proposed two-tier representation structure, with a governing body (Council) focused more primarily on strategic matters, with a second tier of local representation that enables local voice and decision-making.
- Māori representation to be determined through the detailed design phase.
- A strong focus on innovation and cost efficiencies and removing confusion and duplication from our existing local government system.
- Leveraging our strong sub-regional foundations, working in partnership with our neighbouring councils within the Bay of Plenty and beyond to implement the new planning system, deliver functions at the most appropriate level regardless of structure, progress and deliver on the Western Bay of Plenty Regional Deal, support our strong local economy and enable our communities to thrive.
- A substantive detailed design phase, inclusive of community engagement across the sub-region on key aspects of the transition such as representation, delivery of functions and services, cost efficiencies and approach to legacy issues.
- Strategic vision and outcomes to be developed during the transition and establishment phase.
- A commitment to working in partnership with tangata whenua, our communities, local government partners and the government to ensure our new entity is well positioned for the future.

Conditional matters for this outline proposal

There are a number of matters that have identified as being fundamental to the success of this outline proposal but have not yet been considered in sufficient detail to develop an agreed approach. This outline proposal is conditional on the following matters during the detailed design phase of this process:

1. Ring-fencing of existing debt (for the remaining term of the loan), and reaching agreement on how the debt and asset principles are applied to sub-regional facilities (including identification of what these are, and how they are treated in terms of rates, remaining rates-funded debt and income allocation)
2. Long Term Plan 2027-2037 (years 1-3) – ensuring projects important to communities are not deprioritised as a result of the pending amalgamation.
3. Local representation – agreement on the approach to a second tier of representation, and the communities that would be represented in this way.

In the event that agreement cannot be reached between the councils on one or more of these matters during the detailed design phase, the councils will first seek support from the Government. This may include consideration of independent facilitation or mediation to seek a resolution of the issues. The councils would develop a mediation plan for approval by Government's delegated representative that clearly outlines the process for mediation, as well as the scope of the issues and the practicable options available. If this is deemed to be unsuccessful by both of the councils following the mediation process, the councils will both formally withdraw support for the proposal and further work on it will cease.

Confirmation of eligibility to submit

This proposal is made as part of an application for the Bay of Plenty region to create three unitary authorities – one in the east covering Kawerau District Council, Whakatane District Council and Opotiki District Council, a central unitary authority covering Rotorua Lakes District Council, and this Western unitary authority covering the area of Tauranga City Council and the Western Bay District Council. The existing jurisdictional areas of TCC and WBOPDC form a contiguous area across our existing sub-region and have a combined population of approximately 221,000 people (30 June 2025). As a sub-region, we are expected to grow to 286,880 by 2053.

Both of the affected territorial authorities have jointly developed this outline proposal, through a series of joint workshops. Unfortunately the Western Bay of Plenty District Council narrowly voted not to support this application. However, the Tauranga City Council resolved to continue to lodge a complying application for the Western Bay sub-region.

As part of a regional suite of applications for three unitary authorities, this proposal still complies with the Governments criteria, despite Western Bay of Plenty District Councils vote. Due to timing of meetings, only Rotorua Lakes District Council was able to include this support specifically in their resolutions, which in itself complies with the criteria (Tauranga City Council and Rotorua Lakes District Council together applying to create two unitary authorities over the combined area of RLDC, TCC and WBOPDC).

All Mayors in the region support the three sub-region model, as demonstrated by the attached letter from the Bay of Plenty Mayors, including that of the Western Bay of Plenty District.

It is acknowledged that this application is not the preferred outcome for BOPRC. BOPRC has been consistent that it believes that a single unitary authority following the current boundaries of the Bay of Plenty region is the optimal outcome. BOPRC has provided details of an alternative proposal where services are provided at the current regional level, with some decisions being made at a local level.

The position of BOPRC differs from that of the territorial authorities of the current Bay of Plenty region, who believe that a three sub-regional unitary model with shared services is the better option. This position is largely consistent with the views of the communities of interest located throughout the respective sub-regions.

For completeness, it is noted that there is some support within the councils for a wider, whole of Bay unitary. However, it is recognised that this is not shared by the other territorial authorities in the Bay of Plenty area. Therefore, a three sub-regional model is seen as the best “practicable” option, and it is considered that this model (with shared services) can achieve most of the same outcomes, if designed well. As noted later in this document, the “door is left open” for the other parts of the Bay to come together at a later date.

3. Sub-regional proposal

How does the proposal benefit the region as a whole?

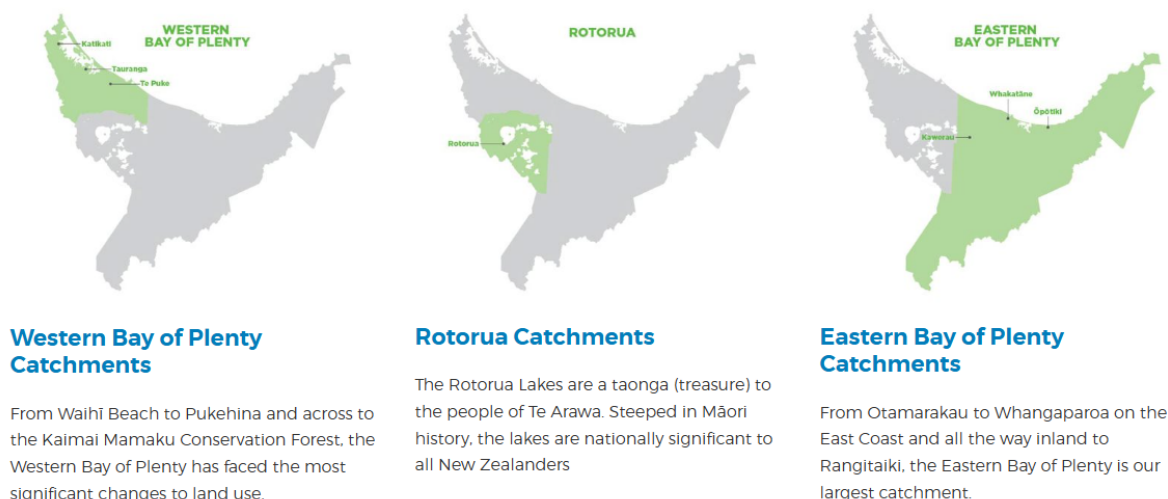
Whilst this is a sub-regional application, it forms part of a coordinated and coherent approach for the entirety of the Bay of Plenty Region, that reflects in many instances how the Bay of Plenty already coordinates and collaborates its efforts.

The existing Bay of Plenty Region very neatly falls into three distinct communities of interest, being the East (Kawerau, Whakatāne and Ōpōtiki), Central (Rotorua) and the West (Tauranga and Western Bay of Plenty). This is also aligned to the three sub-region model that forms the basis for our regional spatial plan under the new planning legislation. Additionally, the three sub-regions also reflect the three integrated catchment management areas of the Bay of Plenty (as outlined in the diagram below),

providing as strong foundation for future natural environment planning for the sub-region and beyond.

BOPRC integrated catchment management boundaries

(ref: <https://www.boprc.govt.nz/environment/our-catchments/>)



The participating councils recognise that local Government reform cannot occur in isolation and that future governance arrangements should contribute positively to both local outcomes and the wider existing Bay of Plenty region. Discussions across the Bay of Plenty have explored how future governance arrangements can collectively support an effective and coherent regional structure across the wider Bay of Plenty.

This application looks to leverage the advantages of the sub-regional identity, whilst having an appropriate method for delivering regional functions for the three unitary shareholder councils, to perform those functions best undertaken at a regional scale.

It is considered that this provides the best opportunity for “the best of both worlds” - local voice to be preserved, distinct communities of interest to be recognised, alignment with the new planning system, Western Bay of Plenty Regional Deal, and LWDW water organisation, whilst providing benefits of scale for efficiency and for cross boundary issues of a regional scale.

A model with sub-regions was preferred over a single region-wide unitary authority, as it was considered more aligned with communities of interest, existing integrated catchment management areas, and existing relationships within the Bay of Plenty. These are aligned to local labour markets and local economic activities that have a strong sub-regional focus. In a larger regional authority, there is an increased risk for loss of local voice and decision-making, and that decision making may become less responsive to local issues and priorities. Given the number of communities dispersed across a large geographical area, it is expected that the local representation structure

required to address these concerns would likely be cumbersome and difficult to gain efficiencies.

A region-wide unitary authority may not adequately reflect different land uses and growth patterns across the various sub regions. For the western Bay of Plenty sub-region, a region-wide unitary authority does not align with the existing geographic boundaries of the joint Water Organisation or Regional Deal. It would also have broader focus than the existing sub-regional growth planning partnership (SmartGrowth). As demonstrated in our sub-regional cross boundary arrangements and initiatives document (attached as supporting information, refer section 10), we already have close alignment and a range of existing services and relationships at the sub-regional level. We believe that there are significant opportunities for simplification and transformation within our sub-region. It would also be a more complex amalgamation process to merge a larger number of councils, for limited additional benefit.

The Western Bay of Plenty sub-region is a standalone labour market and economic area, with its own employment catchment, housing market, freight gateway and business ecosystem. There is high internal commuting integration between centres in the sub-region, with people moving across local authority boundaries for employment, education, recreation, healthcare and services. Tauranga acts as the metropolitan employment hub for the wider sub-region, concentrating professional services, logistics, health, education, construction and industrial employment. The sub-region has a labour market profile that differs from Rotorua, Eastern Bay of Plenty and the Waikato, with stronger links to logistics, export industries, construction, business services and population-driven services. From a functional economic geography perspective, the Western Bay resembles a medium sized metropolitan economy rather than a provincial district. The Government has recognised this difference through the recently signed Regional Deal covering the Western Bay sub-region.

A sub-regional approach is also aligned with what we've heard so far from our communities and engagement with tangata whenua.

- 273 responses were received for WBOPDC, with community feedback showing the sub-regional scenario had the most support out of the 5 scenarios presented (equal with a standalone unitary authority for the district, not contemplated by the Head Start Pathway) at 27.4% of respondents. A region-wide unitary authority was the third most preferred at 19.7% of respondents.
- 1338 responses were made to a statistically valid survey of TCC residents showed that 89% of people supported a single combined council, so long as it contained efficiencies. When asked which Councils specifically to partner with, 69% of respondents identified WBOPDC as one of their preferences. 25% of people

supported whichever combination of councils made sense to achieve efficiency of services.

- High level engagement with tangata whenua is generally supportive of a sub-regional approach, with TCC and WBOPDC having relationships with some of the same iwi and hapū. A wider grouping of councils (and therefore iwi) was generally not supported. Emphasis was placed on the importance of local voice and existing relationships, partnerships and working arrangements, with a clear expectation that these would be carried forward into a new sub-regional unitary authority. Letters of support and/or expectation are included in section 10 – supporting information.
- Feedback from the business community of the sub-region showed significant support for a sub-regional unitary authority, with the majority of respondents favouring this, if it was to simplify business interactions with local government. A letter of support outlining this is attached at section 10. For completeness, it is noted that BOPRC undertook its own survey across the region, and of the 267 responses from the current Bay of Plenty region 59% favoured a single regional unitary authority. Letters of support for a sub-regional proposal are included in section 10 – supporting information,

What is the impact on councils not included in the proposal?

Through the detailed design phase, we intend to undertake detailed function modelling (in collaboration with the other territorial authorities in the region as well BOPRC) to determine which functions would be most effectively delivered at a regional scale. This will provide the opportunity to understand the preferred approach for each sub-regional unitary authority and alignment of those functions that will continue to be delivered at a regional scale.

All councils of the Bay of Plenty are included and involved in the regional service provision aspects of this application, and so all councils will be covered by the solutions provided. Joint functions analysis is proposed to be worked through at the detailed design phase (including looking at existing funding mechanisms for current regional service provision) to determine the best way forward. As this work is intended to be progressed collaboratively, it will enable a consistent approach across the region. It is noted that existing funding arrangements (such as for flood protection infrastructure) already provide for a mix of government, region-wide cross-subsidised council funding and user pays funding sources.

While it is noted that Western Bay of Plenty District Council has not supported this application, their staff were involved in the preparation of the document, and the Western Bay of Plenty District Mayor has endorsed the three sub-regional model by way of signing the joint Mayoral letter. The intention of Tauranga City Council is to continue

to work with the Western Bay of Plenty District Council (staff and governance) to design and implement this proposal, should it be accepted into the Head Start process.

The proposal has been designed so that no community will be significantly negatively impacted by the proposal.

This proposal is made on the basis that participating councils would be willing to consider options for further change, at a later date (noting that this must make sense for the foundation councils). One of the design principles is also to have services provided at the most efficient level, regardless of unitary authority boundaries.

In particular, it is noted that the door has been left open for the potential for expansion of this proposal to a single unitary authority over the entire Bay of Plenty region at some stage in the future, should those communities desire that. It is recognised that a regional unitary authority is not aligned to community views in any of the sub-regions currently. However, this proposal does not preclude future decisions to be made to further align to achieve additional benefit.

What is the proposed structure and governance arrangements?

It is anticipated that representation arrangements for the sub-regional unitary authority will be based on a two-tier representation model. The first tier being Council made up of the Mayor and Elected Members. The second tier being local representation made up of a Chair and members. Our initial thinking is outlined under the 'simplifies local governance' and 'maintains local voice' sections of this document. Specific details of these representation arrangements including identification of communities of interest, specific boundaries and numbers of members will be worked through during the detailed design phase. This will be guided by public consultation, and this is a matter subject to the need for agreement by both Councils to proceed.

A HeadStart Pathway for a new sub-regional unitary authority would align closely with the existing approach to planning in the sub-region and wider region. Spatial planning is one of the functions that we have indicated is likely to be considered as part of a regional service delivery option, which also aligns with the current work being led by BOPRC to facilitate the regional spatial plan in partnership with each of the three sub-regions.

Work is progressing prior to the enactment of the planning legislation through interim governance arrangements, facilitated by our Bay of Plenty Mayoral Forum. Work has progressed on preparing the process agreement to enable the Spatial Planning Committee to be established as soon as practicable following enactment of the new planning legislation. Further detail can be found in section 4 – supports the new planning system.

This proposal contemplates the establishment of an appropriate method for dealing with regional functions to enable effective delivery of functions that sit at a regional level. Its specific type, governance arrangements and responsibilities is a key focus through the detailed design phase, alongside the Head Start work occurring in the East, and Central parts of the region.

As noted above, this work is intended to be supported by detailed functions analysis across all functions currently delivered by both territorial and regional councils, and in partnership with other councils in the existing Bay of Plenty region. This will ensure there is agreement as to the appropriate geographic area that any function is delivered across, and the most appropriate way to do that. The sub-region has a strong foundation of working together in a range of different ways (please see attached Sub-regional cross boundary arrangements and initiatives document as supporting information in section 10).

Some of these structures will remain in place, whilst others may evolve within the context of the new sub-regional unitary authority. This could include extending the scope of existing shared services arrangements or creating new approaches to suit requirements.

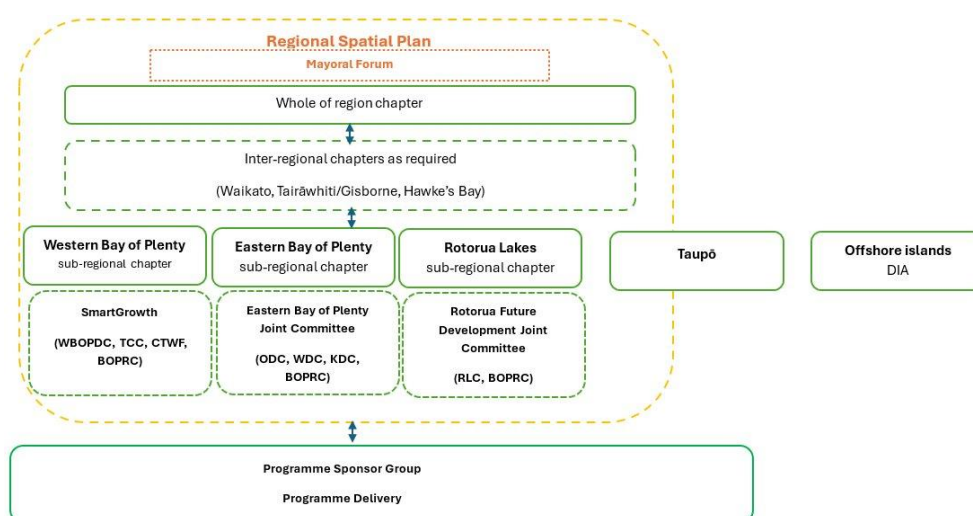
4. Assessment criteria – Supports the new planning system

How does it support delivery of a stable regional spatial planning process?

TCC and WBOPDC are both partners of SmartGrowth, the sub-regional growth planning partnership between BOPRC, tangata whenua and central government agencies. Initiated in 2000, it has provided the basis for collaborative and robust planning across the sub-region. [The SmartGrowth Strategy 2024-74](#) is the current spatial plan for the Western Bay of Plenty sub-region, and provides our sub-regional foundation for the new regional spatial plan. It has built upon previous iterations of spatial plans and has used robust community engagement, governance and technical processes in its development. It's also the basis upon which the Western Bay of Plenty Regional Deal was developed.

The Bay of Plenty region is uniquely positioned for the development of a regional spatial plan, given that we have three sub-regional growth partnerships (aligning with the proposed three sub-regional unitary authorities jointly proposed for HeadStart Pathway) and each sub-region has an existing spatial plan or Future Development Strategy that forms the critical foundations of the new regional spatial plan. Facilitated by our Bay of Plenty Mayoral Forum, we have progressed significant work prior to the enactment of the new planning legislation to ensure we are ready to move to delivery mode as quickly and seamlessly as possible.

The diagram below shows how this could work from both a governance and deliverables perspective (noting that the diagram is based on current state, so includes reference to BOPRC):



The current proposed approach outlined above integrates ‘whole of region’ with ‘sub-regional’ priorities, while also providing for inter-regional alignment as required (e.g., with adjoining Waikato and Tairāwhiti regions). Local priorities and detailed direction

would be addressed through sub-regional chapters, which would incorporate relevant content from existing spatial plans whilst aligning with the new legislative requirements. Taupō is shown as partially within the BOP RSP scope, given that it currently has part of its district within the Bay of Plenty region. The diagram also reflects the role that DIA/MCERT has on behalf of the Minister of Local Government to act as the territorial authority for offshore islands that aren't within the boundaries of a territorial authority. Significant progress has been made to date on developing the required process agreement and programme plan for the regional spatial plan.

A HeadStart Pathway for a new sub-regional unitary authority would align closely with the existing approach to planning in the sub-region and wider region. Spatial planning is one of the functions that we have indicated is likely to be considered as part of a regional service delivery option, which also aligns with the current work being led by BOPRC to facilitate the regional spatial plan in partnership with each of the three sub-regions. Development of a process agreement is required by the new planning legislation, which includes setting out the arrangements for the regional Spatial Planning Committee.

***Does it make coordination easier (e.g. fewer plans, fewer layers of governance)?
What are the trade-offs and risks?***

This HeadStart proposal aligns with our currently proposed approach, but it depends on the timing for regional spatial plans to be notified and completed as to the direct effect that this Head Start Proposal will have.

It will result in fewer plans for the region, as our existing plans are aggregated and give effect to the new planning legislation. It will reduce layers of governance locally as we would simplify our sub-regional governance to one unitary authority - as compared to the current TCC, WBOPDC and BOPRC involvement in SmartGrowth and the individual council meetings that sit under the sub-regional approach. We have had joint sub-regional plans in keys areas of land use planning and transport prioritisation for some time. This provides the opportunity to streamline and address some of the implementation challenges that exist currently, taking the next catalyst step to achieving alignment and efficiency for our communities.

Depending on where the functions analysis lands and timeframes to stand up a potential regional service delivery option, there could be some level of disruption. However, it is noted that the Planning Bill contemplates the creation of a potential secretariat to support the regional Spatial Planning Committee, so arguably some of this disruption may occur in any event. A cursory glance at the anticipated functions of the secretariat within the Planning Bill suggests these may reasonably align with the intended regional service delivery option.

There will also have to be consideration for timeframes for regional entities setting environmental limits for the regions and undertaking state of the environment monitoring. BOPRC has already begun a comprehensive process of mapping existing regional plan and existing regional policy statement provisions across to a new combined regional plan.

It's important to note that Head Start Pathway outline proposals are being prepared in advance of the enactment of the planning legislation, so there may be relevant changes to the planning legislation once enacted that are not known at this point in time.

One of the key benefits of the sub-regional unitary authority is that it will enable simplification and removal of complex cross boundary issues between TCC and WBOPDC, where development occurs at boundary between the two areas and may require cross boundary infrastructure and service provision. This can result in complex consenting processes, that require agreement on infrastructure service provision and funding, as well as apportionment of rating income.

Could this disrupt or complicate delivery of the new planning system?

As outlined above, there is limited anticipated disruption and complication to deliver the new planning system. It is primarily driven by the interfacing timeframes of the Head Start and planning legislation deliverables, as well as there being a level of uncertainty on any changes to the provisions relating to the development of a regional spatial plan. There will be existing regional council planning functions that will need to be transferred to the new sub-regional unitary authority and/or an appropriate method for dealing with regional functions. Working collaboratively through the detailed design phase with BOPRC (and other councils in the region) on approach and timing will enable a smooth transition.

How will these risks be managed?

Through the pre-enactment work to date, we have prepared as a region and sub-region to be well placed to respond to the planning legislation once enacted. This will be a key consideration through the detailed design phase, which will be undertaken following the enactment of the planning legislation – thus having greater clarity on regional spatial plan approach and milestones.

Explain how your proposal reflects integrated catchment management. If an existing catchment is split, in your proposal describe the implications, risks, and potential mitigations.

The three sub-regions reflect the three integrated catchment management areas of the Bay of Plenty, providing as strong foundation for future natural environment planning for the sub-region and beyond.

Our sub-regional unitary authority will enable integrated catchment management of Tauranga Harbour. It would not cover the whole catchment of the Kaituna River, but this is in part mitigated by the Post-Settlement Governance Entity Te Maru o Kaituna (TMOK), which would be a critical governance entity that must be upheld through the Head Start process. Te Tini a Tuna is a catchment wide 10-year action plan already adopted by TMOK. It should be noted that the Kaituna River catchment is already split between the existing WBOPDC and Rotorua Lakes Council (RLC) districts. WBOPDC, TCC, BOPRC and RLC are all members of TMOK alongside iwi representatives under current arrangements.

Integrated catchment management is one of the functions that has been identified as being likely most effectively delivered at a current regional scale – through the detailed design phase and functional analysis the three unitary authorities will work together (alongside BOPRC) to determine an appropriate method for dealing with regional functions.

What still needs to be resolved in your detailed design phase?

Finalisation of the process agreement and programme plan for the Regional Spatial Plan will be required once enactment of the planning legislation has occurred. Detailed work will be required on the interface between the Spatial Planning Committee and the secretariat with any potential regional delivery for spatial planning, as well as consideration for implementation approach and timeframes to minimise disruption.

The detailed design phase will also need to carefully map the transition of the broader implications from the new planning legislation. This will be both in relation to the organisational transition (establishment of the new sub-regional unitary authority and the secretariat for the Spatial Planning Committee), and also in terms of consolidation of existing regional plans and policy statements with existing district plans into the new combined regional plan, as well as changes to consenting, compliance and monitoring functions. It's also noted that there is still uncertainty as to whether there will be a national delivery model for some compliance and monitoring functions.

We will also need to consider any interim changes that might be useful in the period prior to 2028 from a local governance perspective.

5. Assessment criteria – Simplifies local governance

How does the proposal demonstrate simpler governance arrangements compared to the status quo

Current governance arrangements have been in place for more than 35 years and are now overly complex for how our communities operate within the sub-region. Many people now regularly cross the TCC and WBOPDC boundaries to move between where they live, work, go to school and participate in recreation & leisure activities. The regional council layer, while understandable to those within local government, also tends to add confusion for our communities when they want or need to engage with their council.

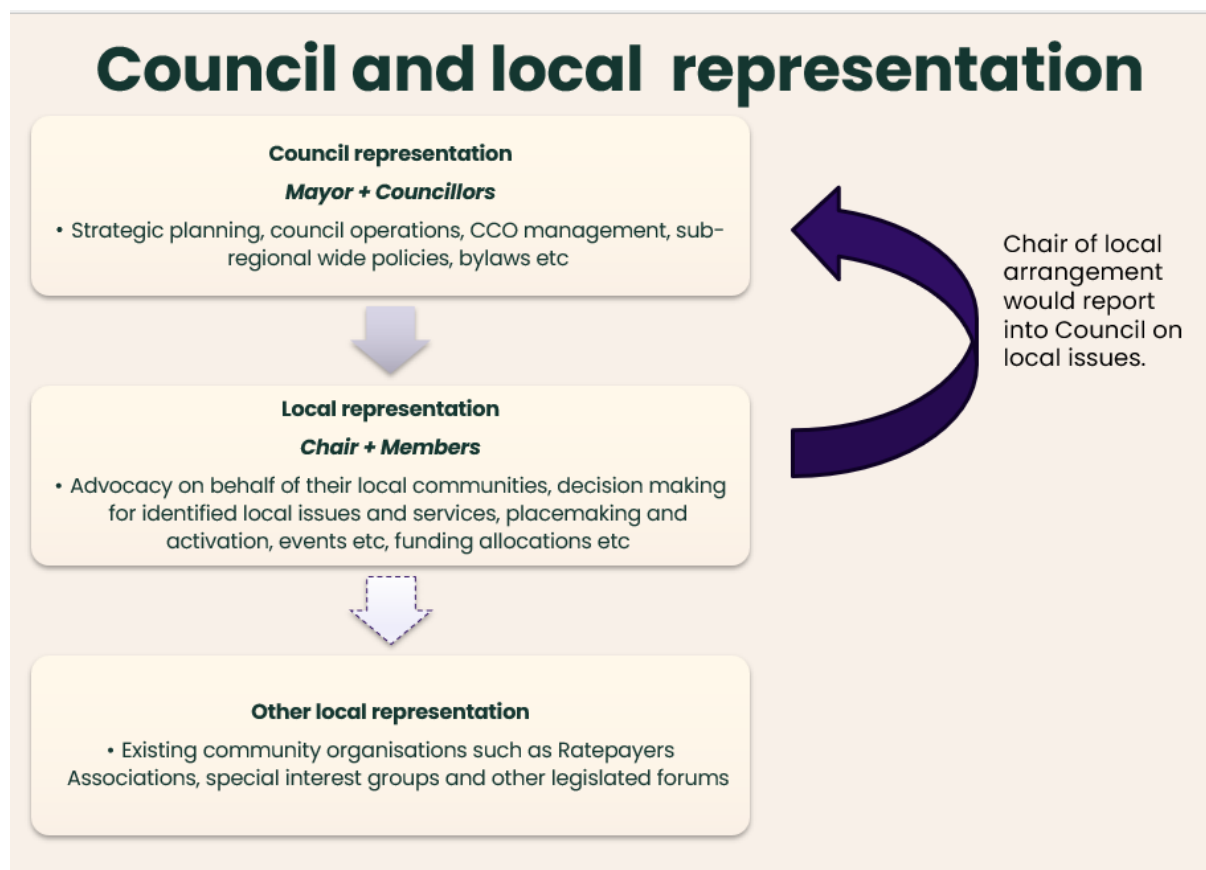
Both Councils recently sought feedback from our communities on what matters most to them when considering changes to current council structures. Not taking on another council's debt and ensuring local voice and representation were most important for WBOPDC communities, and more efficient and effective services were most important for TCC communities. While much more community engagement and consultation will be undertaken during detailed design phase, this feedback has helped shape our outline proposal.

Both councils have informally agreed to a set of principles relating to representation for further exploration during the detailed design phase. These are set out below:

- **Democratic legitimacy** - Representation should reflect democratic principles while recognising the diversity of communities within the sub-regional unitary authority.
- **Effective local representation** - Communities should have meaningful access to elected representatives who understand and advocate for local issues.
- **Protection of community interests** - The governance model should ensure that no community's long-term interests can be unreasonably overridden solely because of population differences.
- **Local decision-making and subsidiarity** - Decisions should be made as close as practicable to the communities they affect, with only genuinely regional matters determined at the governing body level.
- **Fair and equitable influence** - Representation should provide all communities with a meaningful opportunity to influence decisions that materially affect them.
- **Recognition of communities of interest** - Representation arrangements should recognise distinct communities of interest, including rural, urban, coastal, growth, and Māori communities.

- **Transparency and accountability** - Communities should clearly understand who represents them, who makes decisions and who is accountable for those decisions.
- **Future resilience** - Representation arrangements should remain effective as populations change over time and should be capable of accommodating future growth without disadvantaging existing communities.

These representation principles will be applied to further develop the proposed two-tier-representation model outlined in the diagram below.



At this stage a governing council is envisaged, probably with some sort of statutory local representation bodies (provisionally titled ‘local representation’).

Further work will be undertaken on the council voting approach during the detailed design stage, to arrive at the best balance between structural simplicity and application of our representation principles.

The proposed sub-regional unitary council will better meet the needs of our current and future communities by simplifying the governance arrangements while enabling more effective local representation and decision-making at the lowest practical level.

The new sub-regional unitary authority will also enable consolidation or cessation of joint governance entities currently in place for joint initiatives, such as:

- Western Bay of Plenty Regional Deal – includes central government, councils, private sector and Iwi. The deal oversight board would be simplified with one council representative rather than the current three, as would the governance/decision layer with a single mayor rather than the current two mayors and regional council chair.
- SmartGrowth Partnership – growth management for the sub-region, partnership of councils, tangata whenua and central government. A range of governance and management level structures are in place for SmartGrowth.
- Transportation network – the subregion has a Transport System Plan (TSP) for the sub-region, as well as an Urban Form and Transport Initiative (UFTI) to manage subregional growth and transport.
- Council Committees, e.g. Water Organisation Joint Committee (sub-regional), Western Bay of Plenty Transport Committee (sub-regional)
- Post-Settlement Governance Entity e.g. Te Maru o Kaituna
- Advisory groups, e.g. Tauranga Moana Advisory Group, Waiāri Kaitiaki Advisory Group
- Iwi/hapū relationship arrangements (refer to the local voice section for more detail)
- Regional bodies e.g. Regional Transport Committee, BOP Civil Defence and Emergency Management Group, BOP Mayoral Forum
- CDEM would also be simplified with fewer local authorities feeding into it. This would lead to more focussed decision-making and risk assessments to ensure response approaches are targeted more efficiently.
- Removes duplication of CCO planning and monitoring approvals (such as for joint CCO of Tourism BOP).

Is there a clear distinction of roles and responsibilities allocated or delegated to local representative bodies, including local boards and community boards?

We have applied a principles-based approach to determining where roles and responsibilities best sit within the proposed new arrangements, based on these draft functions principles:

- **Deliver functions at the most appropriate manner and scale** – functions should be delivered at the local, sub-regional, regional, or national level that provides the greatest overall benefit, not be constrained by existing organisational boundaries.
- **Provide sound environmental stewardship** – ensuring the health of the natural environment is protected and enhanced, providing a balancing ‘voice for the natural environment’ alongside growth and development considerations.

- **Make decisions at the most optimal and practical level** – where local circumstances, community preferences, or place-based outcomes are important, decision-making should remain close to the community.
- **Maximise value for ratepayers and communities** – delivery arrangements should seek to maximise long-term value for ratepayers through an appropriate balance of cost, service quality, capability, and risk.
- **Strengthen capability, resilience, and future readiness** – the delivery of functions should be capable of responding to future growth, environmental challenges, workforce pressures, legislative change, and system reform.
- **Retain local voice, identity and representation** – changes to service delivery should support effective local representation and ensure communities retain influence over matters that are important to them.

Are there innovative approaches to new forms of local representative bodies (i.e. not constrained by current Local Government Act 2002 options)?

While our thinking needs to be tested by way of community consultation and refined during the detailed design stage, our current thinking is that:

- Bespoke legislation could be required to fully enable the local representation bodies envisaged for the proposed sub-regional unitary authority.
- The local representative body will be drawn around communities of interest, each with a Chair and members elected at triennial elections. Local representative bodies could have specific funding allocations and potentially also some council staff support.
- Responsibilities of the local representative bodies will be determined through the detailed design phase (including community engagement) and may include:
 - Advocacy on behalf of their local communities (to the governing council and others) about the needs of their communities
 - Decision-making for identified local issues and services, e.g. anything that only affects their local area such as road names, use of council land
 - Decision-making on levels of service and ability to have targeted rates for local services over and above the sub-regional council standard set by the governing council
 - Local placemaking and activation, events etc
 - Input into relevant sub-regional matters such as planning processes.

A significant advantage of empowered local representative bodies is that the unitary council governance body will be freed up to focus on council-wide matters and strategic decision-making, including contributing to joint-council regional decision-making and relevant national considerations that affect local government.

Is the proposed governance structure easy to understand for communities? Is it clear to communities who is accountable for what?

With clear communication of where roles and responsibilities lie for all council functions and only one council for the area, the proposed sub-regional unitary authority structure will be significantly easier for our communities to understand than the current structures with overlapping roles and responsibilities.

We will test our thinking with our communities through the detailed design phase to ensure the final proposed model is understandable and that we know how best to communicate it – to our communities and stakeholders, and also to our own staff.

Does the proposed governance structure support decision-makers to consider competing objectives and trade-offs and make effective decisions?

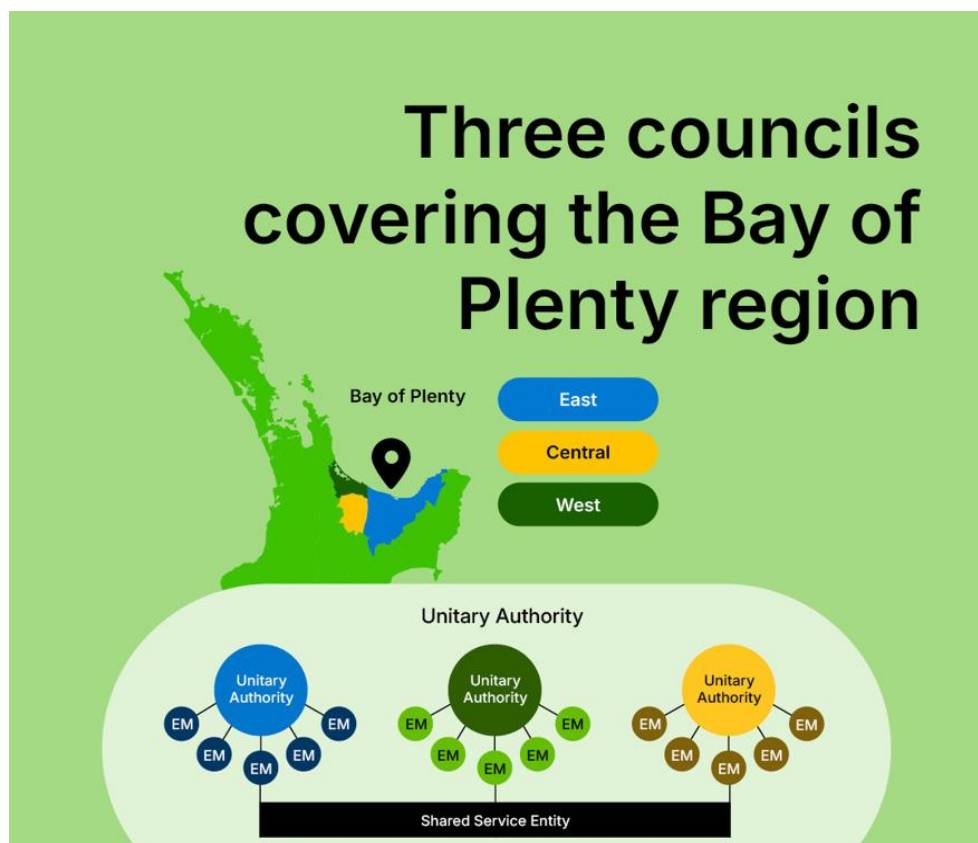
The two-tier representation model enables trade-offs to be considered at both a strategic and local level. The governing body would be balancing competing objectives at more strategic level across the sub-region, whilst some form of local representation arrangement will enable local issues to be considered and factored into decision-making. For example, local preferences for enhanced levels of service may be considered in line with local community views and preparedness to pay.

The proposed ward structure enables governing body members (Councillors) to maintain a stronger connection with priorities in their area and ensures representation of the geographic spread of the sub-region, whilst balancing their obligation to act for the sub-region as a whole.

For subregional proposals, how will the proposed governance arrangements for the delivery of key regional services be designed to minimise complexity and duplication?

The Mayors of the Bay of Plenty region have agreed to three sub-regional unitary councils with shared delivery of functions at a regional level, as determined by the draft principles outlined in the ‘local roles and responsibilities’ section above.

The governance arrangements will be determined during the detailed design phase, building on current thinking of a regional service delivery. An example of the current thinking is outlined in the diagram below:



What are the trade-offs and risks?

Loss of local voice remains a significant risk as a result of increased scale, particularly for some of the smaller communities further away from Tauranga City. Specifically, ensuring local voice for communities such as Waihi Beach, Katikati, Ōmokoroa, Te Puke and Maketū is a priority. The focus on local voice and local representation should not be lost through the detailed design stage and subject to community consultation.

Another significant risk is the potential loss of the mechanisms for providing for Māori to contribute to Council decision-making that were developed by and for Māori. Refer to the 'maintain local voice' section of this document for an outline of these. This risk must remain a focus through the detailed design stage and beyond. It is noted under current representation arrangements that both TCC and WBOPDC have Māori wards in effect, alongside the three Māori constituencies legislated for BOPRC (operational since 2004, with boundaries generally aligning with the three sub-regions contemplated by the Head Start proposals).

What still needs to be worked through?

The detailed design phase poses an important opportunity to work through key details relating to simplifying local governance for the new sub-regional unitary authority. This includes but is not limited to the following matters:

- Māori representation will be considered through the detailed design phase. If the Joint Committee decides to propose Māori wards within the wider representation proposal, then a binding poll will be undertaken over the new unitary authority's area.
- Representation arrangements based around SmartGrowth growth corridors, relating to precise ward boundaries and the specific number of councillors based on these.
- Local representation arrangements based on the above and specific number of members.

6. Assessment criteria – Economies of scale

How will functions be effectively delivered?

A new sub-regional unitary authority will bring the services of two Territorial Authorities (TCC and WBOPDC), and the functions of the BOPRC together. Many people believe that the current model of local government could be delivered more efficiently if we are prepared to change. We cannot keep doing the same thing, and expect a different outcome. We need to deliver the services we do for our community faster, cheaper and better. As such, a conscious decision by both territorial authorities has been made to ensure that this process take the opportunity to design how services and functions are delivered to ensure the best value for money, customer outcome and efficiency, rather than simply “lifting and shifting” existing arrangements into the new sub-regional unitary authority. This is seen as an opportunity to design something new, that removes existing regulatory and process impediments to growth. Further, a new organisation can create a “can do” attitude in order to get the best outcome for our people, and improve the reputation of local government in the Western Bay sub-region.

This is an opportunity for us to remove duplication (the same functions being delivered to the same ratepayers, slightly differently each time), utilise increase scale to gain efficiencies, and respond to customer expectations, as well as delivering services where it best makes sense to do so, as opposed to being constrained by geographic boundaries. Importantly, having a single unitary authority for the sub-region will remove many cross-boundary issues that currently exist between the two territorial authorities. This will lead to more integrated growth planning and infrastructure delivery, making it more efficient for both councils, but importantly faster and cheaper for the development community.

How does your proposal support the effective delivery of regional and territorial transport functions?

A majority of transport functions are currently managed independently by both territorial authorities (capital delivery, operations and maintenance of the roading network), coordinated via a Regional Transport Committee, administered by the BOPRC. Public transport is managed by the BOPRC, in consultation with the territorial authorities.

This proposal would see the majority of transportation functions for the sub-region being managed by the new sub-regional unitary authority, effectively simplifying the system. In practice, planning, capital projects and public transport will all be governed and managed by a single entity, resulting in increased alignment and simplification, and the ability to coordinate with NZTA in a more coordinated way. This will lead to efficiencies in delivery of these services for both the Council, and NZTA.

The exception to the above will be the very few public transport services which operate between the sub-regions of the current regional boundaries. It is proposed that these functions will be governed at a regional scale through a joint committee or similar, funded by the new unitary authorities based on benefit. This regional entity may also provide some benefits of scale in the areas of procurement, to be further explored over time.

How will functions that require regional integration be delivered in a more effective way? Specifically, consider how catchment management and transport responsibilities would be managed effectively. How will increased economies of scale add benefits?

Being a distinct community of interest and economic group, it is considered that most services of a regional scale will be able to be delivered at the sub-regional basis for the same, or lower cost of effectiveness as current (for example, harbourmaster activities and most transport activities).

However, there will be some functions that make sense to manage at a larger scale because they cross sub-regional boundaries (for example, catchment management of the Kaituna River, which spans into the Eastern Bay of Plenty and Rotorua areas, or inter-regional public transport). It is proposed that these services would be managed through the creation of a region-wide governance and delivery vehicle across the existing Bay of Plenty region, to ensure coordinated management and funding.

Similarly, there are some administrative functions where a regional scale may bring benefits. There is currently a CCO (Bay of Plenty Local Authority Shared Services Limited) in existence, which is jointly owned by all councils in the Bay of Plenty region. This vehicle has primarily been used for procurement and insurance, but could easily be “scaled up” to progressively include more services such as IT systems, rating and finance, or alternatively these services could be delivered by the above mentioned new regional service delivery vehicle. Likewise, some services may benefit from a wider delivery vehicle with adjacent unitary authorities, and this will be encouraged and investigated as the proposals progress. There may also be functions that are most effectively delivered on an interregional basis.

The councils have informally agreed a set of draft principles to be considered when determining what level services should be delivered at for the new entity (local, sub-regional, regional, multi-regional or national). These draft functions principles are:

- **Deliver functions at the most appropriate manner and scale** – functions should be delivered at the local, sub-regional, regional, or national level that provides the greatest overall benefit, not be constrained by existing organisational boundaries.

- **Provide sound environmental stewardship** – ensuring the health of the natural environment is protected and enhanced, providing a balancing ‘voice for the natural environment’ alongside growth and development considerations.
- **Make decisions at the most optimal and practical level** – where local circumstances, community preferences, or place-based outcomes are important, decision-making should remain close to the community.
- **Maximise value for ratepayers and communities** – delivery arrangements should seek to maximise long-term value for ratepayers through an appropriate balance of cost, service quality, capability, and risk.
- **Strengthen capability, resilience, and future readiness** – the delivery of functions should be capable of responding to future growth, environmental challenges, workforce pressures, legislative change, and system reform.
- **Retain local voice, identity and representation** – changes to service delivery should support effective local representation and ensure communities retain influence over matters that are important to them.

Explain potential impacts on rates and financial sustainability. For example, through changes in population or businesses paying for services, or geographical coverage.

Both councils currently have different rating systems, and different financial positions (debt levels, rate levels etc).

The councils have informally agreed the fundamentals of an approach to harmonising rates as follows:

1. Avoid material ratepayer and customer price shocks.
2. Communities should initially fund the costs and risks they bring.
3. Transparency should be maintained so that communities have visibility of the extent to which they are funding their own infrastructure requirements.
4. Rates harmonisation should be supported by comparable service outcomes with full harmonisation reflecting circumstances when customers receive broadly comparable levels of service.

The councils would also work towards maintaining and enhancing existing assets across the region by:

- Applying agreed asset management principles.
- Being transparent regarding material differences in asset condition so that any potential historic underinvestment is not unfairly transferred from one community to another.
- Prioritising future investment based on risk, service outcomes and long-term value.

It is proposed to develop a new Revenue and Financing Policy having regard to:

- a. Who benefits from the expenditure.
- b. Who creates the need for the expenditure.
- c. Fairness and equity
- d. Affordability.
- e. Efficiency.
- f. Transparency.
- g. Intergenerational equity.
- h. Growth pays for growth.
- i. Evidence based.

It is acknowledged that there will need to be “ring fencing” of existing debt, to be serviced by a targeted rate for the geographic area that generated that debt. New debt taken by the new sub-regional unitary authority would be equalised across the new boundary, having regard to the agreed principles above for the new Revenue and Financing Policy.

Work will need to be undertaken during the design phase to identify those facilities that serve a sub-regional purpose, and for the debt for those facilities to be fairly apportioned to those who benefit from those facilities. We commit to working through these on a case by case basis, utilising the agreed set of principles to ensure fairness is achieved.

Future debt arrangements will be designed to protect equity between existing communities while allowing the new authority to borrow collectively for future sub-regional investment.

It is thought that the regional council functions can be delivered, at worst, on a cost neutral basis to status quo. The funding approach for each function will be a key consideration as part of the regional functions analysis, which will look at the most appropriate geographic area to deliver each function and the appropriate method for dealing with regional functions. By creating a council with a larger ratepayer base, there will be an increased ability for affordability of the services that the community wants. Efficient service delivery will be a primary focus for the new sub-regional entity.

There are currently different levels of service, and different cost recovery structures between both councils. In designing a new combined service, a single consistent fee will be charged across the sub-region for the service provided. It will also provide an opportunity for potential consolidation of targeted rates into a more simplified rating system. WBOPDC in particular has more than 130 targeted rates within its current rating system.

Highlight potential for improved service delivery, economic development opportunities, opportunities for innovation, etc.

The Western Bay of Plenty sub-region is a discrete economic compartment, dominated by horticulture, the Port of Tauranga and supported by the metro area of Tauranga City.

Consultation with the economic development agency for the sub-region – Priority One, as well as the Tauranga Chamber of Commerce and the Urban Taskforce shows that they (and the businesses that they work with) have a strong preference for a sub-regional unitary authority. They see benefits of having fewer authorities to work with, opportunities for more efficient delivery of services (particularly regulatory services), and more coordination of investment across the sub-region.

Creating a single unitary authority for the sub-region will better enable the coordination of services across the sub-region. Examples are delivery of growth planning (removal of cross boundary issues), and emergency management (less duplication of function and effort). Scale will allow the delivery of some services more efficiently across the sub-region, where better expertise, equipment or processes could be acquired to assist in more efficient and effective delivery (such as, sub-regional infrastructure network planning, delivery including parks and reserves, waste and community facilities, regulatory services and unified brand/identity initiatives for the subregion).

There is the potential that the increased scale that would come from the larger population would allow for more affordable provision of infrastructure and services for smaller communities.

What are the expected financial impacts of reorganisation? Set out at a high level whether the reorganisation will promote:

- ***improvements in asset management/stewardship***

The sub-region provides sufficient scale to enable continued investment in expertise, systems and renewals in order to maintain or increase good asset management.

Asset management will be joined up across the sub-region, which will be more efficient and effective from an investment point of view as well as from an operational cost perspective. This will create better value for the ratepayer.

The sub-region area aligns with the new joint Water Service Delivery CCO and so enables simplification of shareholder arrangements.

- ***infrastructure investment***

The sub-region provides adequate scale to be able to support infrastructure investment across the sub-region. The increased scale will enable faster investment in infrastructure needed for communities, or to enable growth and give effect to the Western Bay of Plenty Regional Deal.

- ***enhanced effectiveness, efficiency, and financial sustainability of services***

By creating a new unitary authority with the scale of the Western Bay sub-region, there is a real opportunity to design and deliver the service that the communities want in a more efficient and effective manner. A deliberate decision has been made that in the design of the new entity, the most efficient and effective method of delivering those services will become the new operating model. This may be adoption of one of the legacy councils' systems or processes, a combination of multiple, or the creation of something new. These decisions will be taken through the transition arrangements.

- ***assurance that the entities proposed will have the resources necessary to enable them to effectively perform or exercise their responsibilities, duties, and powers***

The new sub-regional unitary authority will have a combined population of approximately 221,000 people (30 June 2025), making it one of the larger councils in New Zealand. All three legacy councils, i.e. including BOPRC, are in a positive position in terms of financial sustainability, and enjoy being able to attract high-quality staff to undertake their roles.

• ***plans for managing debt for the unitary***

It is acknowledged that there will need to be some “ring fencing” of existing debt, to be serviced by a targeted rate for the geographic area that generated that debt. New debt taken by the new sub-regional unitary authority would be equalised across the new boundary, having regard to the agreed principles above for the new Revenue and Financing Policy.

Work will need to be undertaken during the design phase to identify those facilities that serve a sub-regional purpose, and for the debt for those facilities to be fairly apportioned to those who benefit from those facilities. Both councils commit to working through these on a case by case basis, utilising the agreed set of principles to ensure fairness is achieved.

Future debt arrangements will be designed to protect equity between existing communities while allowing the new authority to borrow collectively for future sub-regional investment.

• ***plans for any council-controlled organisations***

There are a number of existing council-controlled organisations across the sub-region. As part of the transition to the new unitary authority, these will all be reviewed to consolidate shareholdings or consider whether they are still required. Current CCOs include:

- WBOPDC and TCC have agreed to establish a water services CCO for the delivery of drinking water, wastewater and stormwater. Work is currently underway to establish this CCO, with its full operational date being 1 July 2027. Given the ownership of this CCO would be the same as the unitary authority boundaries, this would simply result in the new unitary being the single shareholder, which would in turn reduce reporting and compliance costs for that organisation.
- Bay Venues Limited (BVL) is a CCO wholly owned by TCC. BVL currently operates the city’s aquatic facilities, stadium and community halls, as well as undertaking associated event and hospitality activities. BVL operates aquatic centres in Te Puke and Katikati for WBOPDC.
- The Tauranga Art Gallery Trust is a CCO wholly owned by TCC.
- Tourism Bay of Plenty – this is a CCO jointly owned (and funded) by WBOPDC and TCC and operates as a regional tourism organisation, managing sustainable growth of the visitor economy and promoting the region to increase visitation. It is likely that this CCO would continue in its current form, with the ownership changing to the new sub-regional unitary authority (which will reduce reporting and compliance costs for that organisation).
- Bay of Plenty Shared Services Limited (BOPLASS). This is a CCO jointly owned by all six Bay of Plenty councils as well as Taupo and Gisborne District. The purpose of

this CCO is to promote shared services, particularly around procurement and insurance. The new unitary authority would simply replace the ownership shares of TCC, WBOPDC, and BOPRC. Over time, the functions of BOPLASS could be extended to include more support services that can be provided at a regional (plus) scale.

- WBOPDC and TCC are both significant shareholders in the Local Government Funding Authority. It is seen that this situation would continue, with the consolidation of ownership.
- WBOPDC is a shareholder in Co-Lab, a Shared Service CCO based in the Waikato. Future decisions could be made about this shareholding.

In addition, both WBOPDC and TCC currently part fund the sub-regional economic development agency – Priority One. This would continue in the current state (funded by the sub-regional unitary authority) until and unless alternative decisions are made at some point in the future.

BOPRC is the sole shareholder of Quayside Holdings Limited, an investment company that manages a regional commercial fund on behalf of the people of the Bay of Plenty region. As noted below, it is believed that this fund should be protected in perpetuity, potentially via the Head Start legislation, with decisions to be made as to how the proceeds of the investments are shared across the region and democratic decisions as to how such income is spent.

• ***projected costs of implementing the proposed reorganisation; and***

There will be implementation costs, however the quantum of these is largely unknown at the current time. Experience from the waters transition and from the Auckland supercity merger is that these costs are likely significant and best funded by short term loans to be paid back by the new entity. Of course, the opportunity to financially partner with Government will also be useful to be able to create foundational documents and processes that can inform future Back Stop processes elsewhere in New Zealand.

- ***improved appetite for risk and innovation.***

It is expected that the sub-regional new unitary authority would follow best practice risk management (including governance arrangements via an active Risk and Assurance Committee). However, increased scale may increase the appetite for managed risk.

Innovation will be encouraged through the design of the new entity across the full spectrum of local government. This includes, but is not limited to, measurable community outcomes related to procurement and social value, environmental outcomes related to biodiversity and climate, and more innovative ways to engage with communities.

Where will efficiencies come from?

Efficiencies will come as a result of economies of scale, and the reduction of duplication across the existing organisations. There will be some consolidation of staff numbers across the two territorial authorities and regional council. This will be based on the review of functions through the detailed design phase and refined as the new entity defines levels of service.

Having a single, coherent governance structure for the sub-region will result in a reduction of duplication of decision making, and more coordination of services across the sub-region. Local decisions will be made close to the communities that they serve, and replacing the city council, district council and regional council governance functions with a single governance body will create efficiencies in decision-making.

Governance of key bodies such as the new Water Organisation and Tourism Bay of Plenty will be streamlined, due to having a single shareholder of the major CCO's (reducing reporting requirements).

Creating a single unitary authority over the high growth area of the sub-region will eliminate a number of cross boundary issues that currently add cost, complexity and time to development that occurs on the margins of the Tauranga metro area. Having a single unitary authority will resolve uncertainty around provision of infrastructure and services, provide a consistent level of service and rating across key development areas, and avoid costly boundary adjustment processes as the sub-region grows over time. This will help give effect to the recently signed Western Bay of Plenty Regional Deal.

Some regulatory functions will be undertaken at the local level (for example, building inspections), however many will be raised to the sub-regional level (e.g. liquor and health licencing and dog control), and some to the regional (or even national) level (such as the management of the dog registration system, or compliance and enforcement functions as signalled through resource management reform). These decisions will be made through the detailed design phase, with the principle of the

service being delivered at the most cost-effective level, while still providing the service and familiarity needed in distinct locations across the sub-region.

One leadership structure and management organisation will be created for the new entity, taking the opportunity to take the best from the legacy organisations, and to create new to ensure value for money, customer service and an enabling culture is developed. This will result in fewer leaders and managers across the sub-region, as well as the ability to consolidate the existing three offices, plant and equipment.

Having a larger entity will enable procurement to occur at a larger and more strategic scale, which will likely result in savings and the ability to deliver projects and services cheaper than currently. This scale will enable the consideration of the best method of delivering services – for example – TCC currently provides city operations (parks and reserve maintenance etc) via an in-house business unit, whilst the WBOPDC predominantly contracts these services to third party providers. In forming this new entity, assessments will be undertaken to determine how to best deliver these services to our communities (considering cost, service levels etc) leveraging on the greater scale of the new sub-regional unitary authority, and a transition to occur combining these services.

It is proposed that some science and data functions will be best served at a regional scale (to achieve efficiencies). There may also be opportunities for broader collaboration and potential shared services beyond the existing region.

What are the trade-offs and risks?

Local voice remains the most significant risk from increased scale, particularly for some of the smaller communities further away from Tauranga City. Specifically, ensuring local voice for communities such as Waihi Beach, Katikati, Ōmokoroa, Te Puke and Maketū is a priority.

The mitigation of this risk is the creation of fit for purpose local representative body ensuring that those communities are represented. While this is subject to community consultation, following the concept of subsidiarity, our intention is that these Local representative body could be delegated all decision making that relates specifically to their geographic area – for example, decisions around use of reserve land, street naming or other local decisions.

In any change process, there is a risk that the cost of the transition (both in financial terms and productivity/service levels through the change process) outweighs the benefits. This will be mitigated through strong governance of the transition process, and the creation of a dedicated transition team to lead the change process.

What still needs to be worked through?

As outlined above, specific work around the ringfencing of debt, existing levels of service and capital programmes (giving effect to the agreed principles) will need more work as part of the detailed design.

An assessment of what services are best delivered within the new sub-regional unitary authority, and what is delivered via an appropriate method for delivering regional functions will need to be worked through. For example, Bay Venues Limited currently manages aquatic facilities across much of the sub-region, and decisions will need to be made as to whether this continues, what their functions are, and how it is funded, or if those services are better provided directly by the new sub-regional unitary authority.

Funding of the Regional Council functions will need further assessment. It is acknowledged that some of these functions would be best delivered across the existing Bay of Plenty region, and how these are funded across the wider region will need to be considered.

Importantly, the future of the regional investment fund currently managed by Quayside Holdings on behalf of the BOPRC will need to be worked through. This asset exists for the benefit of the entire Bay of Plenty region, and while there is strong agreement that the fund needs to be protected in perpetuity, how this is achieved, and how the earnings are distributed (and for what purpose) needs to be agreed. It would be useful for legislative protection of this fund to form part of the bespoke legislation (similar to the Auckland Futures Fund, or New Plymouth Perpetual Investment Fund), to protect it for the future.

7. Assessment criteria – Maintains local voice

How will people elect representatives?

Electoral system

Both territorial authorities currently have different electoral systems. TCC uses the Single Transferable Vote (STV) system and WBOPDC uses the First Past the Post (FPP) system. Under the Local Electoral Act 2001, Council/s can resolve to change the electoral system to be used two years before a triennial election. Work to align these systems and the timings for this will need to be worked through prior to the 2028 election, noting that under current legislation any proposal to change from the current electoral system must be made by mid-September 2026.

Representation principles

Both councils have informally agreed to a set of principles relating to representation for further exploration during the detailed design phase. These are set out below:

- **Democratic legitimacy** - Representation should reflect democratic principles while recognising the diversity of communities within the sub-regional unitary authority.
- **Effective local representation** - Communities should have meaningful access to elected representatives who understand and advocate for local issues.
- **Protection of community interests** - The governance model should ensure that no community's long-term interests can be unreasonably overridden solely because of population differences.
- **Local decision-making and subsidiarity** - Decisions should be made as close as practicable to the communities they affect, with only genuinely regional matters determined at the governing body level.
- **Fair and equitable influence** - Representation should provide all communities with a meaningful opportunity to influence decisions that materially affect them.
- **Recognition of communities of interest** - Representation arrangements should recognise distinct communities of interest, including rural, urban, coastal, growth, and Māori communities.
- **Transparency and accountability** - Communities should clearly understand who represents them, who makes decisions and who is accountable for those decisions.
- **Future resilience** - Representation arrangements should remain effective as populations change over time and should be capable of accommodating future growth without disadvantaging existing communities.
- **Efficient decision-making** - Governance arrangements should enable timely and effective decision-making while ensuring that significant strategic decisions receive appropriate scrutiny.

Representation arrangements

To give effect to the above principles, it is proposed that the new sub-regional unitary authority will be made up of a two-tier representation model. The wider decisions around representation at both the governing body and local representation level will be determined through the detailed design phase and subject to community engagement. These decisions will require a majority support from both Councils.

The first tier of the governance model will be the Council, which could potentially include a mix of members elected at large and by wards, although current thinking is leaning towards ward-based electorates.

Council - Number of Elected Members

To enable effective representation, the specific number of members will be subject to the detailed design stage with specific GIS mapping of proposed ward areas, subdivisions and population estimates informing this process on balance with identification of known communities of interest.

Council – General Wards

At a high level, the wards will be based on the growth corridors of the sub-region including Northern (potentially Waihi Beach, Katikati, Aongatete, Ōmokoroa, Matakana Island, Whakamarama, Te Puna and Minden), Central (potentially including suburbs of Mount Maunganui, Arataki, city centre through to Greerton, Otūmoetai, Judea, Matua and Bethlehem), Western (potentially Tauriko, Omanawa, Lower Kaimai, Oropi, Ohauiti and Pyes Pa) and Eastern (potentially Welcome Bay, Pāpāmoa, Te Puke, Maketū, Pukehina, Paengaroa, Pongakawa and Otamarakau). There is opportunity through the detailed design phase for this to be shaped in more detail.

The growth corridor model provides the foundation for representation arrangements and has been chosen due to its nexus with sub-regional growth planning set out in the Smart Growth Strategy. This approach will provide the flexibility to accommodate growth over time across the sub-region while maintaining alignment with state highway network. It will work to remove boundaries between councils while retaining a level of familiarity and alignment already established through the Smart Growth partnership.



Council - Māori Wards

Both territorial authorities currently have Māori wards in place. WBOPDC held a binding poll with its community, which resulted in the removal of the ward following this triennium. TCC is required to undertake a poll by March 2027, and it is expected that TCC will carry this out in accordance with its legislative requirements. In addition to this, BOPRC has three Māori constituencies (including one specifically for this sub-region) established under bespoke legislation. Māori representation will be considered through the detailed design phase. If the Joint Committee decides to propose Māori wards within the wider representation proposal, then a binding poll will be undertaken over the new unitary authority's area.

Rural interests

There is a need to balance urban and rural interests under the new sub-regional unitary authority. There is intent to do this at both tiers of the proposed governance model. Details around these including specific ward boundaries and any electoral subdivisions will need to be worked through further in consultation with communities of interest. The aim will be to provide representation for both rural and urban communities of interest within each corridor (excluding central). Maintaining a balance of the rural voice in decision-making was a key theme of feedback received through community engagement for WBOPDC.

How will communities be represented?

Local representation

As set out above, the new sub-regional unitary authority is proposed to have a two-tier representation model. It is recognised that local voice is very important and this second tier could consist of something like a community board or a local board subject to community consultation.

Local representation is a key component of the representation arrangements for the new sub-regional unitary authority. Although subject to further investigation and community engagement during the detailed design stage, our current thinking is that arrangements will include local representation based around the principle of subsidiarity in that the local representative body could be delegated decision making relating to their specific geographic area. The division of a local representation areas into electoral subdivisions may be appropriate given the local board area will be made up of a number of distinct communities of interest, providing effective representation for these communities of interest.

By applying the principles above, the detailed design phase will consider all options in relation to:

- local representation model (community boards or local boards)
- the communities of interest they would represent
- the number of members and the election process for members and chair
- the relationship between the local representation and the governing body
- the specific role and delegations that would apply

This would all be determined jointly between the councils and subject to consultation with our communities.

How will iwi/Māori participate in decision-making?

TCC and WBOPDC both recognise the importance of strong, meaningful and genuine relationships with iwi and Māori. While there are statutory requirements to provide opportunities for Māori to contribute to local government decision-making, the approach of our respective councils has been based on relationships which have been developed over many years, across many kaupapa that we have worked alongside iwi and Māori on. It has allowed councils to understand the aspirations and expectations of iwi and Māori and to establish ways of working together and providing for Māori contributions to our decision making that iwi and Māori have shaped themselves.

This approach has seen benefits both for their communities and the community as a whole, and our intention is to enable a similar relationship-based approach, working together over time to develop the most appropriate mechanisms to provide for Māori to contribute to local government decision-making within the proposed new council structures.

For both councils, existing mechanisms developed in partnership over many years, include:

Tauranga City Council

- Te Rangapū Mana Whenua o Tauranga Moana (a forum for Tangata Whenua to discuss and debate local government concerns and ways to implement initiatives to advance and protect the interests of Tangata Whenua)
- Tangata Whenua Standing Committee (a standing committee of Council with the Mayor and selected councillors together with iwi and hapū)
- Hapū protocols (relationship agreements)

Western Bay of Plenty District Council

- Te Ihu o te Waka o Te Arawa and Te Kāhui Mana Whenua o Tauranga Moana (forums for Tangata Whenua and the Mayor and councillors to discuss and debate local government concerns and ways to implement initiatives to advance and protect the interests of Tangata Whenua).

Sub-regional (both councils)

- Te Maru o Kaituna (Statutory co-governance entity established under the Tapuika Iwi Settlement for the management of the Kaituna River – includes BOPRC and Rotorua Lakes Council).
- Tauranga Moana Advisory Group (Statutory co-governance entity provided for under the Tauranga Moana Iwi Collective Settlement for the management of the Tauranga Harbour – includes BOPRC).
- SmartGrowth Combined Tangata Whenua Forum (similar to the respective forums of the two separate councils from which membership is derived, however it is established to help progress the Tangata Whenua actions in the SmartGrowth Strategy).
- Te Kauae a Roopu (a partnerships group made up of hapū with links to Tauriko West), established in 2017 to incorporate Māori knowledge, perspectives, and values in decision-making processes for Tauriko for Tomorrow.

Consent based groups

- Waiari Kaitiaki Advisory Group (established under the consent to take water for supply from the Waiari river and includes iwi, hapū and Elected Members. It

provides an advisory role to the consent holder and the Regional Council in relation to Part 2 and, in particular, to sections 6(e) and 7(a) of the Resource Management Act, as they relate to this consent. This includes monitoring the water take consent, the health of the river and implementing Mātauranga Māori within the operation of the consent).

- Te Ohu Waiora (established under the consent to discharge wastewater from the Katikati Wastewater Treatment Plant and includes iwi, hapū and Elected Members. Established to monitor the operation of the wastewater treatment plant, the health of the harbour environment around the harbour discharge point, implement Mātauranga Māori within the operation of the consent and to look at alternative discharge options).
- Te Ohu Parawai (established under the consent to discharge wastewater from the Te Puke Wastewater Treatment Plant and includes iwi, hapū and Elected Members. Established to monitor the operation of the wastewater treatment plant, the health of the environment around the river discharge point, implement Mātauranga Māori within the operation of the consent and to look at alternative discharge options).
- TCC's Wastewater Management Review Committee (established under the BOPRC Coastal Permit #62878, to ensure wastewater operations are in accordance with the Wastewater Management Review Committee Management Plan. Comprises TCC elected members and Tangata Whenua representatives).

Engagement guidelines and protocols

- Both councils have protocols that guide the way that council staff engage with iwi and hapū on our capital works projects and policy and plan development. These protocols require early engagement with relevant iwi and hapū to ensure their aspirations and perspectives are captured within our work from the beginning.

Māori wards and constituencies

- Both TCC and WBOPDC have a Māori ward established under the provisions of section 19Z of the Local Electoral Act. BOPRC has three Māori constituencies established under bespoke legislation, the boundaries of which generally align with the three sub-regions proposed under Head Start.

The new sub-regional unitary authority

Our understanding is that Tangata Whenua expect these arrangements to at least continue into the future local government entity in the way they provide for iwi and hapū to contribute to decision-making, and that the potential is there to agree on new approaches that suit the make-up and operation of the new entity.

Arrangements provided through Treaty settlement redress are discussed further in the 'Treaty settlements' section below.

What are the trade-offs and risks?

Loss of local voice remains a significant risk as a result of increased scale, particularly for some of the smaller communities further away from Tauranga City. Specifically, ensuring local voice for communities such as Waihi Beach, Katikati, Ōmokoroa, Te Puke and Maketū is a priority. The focus on local voice and local representation should not be lost through the detailed design stage and subject to community consultation.

Another significant risk is the loss of the mechanisms for providing for Māori to contribute to Council decision-making that were developed by and for Māori. An outline of these is set out in the section above and must remain a focus through the detailed design stage and beyond.

What still needs to be worked through?

TCC has a statutory obligation to hold a poll on Māori wards in 2027. WBOPDC has already held a poll, which determined that no Māori Ward will be provided for the 2028 or 2031 local elections. BOPRC has Māori representation provided for in existing legislation. Māori representation will be considered through the detailed design phase. If the Joint Committee decides to propose Māori wards within the wider representation proposal, then a binding poll will be undertaken over the new unitary authority's area.

The detailed design phase poses an important opportunity to work through key details relating to representation arrangements and local voice for the new sub-regional unitary authority. This includes but is not limited to the following matters:

- Māori representation arrangements.
- Alignment of Electoral systems (STV vs FPP).

- Representation arrangements based around growth corridors for general ward structure (with more specific boundaries to be determined) and the specific number of councillors based on these.
- Local representation arrangements based on the above and specific number of members.

8. Assessment criteria – Deliverability

This is a significant work programme, but with the long history of cooperation of the affected councils (see the sub-regional cross boundary arrangements and initiatives document as supporting information), it is believed that this governance transformation can be delivered in time for the 2028 local government elections. Organisational amalgamation is envisaged to have a defined timeline with phased transition that would span the new governance arrangements.

How would you implement the proposal?

The transition would be governed by a joint committee or similar structure, to be determined in consultation with Government and other parties as we enter into the next phase of design.

Operationally, a Transitional Team will be established, funded by a loan that will be attributed to the new entity. This Transition Team will report to the Joint Committee, and will be lean so as to be efficient, whilst having the capacity to be able to deliver the transformation and to be able to capture the benefits of being able to design a new organisation (and service delivery) from the ground up. As a learning from our LWDW process, we expect that this will require different skillsets at different points in the transition process – moving from planning and design towards delivery and implementation.

Following agreement of the outline proposal, operational transition arrangements would begin as soon as practicable. This would enable implementation of planning, sequencing, and any necessary workforce, systems, process, and governance changes to commence early, supporting a smooth transition and allowing anticipated efficiencies to be delivered as quickly as possible.

How would changes be timed?

In line with our commitment to achieving the outcomes sought by this outline proposal, appropriate governance and Transition Team will be established as soon as practicable. A detailed work programme will then be developed, with a view of working with Government to design legislation and make key decisions before March 2027, and then for implementation to commence to enable the new governance arrangements to be stood up with day one being the day of the 2028 local government elections.

It is acknowledged that this is a tight timeframe, however given the already close working relationships and various joint initiatives both councils are engaged in, and with appropriate focus and resourcing it is believed to be achievable. Speed is seen as important to reduce the timeframe of uncertainty for communities and staff, and to enable the realisation of the benefits as soon as practicable.

It is understood that some services may take longer to combine, given existing contractual and financial commitments. Each function will have its own timeframe, but we will seek to maintain the principle of transition occurring at the earliest effective time.

What still needs to be worked through?

There are a number of elements that will need to be further developed as we progress through the detailed design phase. However, the principles that the councils have developed for the key elements of the proposal (representation, financial and function provision) provide the framework for this to occur.

Are there interactions with other local government programmes?

One of the most significant benefits of this proposal is the close alignment with existing work programmes.

Both TCC and WBOPDC have committed to a joint water services CCO under the Local Waters Done Well framework, with this work underway currently, and full implementation expected on 1 July 2027.

The Western Bay of Plenty Regional Deal has the same geographic area and partner councils as this proposal, and therefore this will simplify the implementation of that deal.

Importantly, this proposal includes the same local government partners to SmartGrowth, and the future planning system, which will result in a simpler, faster and cheaper planning system for the sub-region.

What do you need from the Government?

Bespoke legislation may be required to give effect to the proposal, including the governance arrangements (both local representation and governing body). The councils are committed to working with Central Government to enable this to occur.

Given the sub-region's importance to the New Zealand economy, and its ability to be used as a “template” for further changes under the Simplifying Local Government process, financial support from Government towards the creation of this entity would be necessary.

Current legislation imposes concurrent statutory requirements for representation review and (for TCC) a Māori ward decision binding poll. Both of these requirements are to take effect from the 2028 local elections, but require specific steps to be taken next year, including a Māori ward binding referendum by 27 March 2027. Māori representation will be considered through the detailed design phase. If the Joint Committee decides to propose Māori wards within the wider representation proposal, then a binding poll will be undertaken over the new unitary authority's area. This would

not have an impact on the date of implementation of the outcome of the poll, which would remain the 2028 local body elections.

There are statutory requirements to review Long Term Plans, bylaws and policies etc in certain timeframes. Through the detailed design phase, we would seek to understand which specific review processes we would seek dispensation from, to avoid expending resources on something that will need to be updated post the establishment of the new entity.

9. Treaty settlements

Explain how existing Treaty settlement arrangements could transfer to new unitary authorities with equivalent effect

Te Maru o Kaituna (Statutory co-governance entity)

- Established under the Tapuika Iwi Settlement for the management of the Kaituna River – includes BOPRC and Rotorua Lakes Council).
- Any transition would need to acknowledge that BOPRC will no longer exist. TCC and WBOPDC are already parties to Te Maru o Kaituna, so any transition could acknowledge those separate interests are now joined, there should be no practical effect on the operation of the entity if all of the existing local government partners carry through without adding others not currently around the table.

Tauranga Moana Advisory Group (Statutory co-governance entity)

- Provided for under the Tauranga Moana Iwi Collective Settlement for the management of the Tauranga Harbour – includes BOPRC.
- As this entity has not been formally established (as the Tauranga Moana Iwi Collective Settlement has not yet been passed into legislation), there is scope to reflect the new local government entity/entities within the final legislation subject to the practical approach that is taken in advance of legislation being enacted.

Statutory acknowledgments

- Both councils have statutory acknowledgments for iwi and hapū over land parcels identified in settlement legislation. Each council has a process for identifying those sites and how they should be dealt with. It should be relatively straight forward to transition these arrangements into the new entity.

OR propose a plan to work with affected Post Settlement Governance Entities (PSGEs) to determine how existing Treaty settlement arrangements can be given equivalent effect in the new unitary authority.

Both councils continue to develop their relationships with PSGEs particularly acknowledging that the new framework around water services, planning and now local government reform, have a particular focus on relationships with settled iwi. In the statement around providing for Māori participation in the section on maintaining local voices, the two councils have established relationships at forums and through consent groups and hapū protocols rather than PSGEs. This is an area that both councils need to strengthen and should be reflected in the arrangements for the new entity.

10. Any other supporting information

- Letter from Mayors of the Bay of Plenty region *[to be added prior to lodgement]*
- Resolutions from 6 August joint Council meeting *[to be added prior to lodgement]*
- Sub-regional cross boundary arrangements and initiatives
- Statistically valid survey report (TCC)
- Engagement outcomes doc (WBOPDC)
- Letter of support from Priority One (sub-regional economic development agency)
- Letter of support from Tauranga's Urban Taskforce (property industry group)
- Letter from Te Maru o Kaituna
- Letter from Ngāti Pūkenga
- Letter from Ngāti Ranginui