

Simon Watts
Minister of Local Government
c/- Ministry for Cities, Environment, Regions & Transport

7 August 2026

Dear Minister

Front Footing the Headstart Conversation

We are committed to working with Government towards effective local government reform, but we will not be submitting a formal Head Start proposal by 9 August 2026.

While we support the intent of the programme, we are not yet ready to commit to a specific model. What we can say is that we have not wasted the time afforded by Government. Over recent months we have actively explored options, tested assumptions and begun discussions about what the future of local government in our region could look like.

Those conversations have confirmed there is genuine commitment from Palmerston North City Council and Horowhenua District Council to work together, alongside a shared recognition that the status quo is unlikely to deliver the outcomes our communities will need over the long term.

Meaningful reform requires more time than has been available through the Head Start process. It requires careful consideration of options, identification of the right partners, structure, and confidence that any future arrangements are built on strong foundations rather than arbitrary deadlines.

We are clear that any future reform must deliver more than structural change. It must improve outcomes for our communities. Any future arrangements should:

- Enable and support the long-term growth aspirations of both Horowhenua and Palmerston North City.
- Improve the resilience, efficiency and sustainability of local government services, including regional functions.
- Enhance affordability for communities while supporting the long-term sustainability of councils.
- Retain strong local voice, local representation and community identity.

Communities should continue to have strong, visible and accessible representation that reflects local aspirations and maintains a genuine connection between elected members and the communities they serve. Decisions should be made at the most local level appropriate to the issue, with any regional governance focused on functions that deliver greater benefit when managed collectively.

We also believe future representation arrangements should recognise genuine communities of interest, including geographic, cultural, rural, coastal, economic and social connections, rather than relying solely on population size or existing administrative boundaries. Reform must strengthen democratic legitimacy, transparency and accountability, ensuring communities remain confident that local voices continue to shape local outcomes.

We are not ready to commit to a model today. However, we are ready to continue the conversation and help lead a reform pathway that delivers better outcomes for our communities, our region and future generations.

We do not intend to wait for a Back Stop process before continuing these conversations. We intend to lead them.

Palmerston North and Horowhenua believe they should form the foundation of any future sub-regional local government model. As willing and proactive partners, both councils are committed to actively exploring future governance arrangements and testing what a sub-regional unitary model could look like.

Early modelling suggests that a lower North Island sub-regional unitary council involving four to five councils may be a viable future model. Palmerston North supports investigating a sub-regional body that reflects a cohesive and coherent catchment of the Manawatū River, with a focus on including Manawatū and Tararua districts. Horowhenua remain open to working with those who are willing. We are both equally interested in exploring how such an arrangement could connect alongside any future Wellington regional governance model, particularly for functions such as transport, growth planning, infrastructure investment and economic development.

Our communities have told us they are open to change if it delivers better outcomes, stronger affordability, improved services and confidence where local voice, local identity and effective representation will be retained.

The Palmerston North and Horowhenua relationship reflects existing realities. We already work together on water services alongside Rangitīkei District Council. Our communities are increasingly connected through employment, education, transport networks, service access, economic activity and growth patterns.

We will continue to engage with businesses, iwi, hapū and our wider communities to test ideas, build evidence and explore future opportunities.

At the same time, we do not believe the Horizons region naturally lends itself to a large single regional unitary model. The region's geography, diversity and multiple centres of influence create significant complexity. Initial investigations indicate that a single Manawatū-Whanganui unitary council is unlikely to meet the objectives of improved representation, local decision-making, affordability and organisational simplicity.

We applaud the Government's willingness to reimagine how central and local government work together as a connected system. We want to be clear that we are not waiting for a Back Stop process. We are ready to continue the conversation, work with interested partners, including other neighbouring councils and provide the leadership our communities and sector expect.

Attached to this letter is a summary of the Palmerston North and Horowhenua options, the modelling considered, and the further opportunities available for exploration.

Ngā mihi nui



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on behalf of
Horowhenua District



MAYOR
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on behalf of
Palmerston North City

Head Start Pathway Options

Palmerston North City Council & Horowhenua District Council

AUGUST 2026



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Executive summary

The Head Start Pathway was announced by the Government on 5 May 2026. It enables two or more councils to submit an outline proposal to the Minister of Local Government by 9 August to form a unitary council. Following initial assessment by Cabinet, a final proposal is then submitted by the councils with Cabinet approval expected in May 2027. The new council would then begin in October 2028. Head Start significantly shortens the existing legislative process for a merger and removes the Local Government Commission review and any need for a poll of electors to approve a merger.

It is part of a broader direction to simplify local government and improve the effectiveness of regional systems over time. At a high level, this includes a shift toward fewer, larger entities with clearer accountability and stronger capability to deliver key regional functions such as planning, transport, and catchment management.

The guidance is explicit that outline proposals should rely on existing information, distinguish between evidence and assumption, and be transparent about uncertainty. The intent is said to be to provide Cabinet with sufficient confidence that the proposal is credible, internally consistent, and that the implications of the proposed option are understood well enough to justify progressing to detailed design.

The deadline to submit proposals by 9 August has left councils with very little time to undertake the sort of analysis that would normally be expected for a decision of this magnitude or engage and consult with their communities in the traditional way.

Community views have been sought from residents of Horowhenua and Palmerston North that should be considered alongside this report and other information.

We understand that following the Government's response to a likely local government reform proposal from the two councils, they will together commence a collaborative work programme to further explore and progress a potential future governance model. The programme will provide a structured approach to assessment, engagement, analysis and planning to support future decision making.

The options

The analysis focuses on five shortlisted options collectively being considered by Palmerston North City Council (Palmerston North) and Horowhenua District Council (Horowhenua).

Option	Councils	Description
Option 1	Horowhenua and Palmerston North unitary council	A lower Manawātū model linking Horowhenua with Palmerston North.
Option 2	Kāpiti, Horowhenua and Palmerston North unitary council	A north–south corridor model linking Palmerston North, Horowhenua and Kāpiti.
Option 3	Palmerston North, Manawātū, Taranaki, Horowhenua and Kāpiti unitary council	A larger lower North Island corridor model that adds a stronger southern growth and Wellington-facing dimension, but also introduces more complexity around regional alignment, representation and implementation.



Option	Councils	Description
Option 4	Palmerston North, Manawatū, Tararua and Horowhenua unitary council	A Palmerston North centred model that reflects the city's labour market, service catchment, transport role and relationship with surrounding rural and corridor communities.
Option 5	Central Districts unitary council	A Horizons-based model centred on Palmerston North and extending north to Rangitikei.

Approach

The analysis focuses on assessment of the options against the Government's five criteria:

- Support for the new planning system
- Simpler local governance
- Economies of scale
- Maintenance of local voice
- Deliverability.

The assessment is undertaken using a structured analytical approach, drawing on available data and evidence at a regional and national level. It uses comparative analysis with other councils and unitary authorities.

The emphasis in this report is not on detailed modelling but on providing clear evidence that shows how the different options perform against the five Head Start criteria, where the benefits arise, and what trade-offs and risks are involved. The report is intended to support consistent understanding of the options, rather than to advocate for any particular outcome.

Assessment

The central trade-off across the options is between regional coherence and local responsiveness. Larger unitary models are likely to provide stronger alignment for planning, environmental management, infrastructure coordination and specialist capability. Subregional options may better reflect local identity, growth patterns and community voice, but are more likely to require ongoing coordination across boundaries. The assessment therefore considers not only whether each option simplifies local government, but whether it creates a governance model that can manage regional systems while still giving Palmerston North and Horowhenua communities a meaningful local voice.

Key trade-offs

The differences in the options are summarised in the following key trade-offs that must be addressed when considering the different options. No option can provide all the benefits and in order to decide, the councils must choose their priorities.

Horizons unitary features		Two or three unitary features
Simplicity and clarity	V	Flexibility and local variation
Single point of accountability		Shared accountability requiring coordination
Regional consistency		Ability to maintain different local governance arrangements
Benefits of scale		Benefits of being local



The options assessment

The Head Start assessment highlights that there is no single option that clearly outperforms all others. Instead, each option reflects a different balance between regional integration, governance simplicity, local representation, planning alignment, and Palmerston North's ability to influence future decisions.

At the highest level, the decision is between prioritising regional coherence and scale or prioritising local influence and responsiveness. Larger unitary models generally provide stronger alignment with the Government's reform direction, the emerging planning system, and catchment management requirements. Smaller subregional models are generally better able to preserve local identity, maintain visibility of Palmerston North's priorities, and align with existing communities of interest.

The options can be summarised by using communities of interest as follows:

- **Option 1 – Horowhenua, Palmerston North:**
Strengthens the Horowhenua and Palmerston North relationship and the lower Manawatū system and avoids the regional boundary issues created by options involving Kāpiti. However, it provides only a partial regional and catchment solution, does not address Horowhenua's southern growth corridor, and to be successful would require deliberate local governance arrangements to ensure Horowhenua's priorities, such as growth, are given adequate priority alongside those of Palmerston North City.
- **Option 2 – Horowhenua, Palmerston North, Kāpiti:**
Provides a strong subregional rationale as it adds a southern growth corridor. It offers a good balance between regional capability and local focus but requires governance arrangements that cross existing regional boundaries.
- **Option 3 – Palmerston North, Manawatū, Tararua, Horowhenua and Kāpiti unitary council:**
Adding Kāpiti has a different strategic logic. It would position the new authority around the north to south growth, transport and commuter corridor between Palmerston North, Horowhenua and Kāpiti. This could strengthen the case for infrastructure, housing, transport and economic development planning across the lower North Island. However, it also creates a more complex boundary question because Kāpiti is currently part of the Wellington regional system.
- **Option 4 – Palmerston North, Manawatū, Tararua and Horowhenua unitary council:** A focused southern and eastern option comprising Palmerston North, Manawatū, Tararua and Horowhenua. This option is anchored by Palmerston North as the dominant employment, education, logistics and service centre, while recognising the functional relationships that extend into Manawatū and Horowhenua and the eastern connection with Tararua.
- **Option 5 – Horowhenua, Palmerston North, Rangitikei:**
Retains alignment within the existing Horizons framework and builds on existing relationships and in particular Central Districts Water but is less aligned with broader functional relationships.



Criteria	1. Palmerston North, and Horowhenua	2. Palmerston North, Horowhenua and Kāpiti	3. Palmerston North, Manawatū, Tararua, Horowhenua, and Kāpiti	4. Palmerston North, Manawatū, Tararua, and Horowhenua	5. Palmerston North, Horowhenua, and Rangitikei
1. Supports the new planning system					
2. Simpler local governance					
3. Economies of scale					
4. Maintains a strong local voice					
5. Deliverability					



Simplifying Local Government

The Head Start pathway was announced by the Government on 5 May 2026. It is part of a broader direction to simplify local government and improve the effectiveness of regional systems over time. At a high level, this includes a shift toward fewer, larger entities with clearer accountability and stronger capability to deliver key regional functions such as planning, transport, and catchment management.

The invitation to submit outline proposals is designed to enable councils to test structural reform options quickly, using a high-level but credible evidence base, rather than developing fully designed solutions. Its purpose is to allow Cabinet to assess whether proposed arrangements are workable in practice, can support the implementation of the new planning regime, align with the direction of reform, and are worth progressing to detailed design.

This means the emphasis is not on detailed modelling but on providing clear evidence that shows how the option performs against the assessment criteria, where the benefits arise, and what trade-offs and risks are involved. The guidance is explicit that outline proposals should rely on existing information, distinguish between evidence and assumption, and be transparent about uncertainty. The intent is to provide Cabinet with sufficient confidence that the proposal is credible, internally consistent, and that the implications of the proposed option are understood well enough to justify progressing to detailed design.

Outline proposals are due
9 August 2026

This requires a disciplined approach to analysis. The task is to demonstrate that a proposal is credible, well thought out and consistent, not to fully design the future state. This includes showing how key regional functions would be delivered, how financial sustainability and efficiency are affected, and how any fragmentation or coordination challenges are addressed.

We also understand that proposals will be assessed by how they meet the criteria as a whole. This places particular importance on clearly articulating where benefits are dependent on assumptions, where risks sit, and how tensions between scale, governance, and local voice are managed.

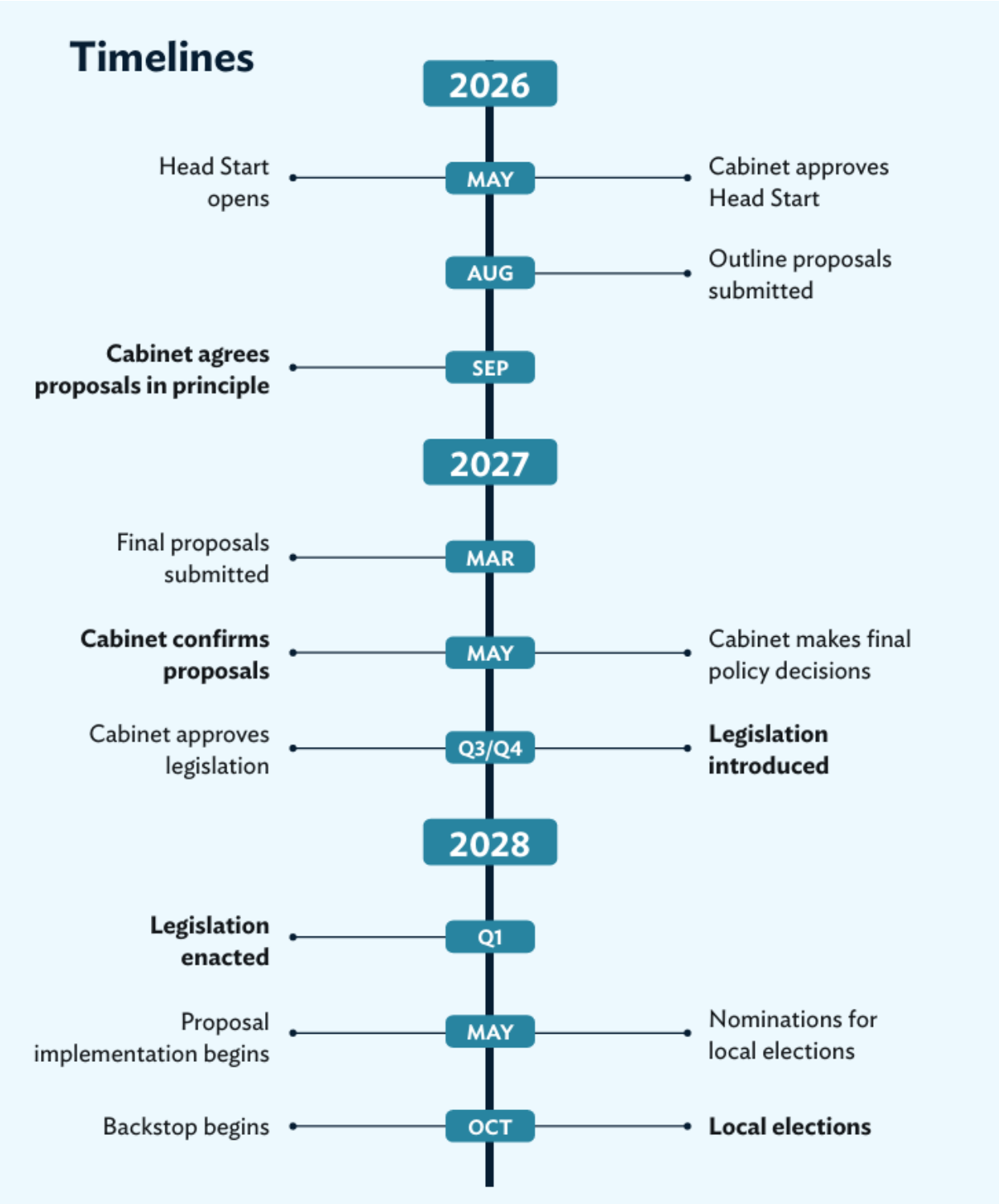


Figure 1 Head Start Pathway timetable

Regional context

Palmerston North City

Palmerston North is the largest city in the wider Manawātū area, with a population of around 92,000+, making it substantially larger and more urbanised than neighbouring centres such as Feilding, Levin, Dannevirke and Ōtaki. Palmerston North is projected to grow by around 0.5 percent per annum to reach a population exceeding 100,000 by 2043.

It functions as the region's main centre for employment, shopping, health services, higher education and government services. Palmerston North Hospital is the major tertiary hospital for much of the lower central North Island and it is home to regional offices of government agencies as well as a host of professional, legal, engineering and consulting services.

Palmerston North has one of the highest concentrations of agricultural, food and bioscience research organisations in New Zealand including: Massey University, AgResearch, the Fonterra Research Centre, Plant and Food Research and veterinary and food technology research facilities.

Palmerston North sits at the intersection of major state highways and rail corridors. Its central location has attracted large distribution centres, freight operators and defence logistics operations. The city is increasingly recognised as a national supply chain hub.

The city has a strong Defence presence and Palmerston North has developed specialist defence-related logistics and supply chain capability as a result.

Future local government administrative arrangements will need to be tested for how they support this urban centric role versus the environmental priorities of its neighbours.

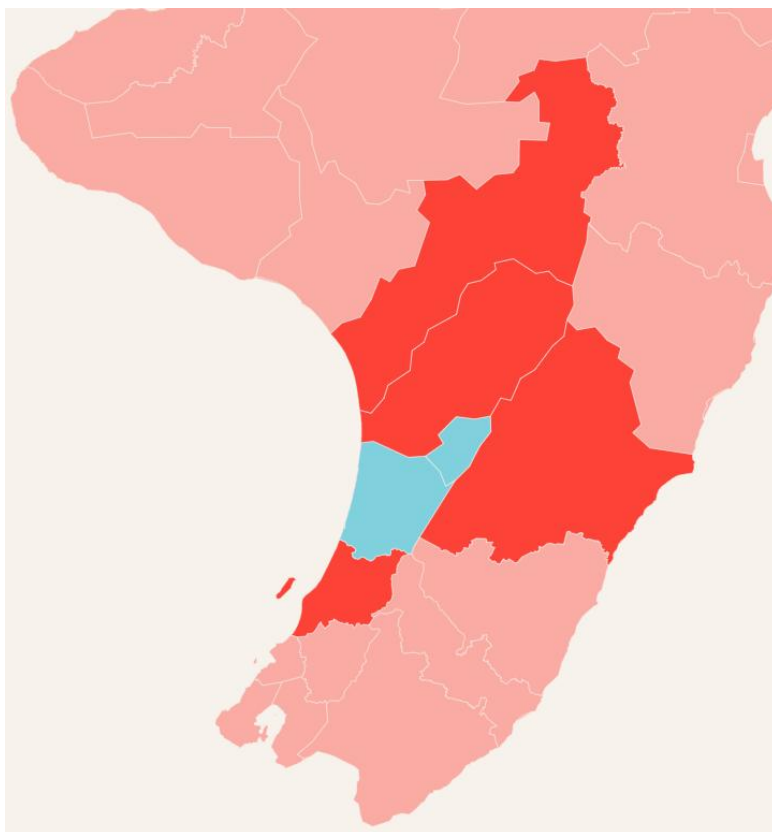


Figure 2 Palmerston North and Horowhenua within region

Horowhenua District

Horowhenua's future will be shaped by rapid growth, stronger southern connections, and increasing pressure on infrastructure, planning and environmental management. Horowhenua is projected to grow from an estimated 38,000 residents to 66,000 by 2054, with the Ōtaki to North of Levin (Ō2NL) highway expected to strengthen links to Wellington and other major centres.

This growth creates opportunities for housing, economic development and improved connectivity, but it also increases demand for coordinated infrastructure investment, resilient services and clear decisions about who pays. Horowhenua's future planning will need to support new housing, including Tara-Ika and other growth areas, while renewing ageing assets and maintaining affordability for the community.



Horowhenua's natural and cultural systems will also need to be central to future governance arrangements. Punahau Lake Horowhenua, the lower Manawatū River, the Manawatū River Estuary, coastal wetlands and groundwater systems connect the district's economy, environment, iwi and hapū relationships, and community wellbeing. Future arrangements should therefore be tested not only against administrative boundaries, but against how well they support integrated catchment management, water quality, flood risk management and local relationships with place.

Palmerston North, Horowhenua and Rangitikei currently combine under one Council Controlled Organisation (CCO) for water service delivery.

Comparative information

The following information provided in this section is for comparative purposes only. To make the analysis more meaningful, the following graphs exclude waters services where possible.

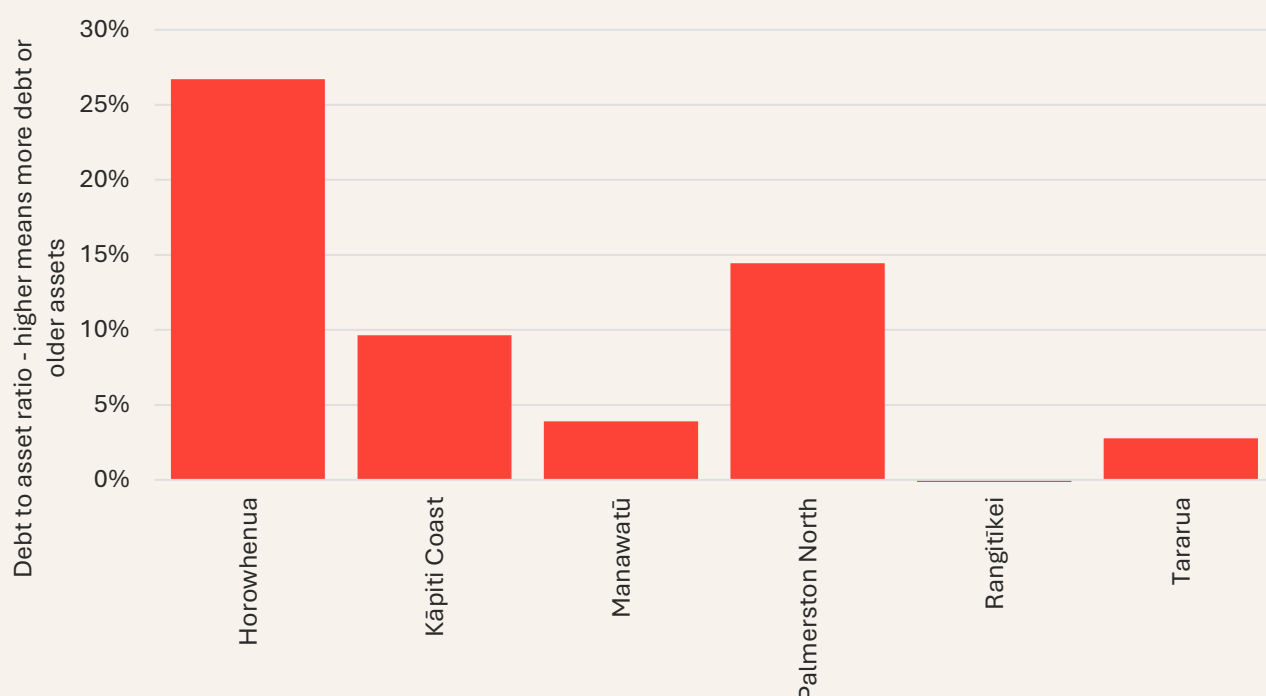


Figure 3 Debt to asset ratio excluding three waters

The debt to asset ratio is not a measure of how much debt a council has in total. Instead, it shows debt compared with the value of council assets. A higher debt to asset ratio means more debt or older assets. It does not automatically mean that a council is in a poor position. Rather, it may simply reflect recent borrowing for infrastructure investment.

To understand whether that debt is a concern, we would need to look at it alongside the current value of assets and the cost of replacing them. That would tell us more about whether councils are carrying debt because they have invested well, or whether they have weaker underlying asset positions. We do not yet have enough detailed information across the full region to make that judgement with confidence.

The trend in the graph below (which does not include regional functions) shows that Palmerston North, Horowhenua, Kāpiti Coast and Manawatū have similar operating revenues per person.

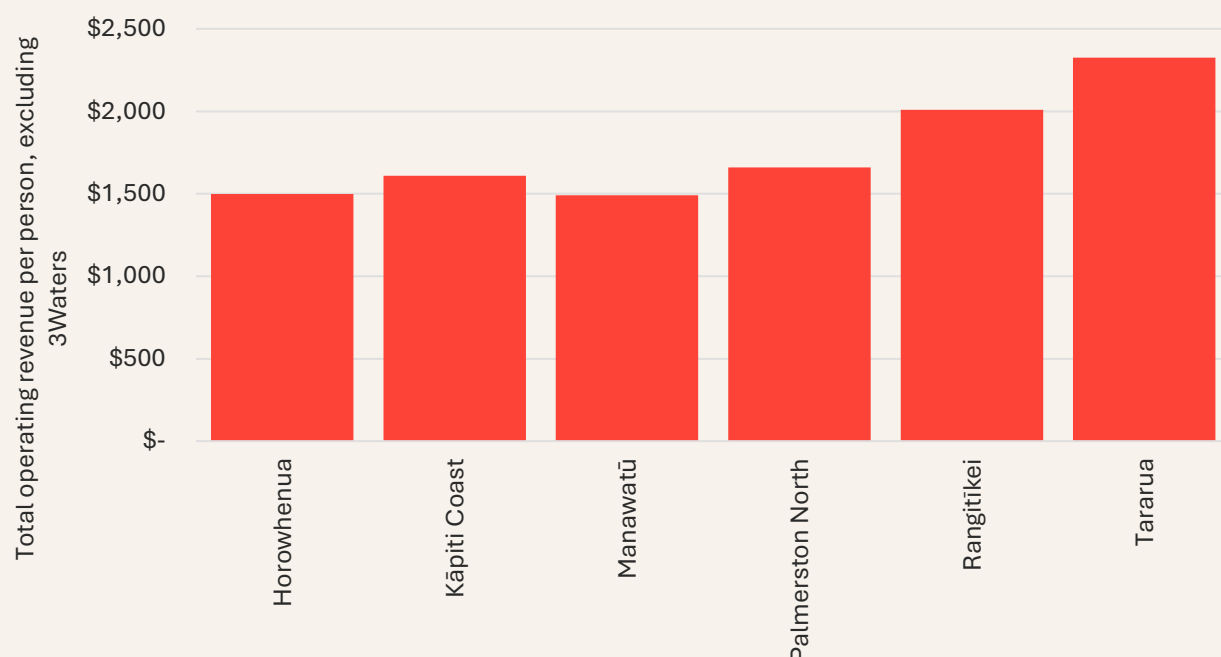


Figure 4 Total operating revenue per person, excluding three waters

Figure 5 shows how much of each council's income comes from sources other than rates. In simple terms, a higher result means less reliance on rates because it means more money is coming in from fees, charges, grants, subsidies, dividends, and other non-rate sources. In a future where rates growth may be constrained, non-rates revenue may become even more important to financial sustainability.

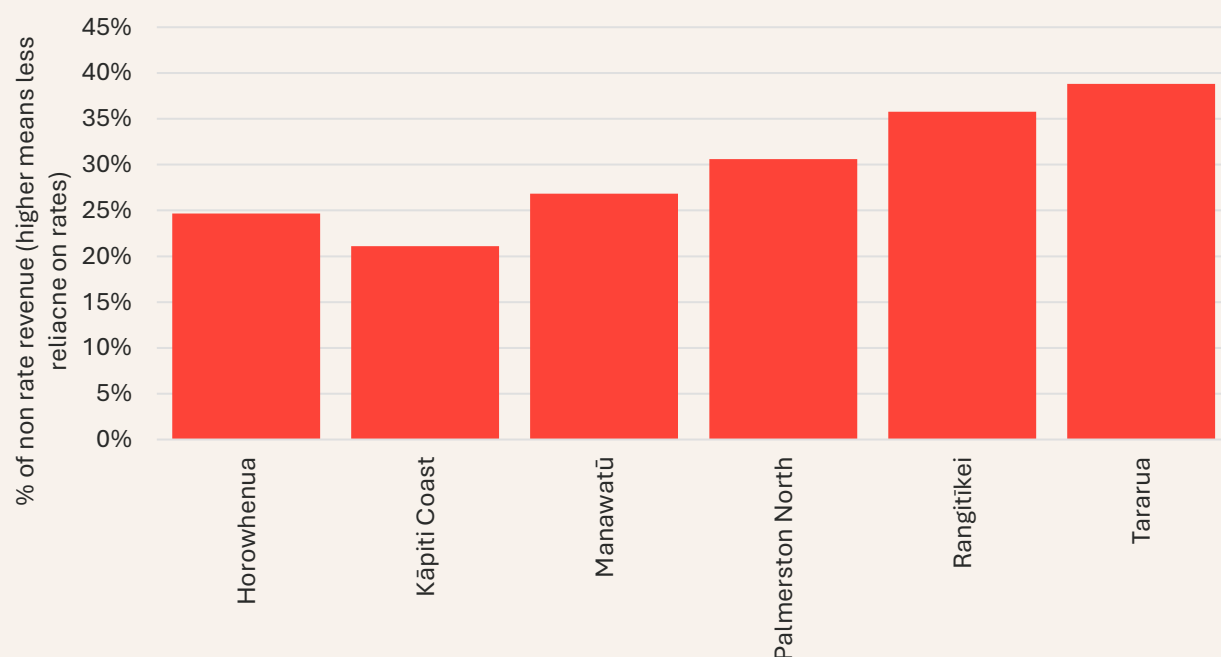


Figure 5 Non-rates revenue as percentage of total operating revenue, excluding 3 Waters

Effective road asset management suggests councils resurface a minimum of 5% of their sealed roading network annually, which equates to a 20-year resurfacing cycle. This benchmark ensures roads remain waterproof, structurally sound and safe for users. Falling below that threshold increases the risk of pavement failures, costly reactive maintenance and a backlog of deferred renewals. For context, the New Zealand Transport Authority (NZTA) targets 9% annual surfacing on its state highway network.

In the region, resurfacing performance is mixed as shown in Figure 6 below with only Manawātū and Rangitikei meeting the road resurfacing guidelines.

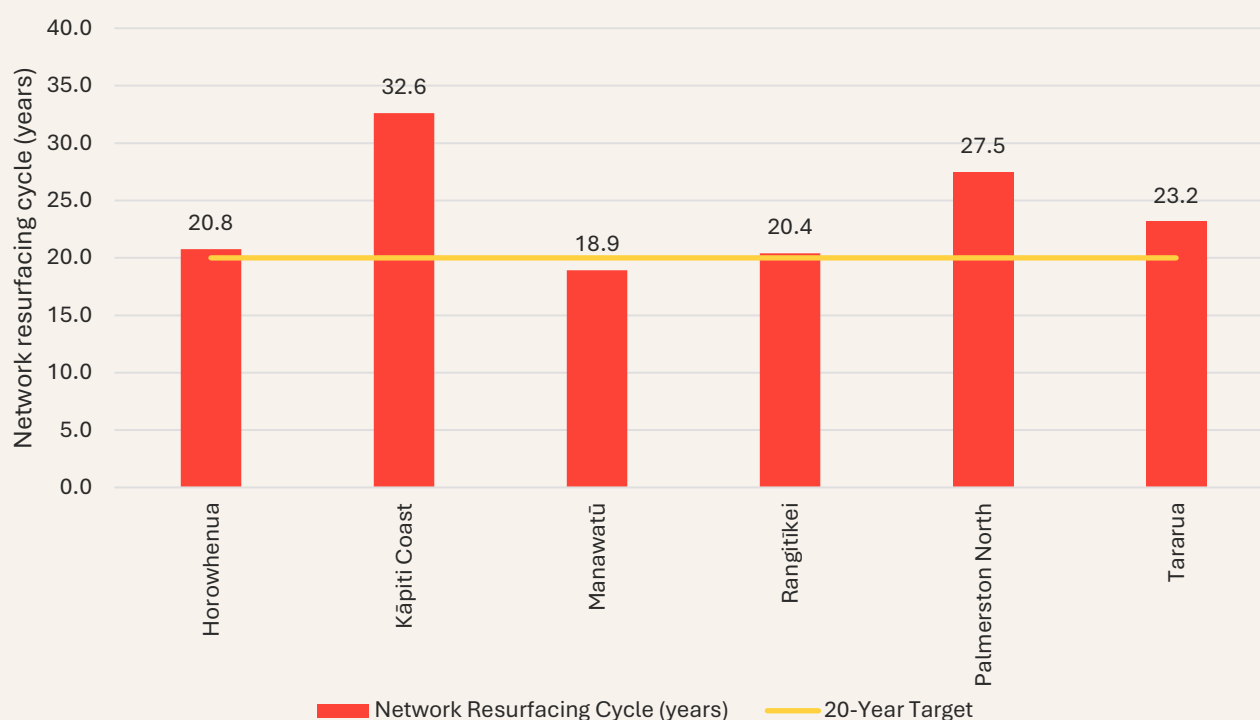


Figure 6 Cycle of road resurfacing in years

Communities of interest

The rural and urban areas contained in the options being considered act as a network of distinct but interconnected communities of interest, rather than a single cohesive regional system. These communities are shaped by where people actually travel for work and education, and are reinforced by transport infrastructure, geography, and economic activity. Some of this information is contained in the Appendices section.

The councils included in the options reflect several different communities of interest:

- Dominant centred system, where Palmerston North urban centre anchors employment, services, education, logistics and daily travel.
- Separate systems, where a district has its own relatively distinct identity, service pattern and movement system rather than being strongly integrated. Kāpiti, for example has a strong coastal corridor identity linked to the Greater Wellington region.
- Corridor-based communities connecting key centres, for example:
 - Levin, Ōhau, Ōtaki, Waikanae and Paraparaumu, linked by SH1, rail, housing demand and the southern commuter corridor.
 - Taranua, Woodville, Pahiatua and Palmerston North, linked through eastern access routes, service use and employment flows.
- Transitional zones with overlapping affiliations, where communities look in more than one direction for work, services, identity or access. Illustrative examples include Horowhenua, which looks north to Palmerston North and south to Kāpiti and Wellington; and Taranua, which has connections toward Palmerston North, Hawke's Bay and Wairarapa.



- Boundary communities, where local connections extend across current regional or district boundaries. Illustrative examples include Kāpiti and Horowhenua across the Greater Wellington and Horizons boundary, and Tararua across the Horizons, Hawke's Bay and Wairarapa-facing eastern boundary.
- Rural hinterlands linked to an urban centre, where rural districts retain local identity but rely on a nearby city for employment, services, logistics or specialist capability. Illustrative examples include Manawatū and Palmerston North, and parts of Rangitikei and Palmerston North.
- Relatively self-contained communities, where distance, geography and low population density limit day-to-day integration with the rest of the region. Illustrative examples include Ruapehu, and some northern and eastern parts of Tararua.
- Coastal communities, where settlement patterns, hazards, recreation, environmental systems and identity are shaped by the coast. Illustrative examples include Horowhenua and Kāpiti.

Growth and infrastructure pressure areas, where population growth, transport investment and housing demand are changing community relationships. Illustrative examples include Horowhenua and Kāpiti along the Ō2NL, SH1 and rail corridor; and Palmerston North and Manawatū around the lower Manawatū growth system.

Together, these examples show that the options are not simply different groupings of councils. They combine different functional systems, some anchored by dominant centres, some operating as separate systems, and some sitting in transitional or boundary positions. This matters for local voice because a future governance model will need to represent communities that do not all relate to the same centre, have the same service expectations, or share the same growth and infrastructure pressures.



Assessment overview

Five Head Start criteria have been specified by the Government. These are:

- Support for the new planning system
- Simplification of local governance
- Economies of scale
- Maintenance of local voice, and
- Deliverability.

Taken together, these priorities and criteria provide the evaluative lens for assessing the proposed restructuring options for Palmerston North. The Department of Internal Affairs (DIA) guidance has been used to inform the assessment of each criterion, clarify what good looks like, and identify where further detail is needed on risks, trade-offs, and subregional factors that may support a subregional option over a full regional unitary model.¹

Analytical lens

This approach uses available data and evidence to examine the extent to which the option supports effective planning, coherent communities of interest, functional economic relationships, and credible governance arrangements. The findings are then mapped back to the Government’s five assessment criteria.

Government criteria

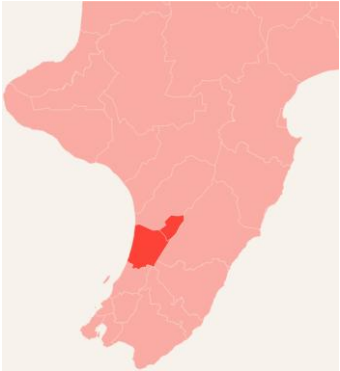
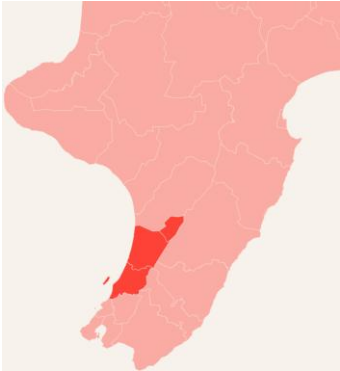
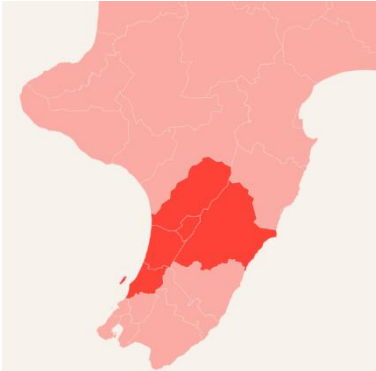
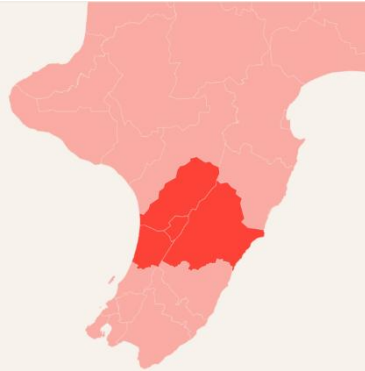
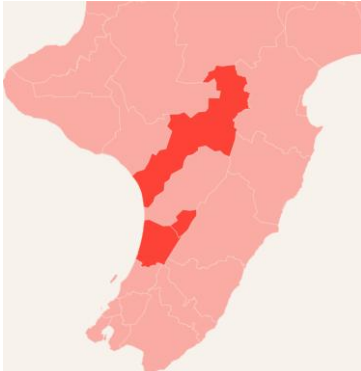
Our summary of the assessment of the five options against the five Head Start criteria is set out below. The rationale for our assessment is set out in the following table with explanation in the following five sections.

Table 1 Government Head Start assessment criteria

Criteria	Details
1. Supports the new planning system	It will help councils deliver the new planning system. It avoids disrupting important work like spatial planning, environmental planning, and infrastructure delivery.
2. Simpler local governance	It reduces duplication and complexity. It improves how decisions are made across the region.
3. Economies of scale	It enables more efficient delivery of services. It supports better infrastructure planning and investment. It enables effective delivery of key functions like transport, catchment management.
4. Maintains a strong local voice	Communities continue to be represented fairly. Local decision making is preserved where it matters. Urban and rural interests are balanced.
5. Deliverability	The proposal is realistic and can be implemented in a timely way. It can be in place by, or soon after, the 2028 local elections.

¹ Department of Internal Affairs. (2026). *Guidance for Head Start outline proposals*. New Zealand Government.

The five options

				
Option 1 Palmerston North and Horowhenua	Option 2 Palmerston North, Horowhenua and Kāpiti	Option 3 Palmerston North, Manawātū, Tararua, Horowhenua and Kāpiti	Option 4 Palmerston North, Manawātū, Tararua and Horowhenua	Option 5 Palmerston North, Horowhenua and Rangitīkei
2 councils 1 region	3 councils 2 regions	5 councils 2 regions	4 councils 1 region	5 councils 1 region

Support for the new planning system

Overview of the new planning system

New Zealand is heading into a new planning age, where the Resource Management Act is being replaced by a planning framework comprising:

- The Planning Bill, which governs where and how growth occurs, covering housing, infrastructure, transport corridors, and long-term land use.
- The Natural Environment Bill, which establishes and manages environmental limits for water quality, freshwater allocation, and flood management.

A central intent of the reform is to move away from fragmented district and regional plans toward a consolidated regional planning approach. This would replace multiple local plans with a smaller set of regionally integrated plans, supported by long-term spatial strategies.

Each region must produce a Regional Spatial Plan (RSP), which describes the 30-year regional strategic direction for growth and development. This plan identifies areas for urban growth, strategic infrastructure investment, and environmental protection, bringing together land use, cultural considerations and environmental limits at a strategic level. All other plans must give effect to the RSP, including the Land Use Plan and the Natural Environment Plan.

The new planning system is intended to reduce plan fragmentation, strengthen national direction, and move toward regional combined plans that bring spatial, land use and natural environment planning together. For this assessment, the relevant question is not simply whether an option creates a unitary council. It is whether the option creates a planning footprint that can manage growth, infrastructure, transport corridors, freshwater, environmental limits and natural hazards at the right scale.

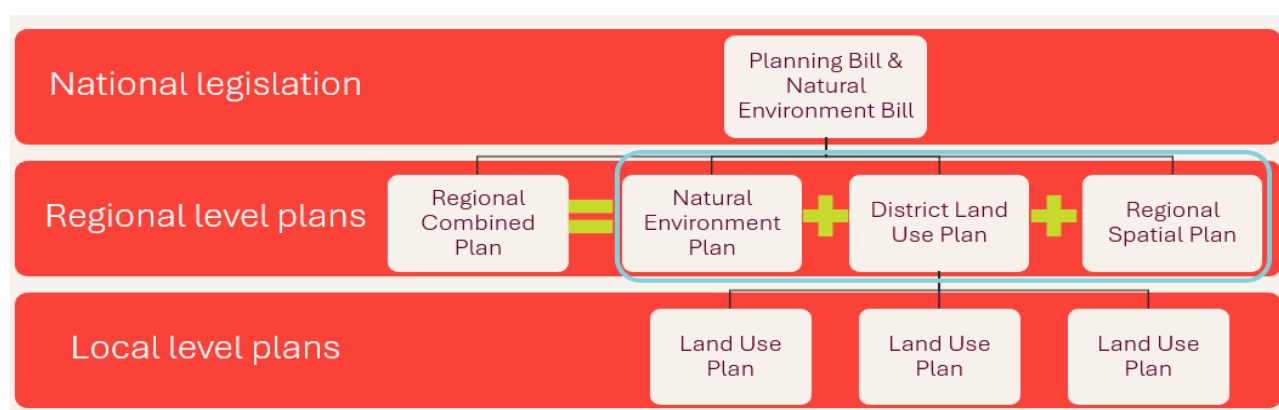


Figure 7 New planning framework

Of all the factors considered in this analysis, the physical environment is the least flexible. Mountains, rivers, and catchments do not move, and existing regional council boundaries have largely been drawn around these natural systems.

The physical environment is the least flexible factor in the assessment. Rivers, aquifers, floodplains, coastal systems and catchments do not move to fit administrative boundaries. This places weight on whether an option keeps natural systems sufficiently intact and whether it allows one authority to align land use, infrastructure, environmental limits and catchment management. Splitting those responsibilities can still be managed, but it requires stronger coordination and clearer accountability.



Catchment management: Does the option keep catchments intact, making it easier to manage water quality, freshwater allocation, flooding, and environmental limits?

Management of environmental limits: Does the option support management of land use, environmental limits and infrastructure provision?

Settlement and infrastructure: Does the option support more effective and/or efficient planning of transport corridors, strategic infrastructure servicing, based on where people actually live and work?

Options' relationship to the planning system

The new planning system places a premium on governance arrangements that can align spatial planning, infrastructure investment and natural environment management at the right scale. The assessment therefore considers whether each option reflects the functional systems that planning decisions need to manage, including catchments, transport corridors, housing growth areas, freshwater systems, environmental limits and infrastructure sequencing.

Options that keep catchments and growth systems within one coherent planning footprint are likely to provide stronger support for the new system. Options that split catchments, cross regional planning boundaries, or separate a growth corridor from key related centres would require more coordination. That does not make them unworkable, but it reduces the simplicity and accountability benefits that the new planning system is seeking.

Catchment management

The two councils planning context is deeply shaped by several connected catchment systems. The Manawatū catchment links Palmerston North to Horowhenua and upstream land uses, while Punahau Lake Horowhenua, the Manawatū River Estuary, coastal wetlands, streams, groundwater and the Ōhau and West Coast catchments are central to the region's identity, environmental management and iwi and hapū relationships. These systems do not follow council boundaries and all options will require cross boundary coordination because several source catchments remain outside the proposed boundaries.

Horowhenua catchments are strongly place-based and closely tied to growth, iwi and hapū relationships, food production and coastal environmental management. The key systems include Punahau Lake Horowhenua, the lower Manawatū River, the Manawatū River Estuary, coastal wetlands, streams and groundwater systems. These are highly relevant to local identity and environmental management. They also connect Horowhenua to upstream decisions made beyond the district, particularly through the lower Manawatū system.

Punahau Lake Horowhenua and associated local systems are a distinct Horowhenua issue. They are not just physical catchments, but also cultural and community systems. Their management requires integration across land use, groundwater, tributaries, restoration activity, biodiversity, recreation and iwi and hapū relationships. This supports the argument that local voice and place-based governance remain important, even if broader catchment management is undertaken at a larger regional scale.

Tararua and eastern catchments have a different orientation. Tararua includes town-based communities and catchments with connections toward Palmerston North, Hawke's Bay and Wairarapa. This means Tararua is part of the wider Horizons planning system, but it adds another set of catchment, community and economic conditions that would need to be managed within each option for a regional unitary model.

Each option therefore needs to be assessed against whether it supports integrated management of water quality, freshwater allocation, flood risk, environmental limits and land use effects.

Observations of the catchment management for the options are as follows.

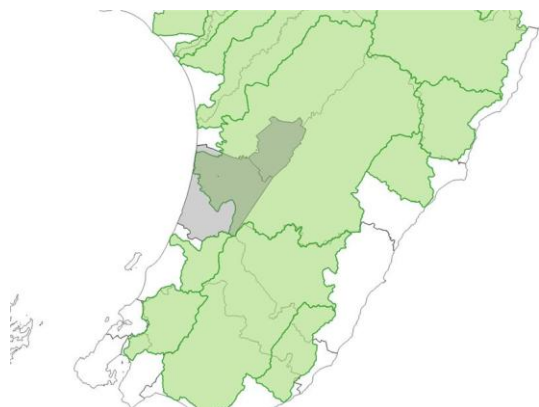


Figure 8 Catchments within Option 1

The Manawatū River Estuary and coastal wetlands sit at the downstream end of wider river and coastal processes. They are influenced by upstream catchment conditions, land use, flood flows, sediment and water quality, as well as coastal hazards and biodiversity pressures. They reinforce the need to consider catchments from river source to coast, rather than separating coastal management from upstream freshwater and land use decisions.

The Ōhau and Waikawa catchments are southern coastal catchments that are particularly relevant to Horowhenua's relationship with Kāpiti and the southern growth corridor. They support the planning logic for Options 2 & 3 because the options better recognise Horowhenua's southern and coastal connections. However, these benefits need to be weighed against these options crossing the Horizons and Greater Wellington boundary, which would require more deliberate planning and environmental coordination.

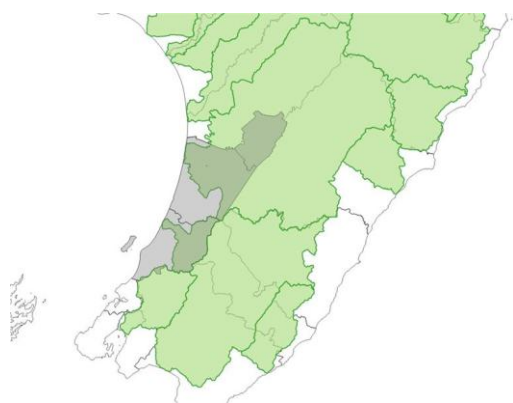


Figure 9 Catchments within Option 2

Option 3 maximises the intent of the Natural Environment Bill by fully internalising the Lower West Coast hydrological spine into a single regulatory entity. By absorbing the remaining sub-zones for Ōhau (Ohau_1a–1b) and Waikawa/Manakau (West_9a–9b), the new authority gains complete control over the freshwater continuum—stretching directly from the drinking water mountain source protection zones to the downstream coastal lakes and estuaries. This structural alignment removes boundary fragmentation, allowing for the seamless implementation and enforcement of consistent, legally enforceable ecosystem health limits across the entire lower western growth corridor.

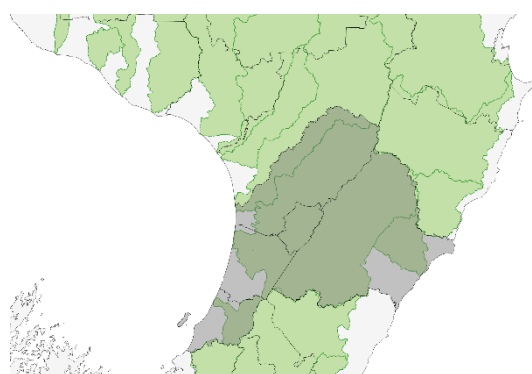


Figure 10 Catchments within Option 3

The Manawatū River has its headwaters in the Tararua District. This matters because it means options 3 and 4 are more effective at bringing together responsibility for decisions about land use, urban growth, discharges, flood protection, sediment movement and freshwater management upstream affect downstream water quality, flood risk, estuary health and environmental outcomes.

Integrating the granular sub-zones creates a highly unified regulatory framework for the core urban and agricultural heartland of the lower Manawatū. Bringing tightly connected sub-zones like the Lower Manawatū (Mana_11a–11f) and Coastal Manawatū (Mana_13a–13f) under a single authority allows for precise management of cumulative environmental limits across intensive agricultural, horticultural, and urban settings.

However, under option 4 critical western sub-zones like Lower Ōhau (Ohau_1b) and the Waikawa Stream system (West_9a–9b) remain split across the southern administrative boundary, setting and enforcing integrated freshwater limits for downstream receiving coastal environments will still require cross-boundary statutory agreements

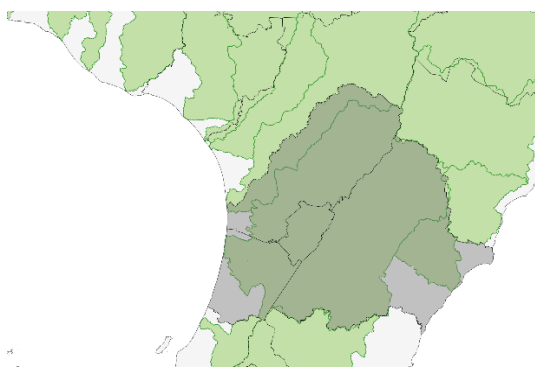


Figure 11 Catchments within Option 4

Options 3 and 4 bring other considerations in as Tararua and eastern catchments have a different orientation. Tararua includes town-based communities and catchments with connections toward Palmerston North, Hawke's Bay and Wairarapa. This means Tararua is part of the wider Horizons planning system, but it adds another set of catchment, community and economic conditions that would need to be managed within a full regional unitary model.

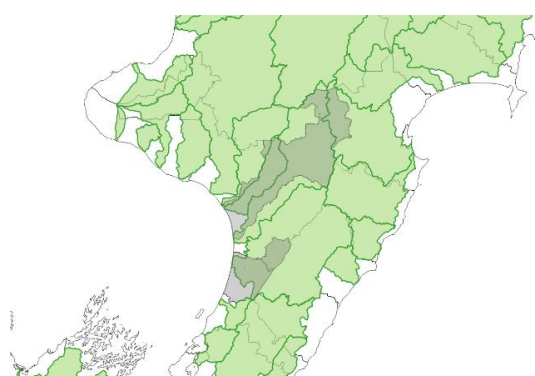


Figure 12 Catchments within Option 5

Rangitikei, Turakina and Whangaehu catchments are introduced in option 5. These catchments bring additional upper and middle catchment issues, including rural land use, river management, flood risk and environmental limits. Including them within a governance option may support a broader regional environmental framework, but it also increases the diversity of catchment systems and may dilute focus on southern and lower Manawatū priorities.

Mana whenua relationships and rohe

Iwi and hapū relationships are a significant design and deliverability issue for any Head Start option. Across the areas considered there are many iwi and hapū relationships, with areas of interest, mandate, treaty settlement obligations, iwi environmental management plans and Mana Whakahono ā Rohe arrangements that often cross district and regional boundaries. This means iwi relationships should not be treated as a simple overlay on current council boundaries.

Rangitāne o Manawatū are recognised as the tangata whenua and mana whenua within the Palmerston North City boundary. Their rohe extends across much of the wider Manawatū area, including Palmerston North, Manawatū District, Horowhenua and parts of Tararua. The Council signed a formal partnership agreement with Rangitāne in 2019, recognising Rangitāne as mana whenua and providing for ongoing engagement in strategic decision-making.

For Horowhenua, the relationship landscape is especially complex. The project information identifies Muaūpoko and Ngāti Raukawa as two of the main iwi Horowhenua District Council works with. Both are pre-settled, with overlapping areas of interest and boundaries that are not clearly defined by law. Council's relationships include Muaūpoko Tribal Authority, Te Rūnanga o Raukawa, Te Tūmatakahuki, Tukorehe, Tānenuiārangi Manawatū Charitable Trust, Rangitāne o Manawatū Settlement Trust, and Ngāti Apa in relation to Omarupapako, Round Bush Scenic Reserve. These relationships are relevant to planning, freshwater, consenting, biosecurity, emergency management, community engagement, local identity and place-based decision-making.



The transition risk is heightened because several relationships are with mandated iwi authorities, hapū collectives, or settlement entities, and some Mana Whakahono ā Rohe requests have already been initiated. Any future council would need to maintain continuity with those parties, clarify who carries existing commitments, and avoid requiring iwi and hapū to rebuild relationships from the start.

The available information suggests that any option involving Kāpiti should be tested carefully against Muaūpoko and Ngāti Raukawa areas of interest, but the material reviewed does not by itself confirm iwi preferences or a definitive iwi relationship fit. The larger geographic options bring wider regional and catchment alignment, but also increase the number of iwi, hapū, settlement arrangements and formal relationships that would need to be managed. This does not mean those options are weaker overall, but it does mean they require stronger transition planning, early engagement and clear accountability for iwi relationship continuity.

Iwi alignment is treated cautiously in this assessment. The available material identifies important relationship and transition issues but does not confirm iwi preferences for any option. This means iwi relationships should be considered as a design and deliverability issue, rather than as a definitive basis for ranking options at this stage.

Assessment

Table 2 Assessment of criteria 1

Options	Rating	Pros	Cons
Option 1		Keeps Horowhenua and Palmerston North within the existing Horizons regional planning context. Brings together Horowhenua with the main urban centre in the lower Manawatū system, which supports planning for land use, growth, flood risk, water quality and infrastructure impacts between Palmerston North and downstream Horowhenua. Strengthens alignment where upstream decisions around Palmerston North can affect downstream environmental outcomes in Horowhenua. Includes Palmerston North, supporting the lower Manawatū relationship and source-to-sea catchment management.	Does not keep the full Manawatū catchment intact. Dilutes focus on Horowhenua's southern growth corridor and coastal planning issues. Does not address Horowhenua's southern coastal catchments and Kāpiti-facing growth corridor which are relevant to southern growth, SH1, rail and coastal planning. May create narrower planning footprint than is ideal for the new planning system, because it captures the Palmerston North and lower Manawatū relationship, but not the full source-to-sea system.
Option 2		Reflects dual planning relationships with Palmerston North and Kāpiti growth. Connects the lower Manawatū system with the Ōhau and Waikawa coastal catchments and the SH1 and North Island Main Trunk growth corridor. Supports integrated housing, transport, infrastructure and natural environment planning across Horowhenua's main growth relationships. Provides the strongest subregional basis for source-to-sea management across Horowhenua's primary environmental systems. Better aligns growth planning, drinking water source protection, freshwater management and transport corridor planning.	Crosses the Horizons and Greater Wellington boundary. Would require careful arrangements for regional spatial planning, catchment management, freshwater allocation and environmental regulation across the boundary. Biodiversity, biosecurity and some environmental management functions would continue to require cross-boundary coordination. Would need careful governance design to balance urban, rural and corridor priorities.

Options	Rating	Pros	Cons
Option 3		Integrates the SH1 and North Island Main Trunk growth corridor connecting Palmerston North, Levin and Kāpiti. Internalises Lower Manawatū, Ōhau and Waikawa catchments improving catchment-based management. Provides strong alignment with the Planning Bill's integrated spatial planning objectives. Supports coordinated infrastructure planning, housing growth and economic development across the Lower West Coast. Creates better integration between drinking water protection and downstream receiving environments.	Crosses the Horizons and Greater Wellington regional boundary, increasing governance complexity. Requires continued coordination with Upper Hutt, Porirua and Greater Wellington on several catchments. Larger geographic area increases complexity in balancing urban and rural priorities.
Option 4		Integrates the majority of the lower and middle Manawatū, Oroua, Ōhau and Horowhenua catchments within a single authority, significantly reducing catchment fragmentation. Provides strong alignment between Palmerston North, Feilding, Levin and Tararua as a connected economic and service delivery area. Supports coordinated infrastructure planning, housing growth and economic development across the lower and central Manawatū corridor. Integrates major drinking water source areas, groundwater systems and highly productive horticultural land within a single management framework. Provides greater organisational scale, technical capability and resilience than smaller stand-alone options.	Significant upper headwater catchments would continue to require coordination with neighbouring authorities, particularly Ruapehu, Rangitikei and eastern authorities. The Tararua Range would continue to create external catchment interfaces requiring ongoing cross-boundary management. The option does not incorporate the Kāpiti Coast growth corridor, limiting integration of the wider Lower West Coast urban system. Some coastal and southern freshwater systems, including parts of the Waikawa and Kāpiti systems, would remain split across authority boundaries. Larger geographic coverage and diverse land uses may create challenges balancing urban, rural and environmental priorities.
Option 5		Retains the option within the Horizons regional planning framework. Includes Palmerston North, supporting the lower Manawatū relationship and source-to-sea catchment management. Builds on some existing Central Districts Water relationships. Avoids the environmental governance complexity associated with crossing regional boundaries.	Adds Rangitikei-related catchment and rural land use issues that are less central to Horowhenua's immediate growth corridor. Dilutes focus on Horowhenua's southern growth corridor and coastal planning issues. Does not resolve the southern coastal and Kāpiti-facing planning relationship. Significant catchment coordination would still be required with neighbouring councils for coastal, groundwater and growth-related issues.



What do decision makers need to consider?

All options can be made to work. However, the main trade-offs are that:

Option 1 strengthens Horowhenua's alignment with Palmerston North and the lower Manawatū system, supporting northern service, economic and catchment relationships. However, it provides a limited response to the southern growth corridor and would require clear coordination arrangements to manage coastal, catchment and infrastructure planning across boundaries.

Option 2 links Palmerston North through Horowhenua and south to Kāpiti. It provides a reasonably strong subregional basis for growth planning across Levin, Tara-Ika, Ō2NL, the lower Manawatū and southern corridor, but would require formal arrangements to manage planning, catchment and accountability issues across existing regional boundaries.

Option 3 provides a stronger sub-regional alternative because it extends the planning area, linking the wider Manawatū and Tararua with the Kāpiti Coast. This creates a more complete lower west coast growth corridor. It better aligns growth, transport, and infrastructure with the wider functional economy of Palmerston North and also improves integration of the lower west coast freshwater system. Its main drawback is that it crosses the Horizons–Greater Wellington boundary, which may increase governance complexity during transition and require ongoing cross boundary collaboration.

Option 4 creates a coherent planning area centred on Palmerston North, Feilding, Levin and Tararua. It performs well because it integrates the lower and central Manawatū catchments and supports coordinated planning for housing, transport, three waters, and economic development but it excludes the southern growth area of Kāpiti.

Option 5 remains within the Horizons framework and supports continuity for regional planning and catchment management. However, it brings in additional catchments and communities that are less strongly and lacks a contiguous boundary.

Simpler local governance

For this assessment, simpler local governance is interpreted consistently with the DIA Head Start guidance. It means a model that reduces duplication and complexity, improves regional decision-making, and makes accountability clearer. In practice, this means fewer overlapping governance, planning, policy, bylaw and reporting processes, and clearer links between decisions, funding, delivery and responsibility for outcomes.

The main simplification benefit comes from bringing regional and territorial functions into one organisation. A unitary council can align land use planning, environmental management, infrastructure planning and local services, reducing duplicated statutory documents, policy instruments, reporting cycles and governance processes.

However, structural change does not automatically make governance simpler. Local boards, water CCOs and cross-boundary planning arrangements can all add complexity if roles, budgets and accountabilities are not clear. The practical test is whether communities can see who makes decisions, who controls funding, who delivers services, and who is accountable for performance and risk.

Status quo

Under the status quo, governance is split between regional councils and territorial authorities. This means Horizons Regional Council and either Palmerston North City Council or Horowhenua District Council.

For the cross-boundary options (2 & 3), the governance system also involves Greater Wellington Regional Council and Kāpiti Coast District Council. Each council maintains separate elected governance, planning, policy, bylaw, reporting and accountability arrangements. Some functions are local, but many operate at regional, catchment or corridor scale. This creates duplication and requires ongoing coordination, especially where options cross the Horizons and Greater Wellington boundary.

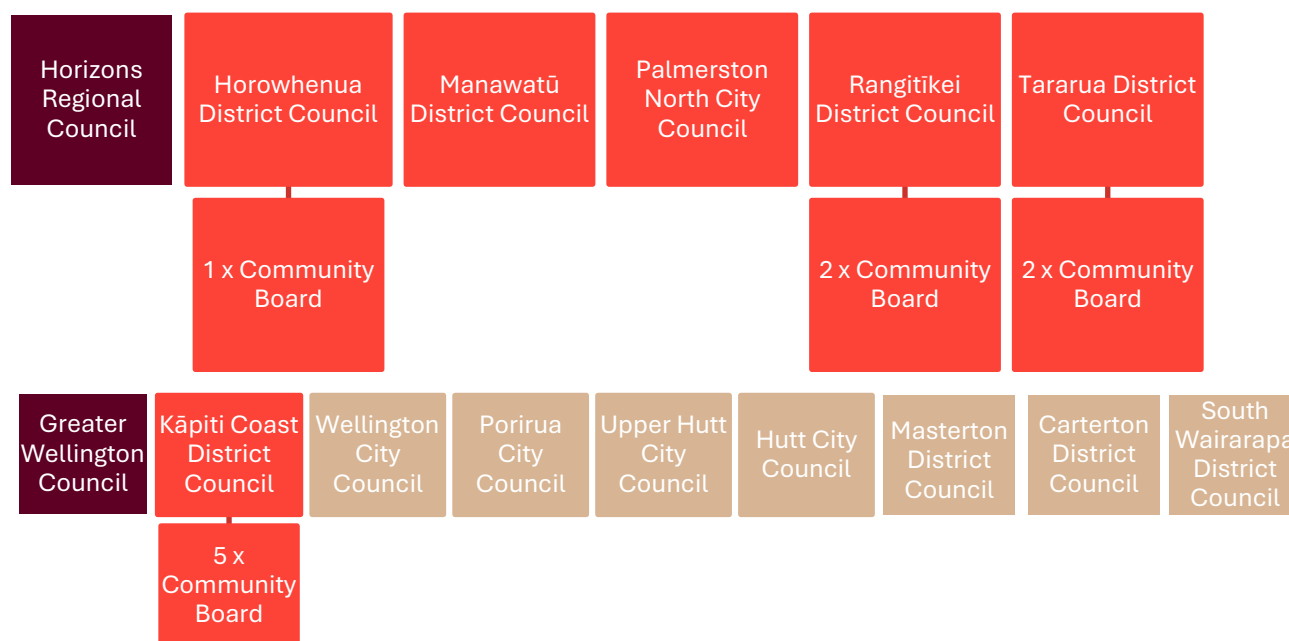


Figure 13 Status quo governance arrangements



Removal of duplication

Each council currently has their own policy frameworks, meaning decisions about funding, priorities, and engagement are made independently.

Under all the options presented in this report, there would be a consolidation of core statutory and planning documents, e.g. replacing separate Long Term Plans, Annual Plans, Annual Reports, and associated plans. While the statutory requirements under the Local Government Act would remain, duplication across councils would be removed.

For example, asset management planning would shift from multiple council-specific approaches to a single, consistent regional framework, enabling more coordinated investment decisions and clearer prioritisation. The result is fewer parallel processes and documents, and a more streamlined, coherent planning, monitoring and reporting cycle.

The impact of consolidation is not limited to the number of instruments. It also materially reduces the effort required to develop, maintain, update, and consult on these documents, which under the current arrangements is undertaken separately by each council. In addition, consistency across the region provides an opportunity to present a more coherent and aligned approach to policy and planning, making it easier for communities to understand requirements and for a coordinated approach to community consultation.

Removal or addition of governance layers

The most significant change is the removal of the regional–territorial split. This eliminates a formal layer of governance and, importantly, removes the need for coordination between regional and district councils. Strategic decision-making would sit within a single governing body.

Each option removes some governance layers by replacing existing territorial authorities with a unitary council. This would reduce duplicated elected governance structures, committee systems, executive leadership, statutory planning cycles, policy and bylaw frameworks, and organisational reporting arrangements.

The scale of simplification differs across the options. All options remove some local governance layers, but two options cross regional boundaries, and all require additional coordination for planning, catchments, transport, water and environmental functions.

In the larger amalgamations it is likely that local boards or similar structures would be introduced. These do not currently exist across most of either region and would represent an additional formal layer within the overall governance system.

Clarity of roles and responsibilities

Simpler local governance is not achieved only by reducing the number of councils. It depends on whether communities can clearly see who makes decisions, who controls funding, and who is accountable for performance and risk. All five options would remove some duplication by consolidating councils and reducing repeated planning, reporting, policy and governance processes. However, the net simplification benefit differs materially because some options create new boundary, coordination or local representation complexities.

A useful test is whether decision-making authority, funding control, and responsibility for performance and risk sit together. Where these are split between councils, boards, CCOs or cross-boundary arrangements, accountability can become harder for communities to understand and

harder for governors to exercise. This is particularly relevant for options that cross regional boundaries or require ongoing coordination for catchments, transport corridors, growth planning and water services.

Accountability

Under the Head Start process, councils must be able to demonstrate clearly their proposed model will work in practice, including where accountability sits.

Identifying and testing where accountability sits is therefore central to assessing each option. It provides a practical way to understand how the model would behave under pressure, how decisions would be made, and whether communities can clearly see who is responsible for results.

Figure 14 below shows the relationship between making decisions on priorities/programmes, control over funding and other resources, and responsibility for performance and risk. These must sit together to achieve true accountability.



Figure 14 The accountability triangle

This aligns closely with standard multi-level governance thinking, which emphasises that effective systems need clear assignment of competences, financial decentralisation that matches responsibilities, and transparent accountability/oversight.

When this triangle is not kept intact, one of the following occurs:

- A funding entity (e.g. rates setting) without risk responsibility has no incentive to fund risk reduction.
- A decision-making entity without responsibility may prioritise spend according to ‘want’ and not ‘need’.
- No entity can be held accountable for outcomes without the ability to make decisions (within parameters) and raise the funds needed to address key issues.

Consequently, we consider this true accountability state as a valid diagnostic test, especially for politically sensitive public services where service levels, rates, and investment timing are contestable. In those settings, splitting programme, money, and responsibility across institutions usually creates blame-shifting rather than clarity.

Referring to the accountability triangle:

- Option 2 crosses the Horizons / Greater Wellington boundary currently and the assumption would be that Kāpiti would exit its region and join a new one.

- Options 1, 2 and 3 all split or complicate catchment management, although Option 3 is the most complete and administratively straightforward.
- Local boards could strengthen local voice, but only if their powers, budgets and accountabilities are clear
- Water CCO arrangements create another delivery/accountability layer.

Ease of understanding for community

From a community perspective, a unitary model improves clarity at a high level, while introducing some additional complexity at the local level.

The primary benefit is that there is one organisation responsible for the full range of council functions. This provides a clearer line of accountability and removes the current distinction between regional and district roles, which is not always well understood by the public.

At the same time, the introduction of local boards or similar bodies may require communities to understand a new distinction between decisions made by the governing body and those made locally.

Sub-regional unitary councils

All options would lead to the formation of sub-regional unitary councils, that is new councils that do not cover the entire existing region. Sub-regional unitary councils would likely need to be supported by delivery of a defined set of regional and cross-boundary functions to be effective.

Each unitary council would retain its democratic mandate, rating powers, and ultimate accountability to their communities. A joint committee entity could be developed for functions where fragmentation would create material inefficiency, inconsistency, or risk e.g. spatial planning or catchment management. This is not intended to recreate a general-purpose regional council. It could be governed by a joint committee entity or something similar designed to preserve coherence where a regional approach remains necessary.²

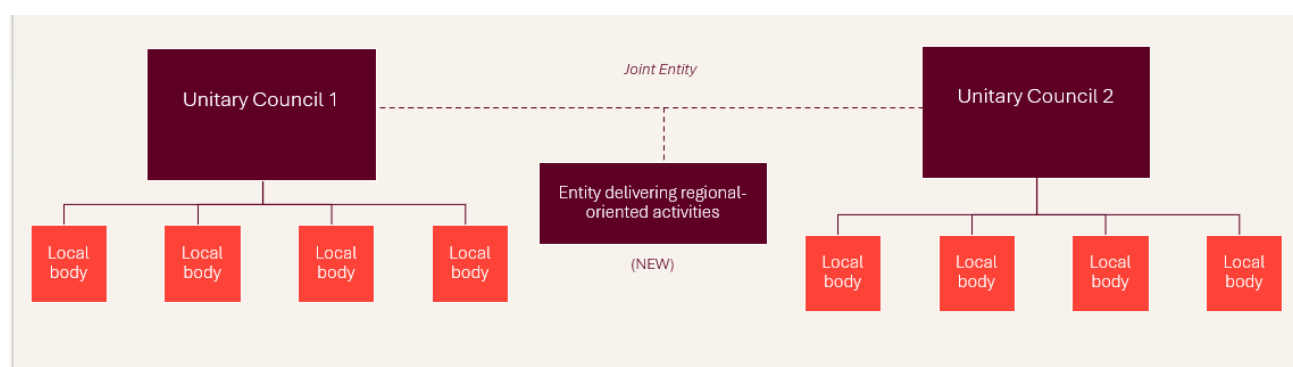


Figure 15 Sub-regional unitary council options

The following table describes the relationship between the Unitary Councils and how joint delivery could work.

² The final form and functions would be determined through both the Outline Proposal (August 2026) and the Final Proposal (March 2027)

Table 3 Considerations for sub-regional unitary councils

Aspect	Description
Governance	1. This is a two or three subregional unitary council model. These councils hold the democratic mandate, rating powers, and ultimate accountability. The region would be divided into two unitary councils, each with its own mayor, councillors, local mandate, and responsibility for most local government functions in its area. Accountability (funding ability, risk responsibility, and strategic decision-making) sits with each unitary council for its area. 2. The joint committee entity is the mechanism that keeps a small number of regional functions whole. The shared joint committee would be a separate legal entity outside the two unitary councils for a defined set of functions that are more suited to a regional approach. 3. The joint committee is governed by a joint council comprising elected members from both unitary councils (plus potentially independent elected members). The joint committee has its own Chief Executive, staff, systems and reports directly to a joint council of elected members from both unitary councils. It is not governed by an external board. (The existing joint committee arrangement in legislation may or may not be sufficient, we are using the term joint council to make this distinction.) 4. The joint committee does not have an independent mandate. The joint council governs the joint committee collective interest of the region, not as a forum for individual council mandates. A key design principle is that the two councils continue to be the bodies that communities elect, that set rates, and that remain politically answerable for outcomes.
Funding	5. Each unitary council retains its own rating powers. Funding for local services and priorities is determined separately within each council. Each unitary council has its own rating structures and sets rates for its area, including the funding required for the joint committee. 6. Funding for the single joint committee to be guaranteed and not renegotiated each year. If the two councils can re-litigate the funding of regional functions of the joint committee every year, this model will be fragile. A durable model needs a binding funding framework. Using the Civil Defence Emergency Management Act as a precedent, the funding formula may either be prescribed in legislation or set in the Joint Committee's founding documents.
Service Delivery	7. The model assumes local by default, regional only by exception. The starting point is that functions should be delivered by the two unitary councils unless there is a clear positive case for regional delivery. The working threshold test is that a function should sit in the shared entity where: • there is a strong case for the broader regional interest, • the consequences of fragmentation are unacceptable, or • local variation is not tolerable. 8. The functions most likely to sit with the joint committee are the ones that depend on scale, natural systems, or cross-boundary coordination. Examples of functions most likely to sit with the joint committee include civil defence emergency management, regional transport planning, regional spatial planning, biosecurity, and regional environmental monitoring. These are the kinds of activities where fragmented delivery across two councils could weaken outcomes. 9. Everything else would stay with the two unitary councils (or be delegated to local bodies) unless there is a compelling reason otherwise. Local roads, parks, libraries, local facilities, local bylaws, local service levels, local rates decisions, and other place-based services would generally remain with each unitary council.



Aspect	Description
Requires legislation?	Yes. For the model to function effectively, a small number of design requirements must be in legislation and supporting instruments. • A joint council of elected members from the participating unitary councils must exist to govern regional delivery. • Participation by the relevant unitary councils must be compulsory. There must be no unilateral right to opt out. • A binding funding framework must be established, either in legislation or through a legislatively required formula embedded in a statutory plan or founding document. • Funding obligations must be enforceable and must not depend on annual negotiation.

Assessment

Table 4 Assessment of criteria 2

Options	Rating	Pros	Cons
Option 1		Reduces duplication by consolidating two councils into one organisation. Stays within the existing Horizons regional context, which avoids a regional boundary issue but does not by itself simplify governance for Horowhenua.	Only partially simplifies the wider governance system because the rest of Horizons remains outside the model. Provides only limited system-level simplification because it does not remove the regional and territorial split across the wider Horizons region. Risk that Horowhenua's local priorities are absorbed into a much larger Palmerston North hub system. Does not address Horowhenua's southern and Kāpiti-facing relationships, so the governance story remains incomplete from a Horowhenua perspective.
Option 2		Simplifies governance around Horowhenua's main functional relationships north to Palmerston North and south to Kāpiti. Could make growth corridor planning easier to explain from a Horowhenua perspective.	Crosses the regional boundary and would need clear arrangements for planning, catchments and environmental regulation. May still require local boards or similar mechanisms to protect local voice. Simpler for Horowhenua's growth system, but more complex institutionally.
Option 3		Reduces duplication by consolidating five councils into one organisation. Could support clearer decision-making for shared coastal, southern corridor and local catchment issues. Provides a strong subregional logic to capture the wider southern growth corridor connecting to Palmerston North as the major inland hub.	Crosses the Horizons and Greater Wellington boundary, which may be addressed through new regions Does not remove the need to coordinate regional planning, transport and catchment functions. Simpler organisational form, but not necessarily simpler system governance.

Options	Rating	Pros	Cons
Option 4		Reduces duplication by consolidating four councils into one organisation. Simplifies governance and functional relationships for the four councils. Could make growth corridor planning easier to explain from a Palmerston North perspective.	May still require local boards or similar mechanisms to protect local voice. Simpler for Palmerston North's growth system, but more complex institutionally.
Option 5		Stays within the existing Horizons regional context, which avoids a regional boundary issue but leaves more residual complexity. Builds on some existing Central Districts Water relationships, although water delivery would still need clear accountability arrangements and may add a separate delivery layer. Reduces some duplication across three councils	Adds Rangitikei catchment and rural governance issues that are less directly connected to Horowhenua's immediate growth, coastal and southern corridor priorities. Provides only limited system-level simplification because it does not remove the regional and territorial split across the wider Horizons region. Does not address Horowhenua's southern and Kāpiti-facing relationships, so the governance story remains incomplete from a Horowhenua perspective.



What decision makers need to consider?

All options would reduce duplication by consolidating existing territorial councils into larger unitary councils. This would remove some duplicated governance, planning, reporting, policy and bylaw processes. It would also create a clearer line of accountability within each new unitary council for local services, funding decisions and delivery. Both options would still need strong arrangements for regional planning, catchment management, transport corridors, environmental regulation, water services and iwi relationships. If these functions are managed through shared entities, joint committees or cross-boundary agreements, the model may replace current regional council complexity with new coordination complexity.



Economies of scale

At this stage our approach to assessing whether the options can deliver efficiencies is to use a benchmarking approach that considers the existing data sets in New Zealand about council services and their costs (Unitary, Regional and Territorial Authority). We have then looked at where the councils sit in comparison to those benchmarks individually and collectively.

Approach and methodology

To evaluate the potential economies of scale that could be achieved through different unitary council configurations across the region, we undertook an internal benchmarking study that considered the actual functional cost structures of existing local authorities in New Zealand.

Rather than asking whether larger councils are always cheaper in general, we used regression analysis to test whether there was a statistically significant relationship between cost and scale across a range of local government activities, using public financial data and a set of service-specific cost drivers. Instead of population being the only measure of scale, we considered the different metrics that drive cost in each activity e.g. consents as a driver for planning and regulation, infrastructure asset value as a driver for property, urban population as a driver for recreation and sport.

The results do not produce an actual operating budget or detailed cost estimate but show what a mature council that shares the same attributes as the Horizons region could be reasonably expected to cost.

Is there a relationship between cost and scale?

To answer this question, we completed an analysis of the Local Authority Financial Statistics data collected by Statistics New Zealand. This was used because:

- It has a consistent grouping of activities³
- It is a publicly available, national data set
- It has been compiled by a reputable organisation.

We compared this to a range of potential cost drivers that were selected because:

- They were publicly available
- We considered that they may be relevant to the underlying cost structure of one or more of the activities carried out by territorial authorities and regional councils.

We analysed this data to identify any relationship between our set of potential cost drivers and the actual costs incurred for each activity in the national dataset. Regression analysis was completed to determine whether any findings were statistically significant.

Overall, however, we found that 10 of the 13 activities that we examined had a statistically significant relationship between cost and scale with at least a moderate correlation between the two.

³ A detailed definition of activities used by Statistics New Zealand can be provided.



Table 5 Activities that have a relationship between scale and total cost

Activity	Cost driver
Environmental protection	Urban Land Area
Planning and regulation (regional councils)	Number of consents
Roading	Population
Solid waste/refuse	Population
Culture	Urban Population
Recreation and sport	Urban Population
Property	Infrastructure asset value
Planning and regulation (territorial authorities)	Consents
Community development	Urban Population
Economic development	Urban Population

Table 6 Activities that have no significant relationship between scale and total cost

Activity	Alternative approach
Governance	Compared to existing costs with allowance to reduce duplication
Emergency management	Sum of existing costs from each council
All other activities	Sum of existing councils, adjusted for observed efficiencies across benchmarked costs when compared to actual results

The analysis found that across all the activities considered, costs increase linearly with scale, each with a fixed and variable component.

- The variable component reflects how much a cost increases for each additional person (or other cost driver).
- The fixed component represents the minimum or “base” cost, regardless of the number of people.

When scale increases, the fixed cost is spread over more people, while the variable costs increase by a consistent amount.

This means that as population grows there are diminishing benefits of scale. While each new head of population adds some cost, it also funds a share of the base cost.

To test the validity of our approach, we compared the results of our benchmarking approach with actual costs for each of the Horizons’ councils. The results of this are shown in the chart below. It shows that in most cases the benchmarked costs are consistent with or exceed actual costs.

This indicates that our benchmarking, while not a perfect fit for the individual councils in Horizons, is a reasonable fit at the combined level, producing, if anything, costs that may be conservatively overstated.

Demonstrating model fit and validity

To test the validity of our benchmarking approach, we compared the projected costs from the benchmarking exercise with the actual costs in a range of councils. The results of this are shown in the chart below. This gave us some confidence that our approach was appropriate within the Horizons context and for the Kāpiti Coast, and that where our approach differed from actual costs, actual costs were typically lower than those produced by our model.

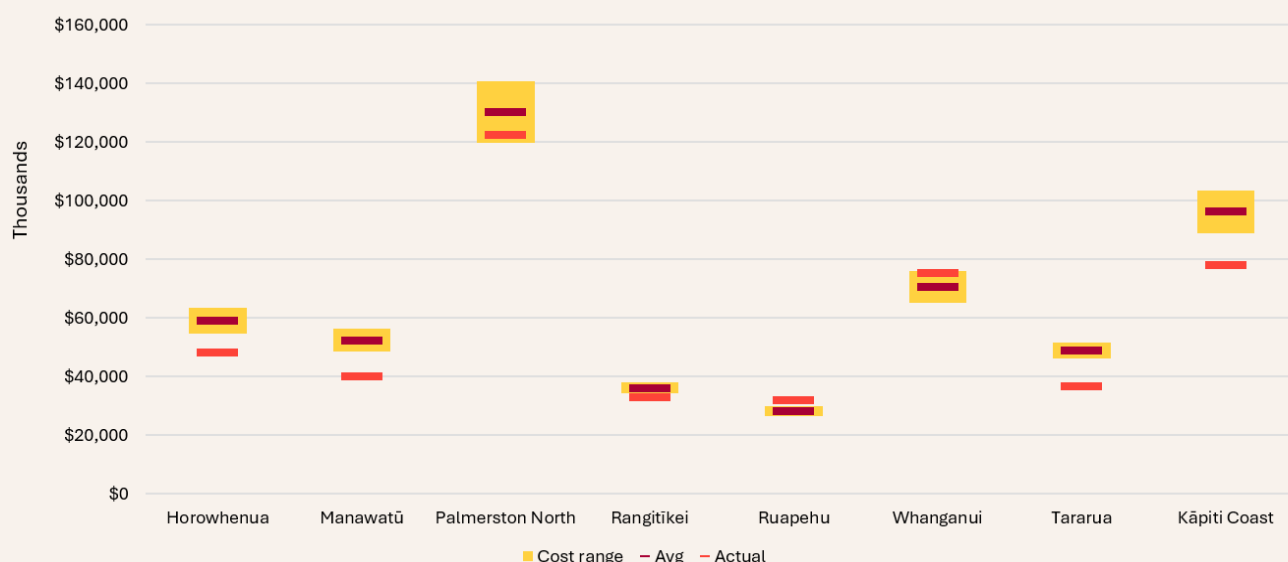


Figure 16 Testing fit of model against actual financial results for councils in Horizons region plus Kāpiti Coast

Among the group of councils in the Horizons region, all of the councils that have been included in the options being considered in the report have actual costs that sit below our expected cost band based on our benchmarking approach. This means:

- A joint entity including these councils would be unlikely to cost more than our benchmarking indicates.
- The councils being considered, on the whole, have costs that are lower than our model would predict. This could mean:
 - It would be difficult to achieve further efficiencies, or
 - The cost of delivering services in the Horizons region is inherently lower than elsewhere in the country, and our benchmarking may overestimate the costs of a future amalgamated entity.



How do the options compare?

For ease of comparison across different options, we have brought this back to cost per rateable property otherwise the difference between the largest and smallest options would make comparison difficult.

Figure 17 compares the existing combined council operating costs with the benchmarked operating cost for each option, expressed as cost per rateable property so the options can be compared on a like-for-like basis (otherwise the difference between the largest and smallest options would make comparison difficult.)

The figure contains a comparison that shows all options could have a lower operating cost than the combined councils and a range per ratepayer property of between \$4,500 and \$6,000.

All options are broadly similar in their potential future costs per ratepayer, with option 3 having the greatest risk of increased costs and option 2 potentially the lowest cost.

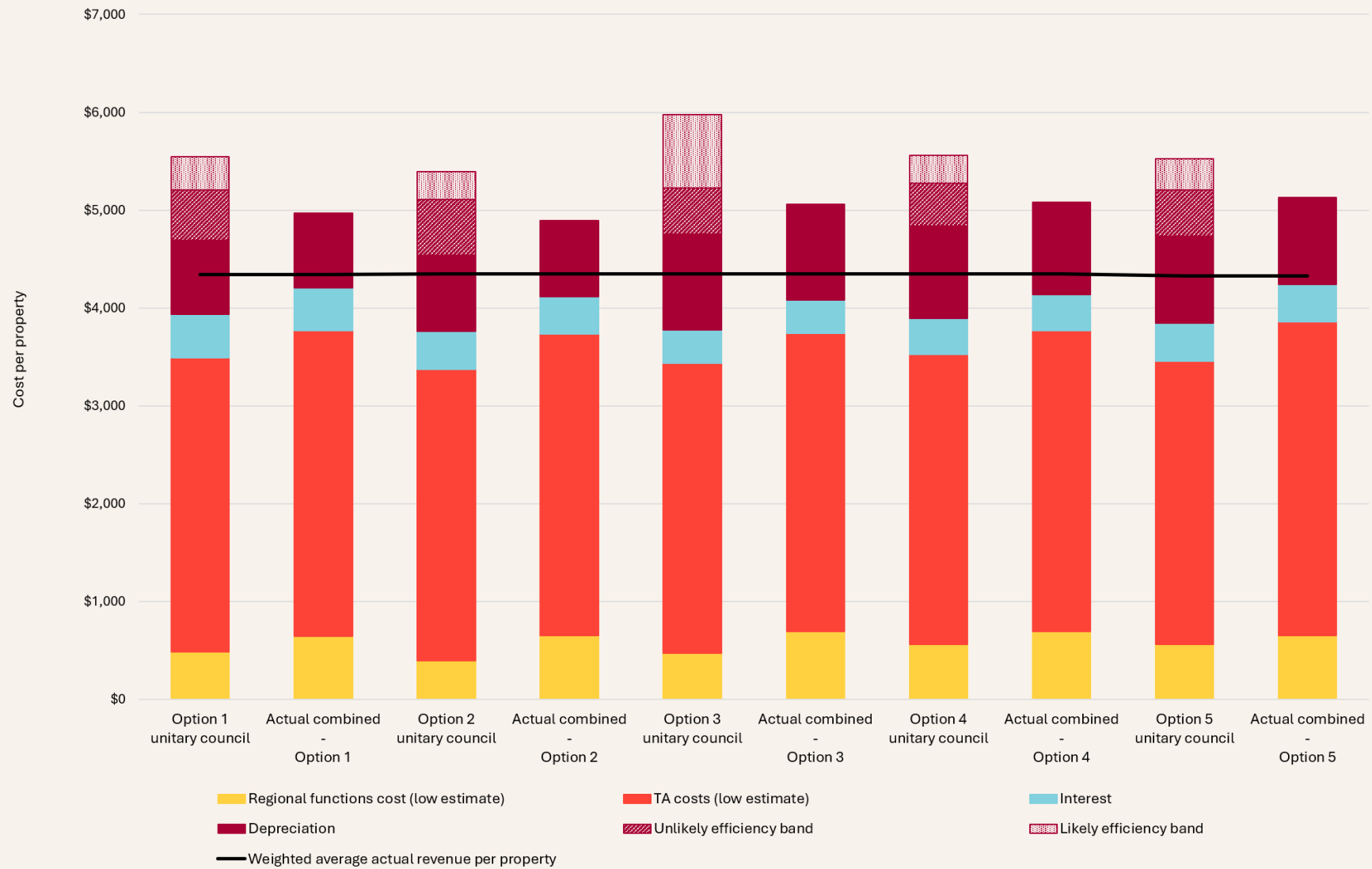


Figure 17 Comparison of existing cost per rateable properties versus benchmarked projection

Assessment

Table 7 Assessment of criteria 3

Options	Rating
Option 1	
Option 2	
Option 3	
Option 4	
Option 5	

What decision makers need to consider?

Decision makers should treat economies of scale as a capability and efficiency question, not simply a size question. The larger options may provide stronger specialist capability, procurement leverage and more coordinated investment planning, but these benefits are only meaningful if they exceed the additional costs of transition, coordination and local representation. The key test is whether each option creates scale in the functions where scale matters, while maintaining clear accountability for service levels, funding decisions and local priorities.

Economies of scale may improve capability and reduce duplication, but they will not necessarily reduce rates. Transition costs, service-level harmonisation, systems integration and local representation arrangements may absorb some benefits.



Maintains strong local voice

The Government's Head Start programme includes maintaining local voice as a core assessment criterion. This means testing whether the governance arrangements would preserve community identity, provide fair and effective representation, and remain practical to operate. Communities of interest are central to this because they show how people identify with place, use services, travel for work and education, and expect local decisions to be made.

In general, at large representation suits places with a strong shared identity and compact geography, wards suit places with distinct communities of interest, and a mixed model can help balance region wide leadership with local representation.

The model should support access between residents and elected members, avoid splitting recognisable communities without good reason, and use boundaries that are logical and defensible. Population equity remains important, but it is not the only consideration.

Any representation model needs to explicitly resolve:

- Regional efficiency versus local identity
- Population equality versus community integrity
- Scale versus accessibility
- Technical compliance versus community acceptance.

Currently there is a variety of local representation models across the councils in the options under assessment.

Table 8 Comparing current representation

District	Māori Electoral Population	General Electoral Population	Total Population	Total Members (Current)	Number of General Wards	Number of Māori Wards	Number of General Members	At large members	Number of Māori Members	Population per General Electoral Member	Māori Electoral Population per Māori Electoral Member	Number of Community Boards	Māori Ward Members ⁴	Māori Ward Members (Rounded)
Rangitikei District	3,180	12,850	16,030	11	3	2	9		2	1,428	1,590	2	2.18	
Manawatū District	3,290	30,700	33,990	11	2	1	10		1	3,070	3,290	0	1.06	
Palmerston North City*	10,950	79,600	90,550	15	1	1	13		2	6,123	5,475	0	1.81	
Tararua District	3,040	15,900	18,940	9	2	1	8		1	1,988	3,040	2	1.44	
Horowhenua District	5,590	32,800	38,390	12	4	1	10		2	3,280	2,795	1	1.75	2
Kāpiti Coast District	5,040	53,000	58,040	10	4	1	7	2*	1	7,571	5,040	5	0.87	1

⁴ * LGC indication of possible proportional calculation of Māori members based on the number of Māori electors to general electors.



Indicative council structures

This section estimates what the council level representation structure might look like under the different options, making comparison with other councils across New Zealand of similar populations.

These examples of what representation could be under the different options are provided to help the councils determine which options are preferred. Should the councils choose to develop an outline proposal then we would expect that these would be further developed.

Of note is that the existing four smaller unitary authorities (Gisborne, Marlborough, Nelson and Tasman District Councils) with populations of 50,000 to 60,000, each have 13 councillors, a ward structure and all have community boards.

Option 1

Horowhenua and Palmerston North unitary

A unitary authority combining Horowhenua and Palmerston North would have a population of approximately 117,000, close in size to Hutt City Council. Both councils have broadly similar governance arrangements. Each uses a ward-based electoral model and has Māori wards. In Horowhenua, only Te Awahou Foxton is represented by a community board, with most electors outside a community board area.

Table 9 Indicative Option 1 representative structure

Option 1	Population	Elected Councillors	Number of Wards (including Māori Wards)	Population per Councillor	Has Community Boards
HDC (Current)	38,390	12	5	3,199	Yes
PNCC (Current)	90,550	15	2 at large	6,037	
Option 1	117,990	13 (benchmarked)	7	9,076	Yes (Excl. PNCC)
Hutt City Council	114,200	13	6	8,785	Yes

Assuming Option 1 had a similar number of elected representatives as Hutt City Council, this would result in around 13 elected representatives overall. This is fewer than the combined status quo and would increase population per councillor to around 9,076.

Option 2

Kāpiti, Horowhenua, Palmerston North unitary

A combined unitary authority would have an electoral population of more than 186,000, comparable to cities such as Wellington and Hamilton. The three councils have broadly similar governance arrangements. Each uses a ward-based electoral model and has Māori wards. Horowhenua and Kāpiti also have community boards, while Palmerston North does not. In Kāpiti, all electors are covered by a community board area. In Horowhenua, only Te Awahou Foxton is represented by a community board,



with most electors outside a community board area. Neither council uses subdivisions to elect community board members.

Kāpiti also elects three councillors at large across the full council area, in addition to ward-based representation.

Table 10 Indicative Option 2 representative structure

Option 2	Population	Elected Councillors	Number of Wards (including Māori Wards)	Population per Councillor	Has Community Boards
HDC (Current)	38,390	12	5	3,199	Yes
PNCC (Current)	90,550	15	2 at large	6,037	
Option 2	186,980	10 (benchmark)	11(combined)	18,698	Yes (Excl. PNCC)
Tauranga City Council	161,000	10	9	16,100	No

Assuming Option 3 had a similar number of elected representatives as Tauranga City Council, this would result in around 10 elected representatives overall. This is fewer than the combined status quo and would increase population per councillor to around 18,698. Noting that Tauranga's elected councillors are lower than a smaller council like Dunedin illustrated in the next option comparison.

Option 3

Kāpiti, Horowhenua, Palmerston North, Manawatū and Tararua unitary

Option 3 has a combined electoral population of over 239,000 and would make a sizeable unitary territorial authority (larger than Wellington City) by current standards. The councils have broadly similar governance arrangements. All use ward-based representation, have Māori wards, and Kāpiti, Tararua and Horowhenua operate seven community boards between them.

The electoral population per elected member ranges from 2,104 in Tararua District Council to 6,037 in Palmerston North City, Kāpiti Coast District Council has the second highest representation per member at 5,804. Similarly, this option more than doubles the population to council member under the benchmarked structure.

Table 11 Indicative Option 3 representative structure

Option 3	Population	Elected Councillors	Number of Wards (including Māori Wards)	Population member per Councillor	Has Community Boards
HDC (Current)	38,390	12	5	3,199	Yes
PNCC (Current)	90,550	15	2 at large	6,037	
Option 3	239,910	15 (benchmark)	10 (benchmark)	15,994	Yes
Wellington City Council	210,850	15	6	14,057	Yes

Option 4

For the purposes of estimating the number of elected councillors and wards in the subregional options (not including any regional layer), these have been compared to similar sized New Zealand councils.

Horowhenua, Palmerston North, Manawatū and Taranaki unitary

Option 4 with a combined electoral population of over 181,000. The combined area would be a sizeable unitary territorial authority by current standards. The councils have broadly similar governance arrangements. All use ward-based representation, have Māori wards, and Taranaki and Horowhenua operate three community boards between them. Palmerston North, Whanganui and Ruapehu each have two at large wards – general and Māori – which effectively means councillors are elected at large.

The electoral population per elected member ranges from 2,104 in Taranaki District Council to 6,037 in Palmerston North City, reflecting Taranaki's smaller population and higher level of representation. When considering the benchmarked option below, this represents a much greater change for Taranaki.

Table 12 Indicative Option 4 representative structure

Option 4	Population	Elected Councillors	Number of Wards (including Māori Wards)	Population member per Councillor	Has Community Boards
HDC (Current)	38,390	12	5	3,199	Yes
PNCC (Current)	90,550	15	2 at large	6,037	
Option 4	181,870	14 (benchmark)	8 (benchmark)	12,990	Yes
Hamilton City Council	192,000	14	3	13,729	



Option 5

Central Districts unitary

A Central Districts unitary authority would have a combined electoral population of approximately 145,000, similar in size to Dunedin City. The existing councils share several governance features, including ward-based representation and Māori wards. Community boards operate in Horowhenua and Kāpiti, but not Palmerston North, with all electors falling within a community board area. None of the councils use subdivisions to elect community board members.

Table 13 Indicative Option 5 representative structure

Option 5	Population	Elected Councillors	Number of Wards (including Māori Wards)	Population per Councillor	Has Community Boards
HDC (Current)	38,390	12	5	3,199	Yes
PNCC (Current)	90,550	15	2 at large	6,037	
Option 5	144,970	14 (benchmark)	12 (combined)	10,355	Yes (Excl. PNCC)
Dunedin City Council	132,800	14	0	9,485	Yes

Assuming Option 5 had 14 elected representatives (14-15 is a common number of representatives for a council of this size), it would provide a level of representation at 10,355 people per representative which is like other large populations.

Addressing local voice

A key opportunity when it comes to maintaining local voice, is the design of the local body representation layer. The inclusion of local bodies is a design choice for each of the subregional entities.

The figure below represents a spectrum of options for how much authority could be devolved to local bodies, framed as a continuum between two contrasting models.

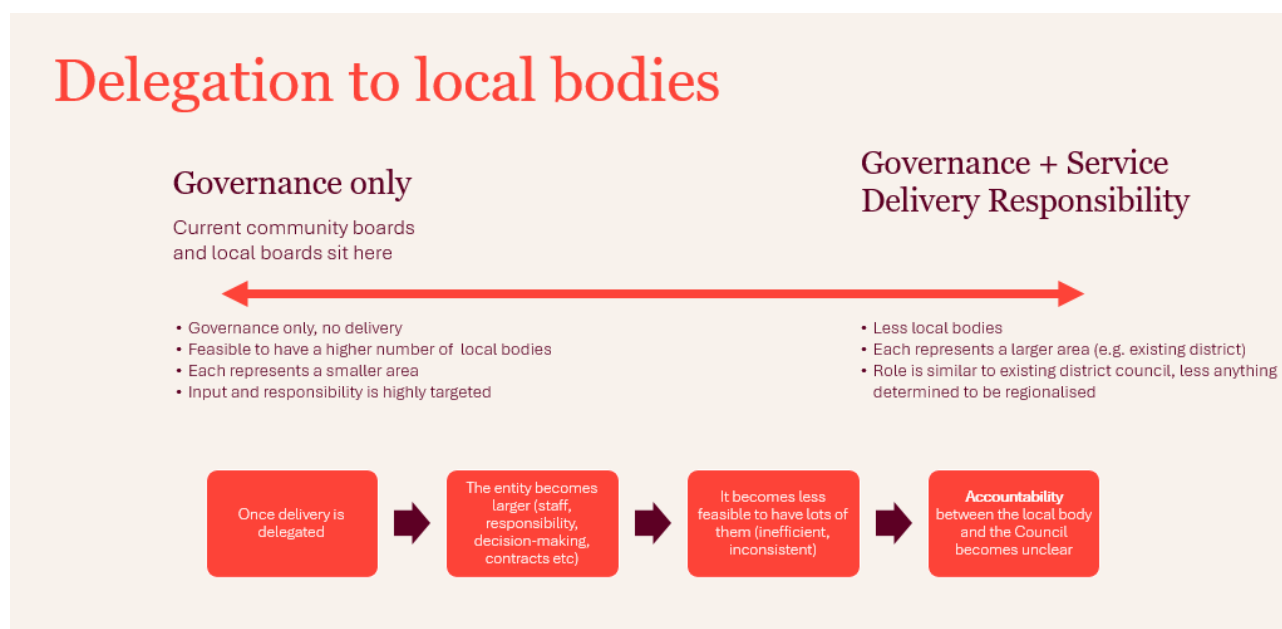


Figure 18 Spectrum of options for local body delegation

At one end sits a "governance only" model, where local bodies hold a governance role with no service delivery responsibility. This is the position currently occupied by community boards and local boards⁵. This approach makes it feasible to have a larger number of local bodies, each covering a smaller area, with highly targeted input and responsibility.

At the other end is a "governance plus service delivery responsibility" model, in which local bodies take on both governance and delivery functions. This implies fewer local bodies, each spanning a larger area such as an existing district, with a role similar to today's district councils, less anything determined to be regionalised.

The central trade-off is one of granularity versus scope: many small bodies with very targeted remits, against fewer larger bodies carrying broader operational responsibility. The status quo is positioned firmly at the governance-only end.

Iwi representation

Māori representation is a relevant consideration across all options because the scale, geography, and mix of communities vary significantly between the proposed council areas. The outcomes of recent Māori ward referendums have shown that views on Māori representation can differ between

Prior to Auckland Council's amalgamation, there were 28 community boards across six of the seven district councils. The Royal Commission on Auckland Governance recommended 6 second-tier local councils beneath a single unitary council. The Government agreed with single unitary council but rejected the 6 second-tier councils in favour of 21 local boards, with greater powers than community boards, but less than the second-tier councils proposed by the Commission.)

⁵ Auckland's local boards have operating budgets to direct, but delivery is through council or CCO staff.

communities, highlighting that future arrangements cannot be assumed to be consistent across all options.

This report does not assess or recommend a preferred approach to Māori representation. No engagement has been undertaken with iwi, hapū, or Māori communities as part of this analysis, and any future proposal would require detailed consultation and co-design with affected parties.

A key consideration is whether Māori representation is best provided through a single region-wide mechanism or through arrangements tailored to local communities and iwi relationships. Option 3 may lend itself to more regional approaches to Māori representation, while smaller subregional options may provide greater opportunity for place-based arrangements that reflect local iwi and hapū relationships. Regardless of the option selected, Māori representation should be considered as a core governance design issue rather than an add-on to the final structure.

The Local Government Commission has previously noted that effective Māori representation must reflect the diversity of iwi, hapū, communities, and interests within a council area. Consequently, the appropriate model is likely to depend not only on population size and geography, but also on the complexity of iwi relationships and the extent to which local identity and decision-making are intended to be preserved within the future governance structure.

Potential wards

Ward design approach

We have aligned ward boundaries with the strongest functional communities identified in the travel data, while also recognising existing communities of interest and population distribution across the proposed council area. Palmerston North consistently emerges as the dominant regional hub, with strong connections to Manawatū and wider linkages across the surrounding districts. At the same time, Levin, Feilding, Paraparaumu and Dannevirke/Pahiatua function as important local centres with distinct identities and service catchments.

Palmerston North's current representation model reflects its own local circumstances, including its use of a single general ward and city-wide STV representation. The indicative ward design is not intended to negate or replace that model. Rather, it is a high-level example to show how representation could be distributed across the wider amalgamated authority, where local voice pressures may arise and highlight the potential for change.

The number and configuration of wards reflect the size and diversity of the combined population, the geographic scale of the proposed council area, and the need to provide effective local representation across both urban and rural communities. While the travel data highlights strong connections between communities, it also demonstrates that residents continue to identify with established centres and surrounding hinterlands, which remain important communities of interest.

The resulting ward structures recognise the role of major centres such as Palmerston North, Paraparaumu, Levin, Feilding and Dannevirke/Pahiatua, while ensuring representation is maintained for surrounding rural and coastal communities. This creates a governance model that reflects how the area functions in practice while preserving recognisable local communities and supporting effective representation across the proposed council area.



Option 1 – Horowhenua and Palmerston North unitary

The travel data suggests that a combined Horowhenua and Palmerston North unitary authority would form a highly connected functional area, with approximately 96.5% of work and education journeys remaining within the proposed boundary. Palmerston North acts as the principal employment, education, health and service hub for the wider area, while Levin continues to function as Horowhenua's primary service centre. However, the area does not operate as a single uniform community of interest. Instead, it contains several identifiable communities centred on Palmerston North, Levin, the Horowhenua coast, and the district's rural settlements. A ward structure based on these communities would reflect the main travel patterns while retaining effective local representation.

Table 14 Indicative five ward structure for Option 1

Indicative Ward	Key Communities	Rationale
Palmerston North North Ward	Ashhurst, Kelvin Grove, Milson, Whakarongo, Roslyn and surrounding northern and eastern communities	Strong internal travel patterns centred on northern and eastern Palmerston North, reflecting a distinct urban catchment linked to the city.
Palmerston North South Ward	Palmerston North Central, Hokowhitu, Awapuni, Takaro, Terrace End, West End and surrounding communities	Encompasses the city's primary employment, education, commercial and health services, making it the dominant travel hub within the proposed area.
Levin Ward	Levin urban area, Fairfield, Waiopahu, Taitoko, Playford Park and immediate surrounds	Levin remains Horowhenua's principal employment, education and service centre and forms the dominant travel catchment within the district.
Horowhenua Coastal Ward	Foxton, Foxton Beach, Waitarere and surrounding coastal communities	Recognises the distinct identity, service relationships and travel patterns of Horowhenua's coastal settlements.
Horowhenua Rural Ward	Shannon, Tokomaru, Manakau, Ōhau, Miranui and surrounding rural communities	Represents communities with strong rural interests and travel connections to both Levin and Palmerston North while maintaining a distinct rural community of interest.

Option 2 – Kāpiti, Horowhenua, and Palmerston North

The travel data suggests that Option 2 would form a well-connected north-south corridor, with approximately 93.5% of journeys remaining within the proposed boundary. Horowhenua occupies a central position in this corridor, linking Kāpiti to the south and Palmerston North to the north. Palmerston North would be the principal regional hub for employment, education, health and services, while Levin and Paraparaumu would continue to function as important sub-regional centres. The area contains several identifiable communities of interest rather than a single metropolitan catchment, with strong internal connections along the Kāpiti coast and between Horowhenua and Palmerston North. Some external links would remain, particularly between Kāpiti and Wellington, but the proposal captures the majority of daily travel relationships across the three areas.

Table 15 Indicative 8 ward structure for Option 2

Indicative Ward	Key Communities	Rationale
Palmerston North North Ward	Northern and eastern Palmerston North	Reflects the size of Palmerston North and provides local representation within the city's northern catchment.
Palmerston North South Ward	Central and southern Palmerston North	Recognises the city's large population and distinct urban communities.
Levin Ward	Levin urban area and immediately adjacent communities	Levin is Horowhenua's primary employment, education and service hub and the focal point of the district's travel patterns.
Horowhenua Rural Ward	Foxton, Foxton Beach, Shannon, Waitarere, Tokomaru and surrounding rural communities	Recognises the distinct interests and travel patterns of coastal and rural communities outside Levin.
Ōtaki Ward	Ōtaki, Ōtaki Beach, Waitohu, Te Horo and surrounding communities	Strong local travel patterns and a distinct northern Kāpiti community of interest.
Waikanae Ward	Waikanae, Waikanae Beach and surrounding communities	Distinct community identity and local travel catchment within the wider Kāpiti corridor.
Paraparaumu Ward	Paraparaumu, Paraparaumu Beach and surrounding communities	Primary commercial, employment and service centre for Kāpiti.
Raumati Ward	Raumati South, Raumati Beach and surrounding communities	Strong local identity while remaining connected to the wider Paraparaumu catchment.

Option 3 – Kāpiti, Horowhenua, Tararua, Manawatū and Palmerston North

The travel data suggests that a combined Kāpiti, Horowhenua, Tararua, Manawatū and Palmerston North council would operate as a connected corridor stretching from Kāpiti in the south through Horowhenua and Manawatū to Tararua in the north-east. Palmerston North remains the dominant employment, education, health and service hub, with strong connections to Manawatū and wider linkages into Horowhenua and Tararua. At the same time, Paraparaumu functions as the principal centre for Kāpiti, while Levin continues to serve as the main urban and service centre for Horowhenua.

However, the combined area does not operate as a single uniform community of interest. Distinct functional communities remain centred on Palmerston North, Feilding, Paraparaumu, Levin and Dannevirke/Pahiatua, each serving as important local centres for surrounding urban and rural communities. While the data demonstrates strong connectivity across the proposed council area, it also highlights the importance of maintaining representation for established communities that retain their own identity, service networks and travel patterns.

The indicative ward structure therefore reflects both the dominant role of Palmerston North as the regional hub and the distinct communities of interest across Kāpiti, Manawatū, Horowhenua and Tararua. This approach aligns representation with the strongest functional relationships identified in the travel data while preserving effective local representation across the proposed council area.

Table 16 Indicative 10 ward structure for Option 3

Ward	Key communities	Rationale
Palmerston North Central Ward	Palmerston North Central, Papaioea, West End, Roslyn, Takaro and surrounding central neighbourhoods	Captures the principal commercial, civic and employment centre of the combined council area. Palmerston North Central remains a major travel destination and functions as the primary regional hub.
Palmerston North North Ward	Tremaine, Milson, Airport, Kelvin Grove, Cloverlea, Highbury and surrounding northern suburbs	Reflects a distinct northern employment and industrial area, including Tremaine and the Airport, which are among the strongest destinations identified in the travel data.
Palmerston North South and East Ward	Hokowhitu, Terrace End, Whakarongo, Fitzherbert, Turitea, Aokautere, Ashhurst, Linton Camp and surrounding communities	Combines the city's eastern and southern growth areas, which share strong connections to Palmerston North's employment and service centres while also providing representation for peri-urban communities.
Feilding and Manawatū Ward	Feilding, Sanson, Rongotea, Awahuri, KIWITEA, Kimbolton, Pohangina and surrounding rural communities	Recognises the strong relationship between Feilding and rural Manawatū while maintaining a distinct identity separate from Palmerston North. Travel patterns indicate a highly connected but still identifiable community of interest centred on Feilding.
Paraparaumu Ward	Paraparaumu, Paraparaumu Beach, Raumati and surrounding communities	Principal employment, education and service centre for Kāpiti and the strongest travel hub within the district.
Waikanae Ward	Waikanae, Waikanae Beach and surrounding communities	Recognises a distinct community identity within the wider Kāpiti travel corridor and reflects established settlement patterns.
Ōtaki and Northern Kāpiti Ward	Ōtaki, Ōtaki Beach, Te Horo and surrounding northern communities	Reflects the distinct northern Kāpiti community of interest and its important relationship with both Kāpiti and Horowhenua.
Horowhenua Ward	Levin, Foxton, Foxton Beach, Shannon, Waitarere, Ōhau, Manakau and surrounding communities	Recognises Horowhenua as a coherent district-wide community centred on Levin, while maintaining representation for the district's coastal, rural and southern settlements.
Tararua North Ward	Dannevirke, Norsewood, Papatawa and surrounding northern Tararua communities	Reflects the Dannevirke-centred community of interest and aligns with established travel, service and community relationships across northern Tararua.
Tararua South Ward	Pahiatua, Woodville, Mangatainoka, Eketāhuna-linked communities and surrounding southern Tararua areas	Recognises the distinct identity of southern Tararua communities and their shared relationships with Pahiatua and Woodville as key local service centres.

Option 4 – Horowhenua, Tararua, Manawatū and Palmerston North

The travel data suggests that a combined Horowhenua, Tararua, Manawatū and Palmerston North council would operate as a highly connected area, with the vast majority of recorded journeys occurring within the proposed boundary. Palmerston North clearly functions as the primary employment, education, health and service hub for the wider area, with particularly strong connections to Manawatū and wider linkages to Horowhenua and Tararua

However, the combined area does not operate as a single uniform community of interest. Distinct functional communities remain centred on Palmerston North, Feilding, Levin and Dannevirke/Pahiatua, each serving as important local centres for surrounding urban and rural communities. While the data demonstrates strong connectivity across the proposed council area, it also highlights the importance of maintaining representation for established communities that retain their own identity, service networks and travel patterns.

The indicative ward structure therefore reflects both the dominant role of Palmerston North as the regional hub and the distinct communities of interest across Manawatū, Horowhenua and Tararua. This approach aligns representation with the strongest functional relationships identified in the travel data while preserving effective local representation across the proposed council area

Table 17 Indicative 8 ward structure for Option 4

Ward	Key communities	Rationale
Palmerston North Central Ward	Palmerston North Central, Papaioea, West End, Roslyn, Takaro and surrounding central neighbourhoods	Captures the principal commercial, civic and employment centre of the combined council area. Palmerston North Central is a major travel destination and functions as the primary regional hub.
Palmerston North North Ward	Tremaine, Milson, Airport, Kelvin Grove, Cloverlea, Highbury and surrounding northern suburbs	Reflects a distinct northern employment and industrial area, including Tremaine and the Airport, which are among the strongest destinations identified in the travel data.
Palmerston North South and East Ward	Hokowhitu, Terrace End, Whakarongo, Fitzherbert, Turitea, Aokautere, Ashhurst, Linton Camp and surrounding communities	Combines the city's eastern and southern growth areas, which share strong connections to Palmerston North's employment and service centres while also providing representation for peri-urban communities.
Feilding and Manawatū Ward	Feilding, Sanson, Rongotea, Awahuri, Kiwitea, Kimbolton, Pohangina and surrounding rural communities	Recognises the strong relationship between Feilding and rural Manawatū while maintaining a distinct identity separate from Palmerston North. Travel patterns indicate a highly connected but still identifiable community of interest centred on Feilding.
Levin Ward	Levin urban area and immediate surrounds	Levin is the primary employment, service and commercial centre for Horowhenua and functions as a distinct urban community of interest within the combined council area.
Horowhenua Rural and Coastal Ward	Foxton, Foxton Beach, Shannon, Waitarere, Ōhau, Manakau, Waikawa and surrounding rural communities	Recognises the distinct interests of Horowhenua's coastal, rural and southern communities, which have different characteristics and travel patterns from Levin while remaining closely connected to it.

Ward	Key communities	Rationale
Tararua North Ward	Dannevirke, Norsewood, Papatawa and surrounding northern Tararua communities	Reflects the Dannevirke-centred community of interest and aligns with established travel, service and community relationships across northern Tararua.
Tararua South Ward	Pahiatua, Woodville, Mangatainoka, Eketāhuna-linked communities and surrounding southern Tararua areas	Recognises the distinct identity of southern Tararua communities and their shared relationships with Pahiatua and Woodville as key local service centres.

Option 5 – Palmerston North, Horowhenua and Rangitikei

The travel evidence suggests that Option 5 would form a well-connected regional area, with approximately 95.5% of journeys remaining within the proposed boundary. Palmerston North would be the principal employment, education, health and service hub, while Levin would continue to act as Horowhenua's main service centre and an important gateway between the district and the city. Rangitikei would extend the council area northwards, bringing in several distinct rural and township communities, including Marton, Bulls, Hunterville and Taihape. Horowhenua would sit near the centre of the proposed geography, forming part of the core north-south corridor linking Palmerston North with communities to the north and south. Although some external links would remain with Manawātū District, Kāpiti Coast and Whanganui, the proposal captures the majority of daily travel relationships and reflects a mix of urban, provincial and rural communities with strong overall internal connectivity.

Table 18 Indicative 8 ward structure for Option 5

Indicative Ward	Key Communities	Rationale
Palmerston North North Ward	Northern and eastern Palmerston North	Reflects the size of Palmerston North and provides representation for northern urban communities.
Palmerston North South Ward	Central and southern Palmerston North	Recognises the city's population size and distinct urban neighbourhoods.
Levin Ward	Levin urban area and immediate surrounds	Levin is Horowhenua's principal employment, education and service centre.
Horowhenua Rural Ward	Foxton, Foxton Beach, Shannon, Waitarere, Tokomaru and rural Horowhenua	Reflects the distinct interests of coastal and rural communities outside Levin.
Marton Ward	Marton and surrounding rural communities	Marton functions as an important service centre within Rangitikei.
Bulls Ward	Bulls, Santoft and surrounding communities	Recognises Bulls' role as a key southern Rangitikei settlement and transport hub.
Northern Rangitikei Ward	Taihape, Mangaweka and northern rural communities	Represents the distinct communities of the upper district and their separate service relationships.
Central Rangitikei Rural Ward	Hunterville and surrounding rural communities	Provides representation for the extensive rural hinterland between Marton and Taihape.

Detailed design of local representation

Local representation is an important consideration in assessing the options in this report. There are aspects of local representation that will influence the selection between the options presented in this report, and these are discussed in the ‘Maintaining Local Voice’ section of Section 3.

However other factors are independent of the option progressed and do not need to be fully resolved at this stage. The matters that do not need to be resolved in order to select between the options are outlined in this section.

Options for local representation

There are two types of sub-local governance; community boards and local boards in current legislation. The key difference is that community boards are used across most of New Zealand and local boards are available to unitary authorities and used only in Auckland Council currently. This is summarised in the table below. There are 110 community boards around the country and 21 local boards in Auckland.

A summary is provided below on the existing community board and local board options, however for the purpose of this comparative analysis, the design of this layer of local representation can be customised under any of the options presented.

Table 19 Comparison of community boards and local boards

Dimension	Community Boards	Local Boards (Auckland Model)
Legal basis	Local Government Act 2002, Part 4, Subpart 2	Local Government Act 2002 (Part 4, Subpart 1A) + Local Government (Auckland Council) Act 2009
Status in governance	Subordinate to council	Part of formal governance structure (shared governance)
Core purpose	Representation, advocacy, local input	Enable democratic decision-making at local level
Strategic role	Limited, advisory	Recognised role in shaping local priorities and outcomes
Decision-making powers	Only what is delegated by council	Statutory decision-making responsibilities + delegated powers
Durability of powers	Delegations can be changed or removed at any time	More stable — embedded in governance model
Budget control	May be given a delegated budget (revocable)	Allocated local board budgets as part of council planning framework
Ability to influence LTP / plans	Provides submissions and advice only	Has formal input rights into regional strategies and plans
Service delivery responsibility	None	Decide on local services, delivery by council staff / CCOs
Revenue raising	None	Not directly, but can influence targeted rates and budgets



Dimension	Community Boards	Local Boards (Auckland Model)
Asset ownership / control	None	Not directly, but can influence local asset use
Staff / contracting authority	None	None directly (via council systems)

Ultimately the key issue for unitary councils to consider when weighing up community or local boards is:

- Do they want a formal structure for local input (community board model), or
- Do they want local decision-making authority (local board model), or
- Do they want a combination of both community boards and local boards to fulfil different communities' needs?

These questions apply to all options, and the level of complexity introduced to achieve the desired balance between local representation and efficiency or simplicity of process is also the same under all options.

Further consideration can be given both before and after submitting an Outline Proposal to additional options not currently existing in legislation, such as:

- Whether local boards may be able to set targeted rates for specific purposes. This option can be explored but it is unclear how this would operate under proposed rates-capping legislation at this stage.
- Whether there is any crossover between local body representation and unitary council representation (i.e. potential for a chair of a local body to have a dual role as an elected member on the council).

Potential local boards

The proposed local board structure sits beneath the ward framework and is designed to reflect how communities function at a more local, day-to-day level. While wards provide a clear and stable basis for regional representation, local boards allow for finer-grained decision-making that recognises how people actually organise their lives, including differences between towns, rural areas, growth areas, and transport corridors. In parts of the area where communities are diverse or overlap, such as Rangitikei or the Horowhenua corridor, local boards enable these variations to be acknowledged without requiring complex or artificial ward boundaries.

A local governance layer would help manage the scale/local voice trade-off and provide a way to reflect different communities of interest within the new authority.

Assessment

Table 20 Assessment of criteria 4

Options	Rating	Pros	Cons
Option 1		Keeps each council more visible than in the larger Horizons or Wellington unitary options. Reflects Horowhenua & Palmerston North relationship for employment, services, health, education and transport. A two-council model could support clear local representation for Levin, coastal Horowhenua, rural Horowhenua and Palmerston North.	With only two councils in the mix, the model is more likely to compensate for Palmerston North dominance with representation and local body powers are deliberately designed. Horowhenua's older, more rural, more deprived and coastal communities may have different priorities from Palmerston North's urban centre. Does not reflect Horowhenua's southern corridor relationship with Kāpiti, so southern growth and coastal priorities would need specific protection.
Option 2		Reflects Horowhenua's dual orientation to Palmerston North and the southern corridor. Provides a stronger basis for local boards aligned to functional communities, including Levin, coastal settlements and corridor growth areas.	Crosses regional boundaries and would need careful explanation to communities. Palmerston North could still dominate unless representation and local body powers are deliberately designed. Local board design would need to be clear enough to avoid recreating multiple layers of unclear accountability.
Option 3		. Aligns with some southern corridor and coastal communities of interest. Local boards could be designed around recognisable communities such as Levin, coastal settlements and southern corridor areas.	Crosses regional boundaries, which may make roles and accountabilities harder to explain. Kāpiti residents may have a strong relationship with Wellington and resist direction from northern communities. Palmerston North would be part of an authority that now not only addresses urban issues but rural as well. Risk that Palmerston North's urban issues become diluted among rural, coastal and growth-related priorities and issues. A strong local board model would be essential but may add complexity and still may not provide enough influence.

Options	Rating	Pros	Cons
Option 4		Aligns with some southern corridor and coastal communities of interest. Local boards could be designed around recognisable communities such as Levin, coastal settlements and southern corridor areas.	Palmerston North would be part of an authority that now not only addresses urban issues but rural issues as well. Risk that Palmerston North's urban issues become diluted among rural, coastal and growth-related priorities and issues. A strong local board model would be essential but may add complexity and still not provide enough influence.
Option 5		Keeps the option within the Horizons regional context, which may be easier to explain than cross-boundary options. Provides some scale while retaining a stronger central district identity than the full regional model.	The model may be more oriented to Palmerston North and Rangitikei than Horowhenua's southern growth connections. Horowhenua may still need specific design protection to maintain influence over local priorities. A mixed rural, urban and corridor geography may make local body boundaries difficult to design simply.



What this means for decision makers?

The assessment suggests that the key issue for decision makers is not whether local voice can be maintained, but how it will be maintained and how much authority will be delegated to local communities.

In larger mergers with bigger areas and population maintaining community influence will depend on the design of local boards or other local governance arrangements, as local voice is less likely to be preserved through council representation alone. In contrast, the smaller subregional options generally provide a stronger connection between communities and decision makers.

The trade-off is therefore between the efficiencies and coherence of larger governance structures and the ability to preserve meaningful local influence, identity and responsiveness. Regardless of the option selected, a clear and credible local governance model, with defined responsibilities, decision-making authority and accountability, will be critical to maintaining community confidence and ensuring local priorities continue to shape outcomes.



Deliverability

Local government and the public sector more broadly have a history of responding to reform and reshaping themselves following Government decisions. In recent times, local government in New Zealand has responded at pace to the removal of water and the creation of Water CCOs with some being stood up on 1 July 2026.

Our interpretation of this criterion is that the Government is looking for confidence that the proposed merger can be delivered and that is demonstrated by a clear implementation plan that recognises what needs to be achieved for day one and what can be delivered after day one, and manages the potential risks.

Given that, our view is that any proposal that is submitted should be able to satisfy this criterion. For the purposes of this assessment, we have drawn on our experience with the Auckland amalgamation and Australian council mergers in New South Wales and Queensland which both suggest that mergers or amalgamations are not without challenges.

In doing that we have identified those factors which create or increase risk when implementing mergers and can affect the likelihood of achieving the expected benefits of change.

Community resistance

In New Zealand, New South Wales and Queensland there has in the past been strong community concerns about the loss of identity and local decision making from council mergers. Local lobby groups were successful in some cases in stopping mergers, frustrating the operation of the new council or successful in having future governments unwind the merged councils to return to the original councils. Some political parties at the NSW and QLD state government level campaigned on unwinding unpopular mergers and were successful in becoming the incoming government. These governments enabled a demerger process subject to conditions and to date, four in QLD and two in NSW have progressed to implementation and either have or will return to the original councils. In Auckland, similar sentiment reached the point where the Local Government Commission considered two proposals; one to remove North Rodney from Auckland and another to separate Waiheke Island. Both were rejected.

Overall, though, most merged councils did not experience a significant community backlash and after a period of time achieved community acceptance.

Complexity

Our experience and the case studies of Auckland, Wellington Water, New South Wales and previously reorganisation studies we have been involved in, demonstrate that all options are deliverable. However, they indicate that more complex or novel governance arrangements, particularly those involving multiple entities or shared accountabilities and new structures or models require stronger alignment, clearer role definition, and more sustained implementation effort to operate effectively in practice.

Our experience is that larger councils created under mergers become more complex and typically set and adopt higher standards of performance. Larger councils need to adopt comprehensive internal processes such as communication, Work Health and Safety and project management capability as well as other specialist roles to support the larger organisation. Initially some surplus positions may be moved into new roles supporting new or larger organisational processes and over time these expand. We found that within a short period of the merger, Queensland councils experienced an



increase in the number of administrative staff positions while the ‘outside’ staff number remained static. Auckland staff costs exceeded budgets for the first three years following their amalgamation.

Additionally, some elements of a merger are more complex and time consuming to implement. The alignment of corporate information systems, account structures and records was a prime example. With a limited number of council corporate systems providers and the high cost of systems, some councils delayed integration processes, or when they were undertaken, they took two plus years to implement. Costs in most cases exceeded original budgets.

Services and service levels

Almost all councils we are aware of faced the challenge of aligning different service levels between constituent local authorities. New South Wales and Queensland councils typically had few documented service levels for each of the councils that were merged so it was impossible to cost and consider service level changes easily. As a result, much of the pressure for service level changes was from anecdotal arguments about what one community received versus another or through political lobbying.

Whether it was quality and condition of assets like swimming pools or libraries, the frequency and quality of maintenance of parks or roads, or the type and frequency of domestic waste collection services, these were generally equalised to the highest service levels increasing the cost to all ratepayers. Councillors were naturally reluctant to reduce services or decrease service levels and face a community backlash from parts of the community, so the highest service level was adopted.

In smaller communities the council workforce made up a large portion of the community and sustained community infrastructure such as schools, town commercial centres and community groups. Ward councillors were reluctant to adopt efficiencies that otherwise impacted their community.

Staff efficiencies and local staff presence

In New South Wales staff (except general managers and directors) were guaranteed employment for three years but this guarantee aside, councillors were reluctant to reduce the size of the workforce. While there was a decrease in the overall numbers of general managers and directors, those who retained positions were paid more to compensate for larger more complex responsibilities.

In smaller communities the council workforce made up a large portion of the community and sustained community infrastructure such as schools, town commercial centres and community groups. Ward councillors were reluctant to adopt efficiencies that otherwise impacted their community.

Iwi relationships and engagement

Iwi relationships matter for deliverability because iwi engagement is not a one-off transition task. It is a continuing part of how councils operate across planning, infrastructure, service delivery, governance, and place-based decision making. In a region with a large number of iwi and hapū relationships, a new model would need to support both effective regional engagement and strong local relationships. That is likely to increase the design challenge, because the governance and operating model would need to be capable of sustaining meaningful engagement across a wide and evolving relationship landscape, while also remaining workable and timely to implement.

Assessment

Table 21 Assessment of criteria 5

Options	Rating	Pros	Cons
Option 1		Involves only two councils, making transition more manageable than larger options. Stays within the existing Horizons context and avoids regional boundary complexity. Builds on existing Horowhenua, Palmerston North relationships, including services, transport and Central Districts Water. Smaller scale should reduce systems, staffing and service-level integration complexity.	Only a partial reform solution, so regional planning, catchment, transport and environmental functions would still require coordination with the wider Horizons region. Palmerston North may dominate organisational design and transition priorities. Service levels, rating impacts and local presence would still need careful management for Horowhenua communities.
Option 2		Reflects a southern growth corridor and coastal relationships that includes growth, service and transport relationships. Involves fewer councils than Options 3 and 4, making the transition more manageable than the largest options.	Crosses the Horizons and Greater Wellington boundary, increasing implementation complexity. Requires new arrangements for planning, environmental management and regional-scale functions. Combines communities with different growth patterns, service expectations and local identities. Would need careful governance design to balance Palmerston North, Kāpiti and Horowhenua interests.
Option 3		Adds Palmerston North's deep connections to the wider Manawātū to option 2. The scale of the organisation could provide significant capability and resources to support implementation and future service delivery.	The option creates a new governance grouping that does not fully align with existing communities of interest. Integration of differing service levels, organisational cultures and priorities would still be required. It may also struggle to develop a strong shared identity because of the relationship between Kāpiti and Wellington but would resolve ongoing relationships with Kāpiti and the southern growth corridor.

Option 4



Remains within the existing Horizons framework, reducing disruption to planning and regulatory arrangements.

It builds on some existing collaboration and shared service relationships and is likely to be easier to explain and implement than the cross-boundary options.

The option creates a new governance grouping that does not fully align with existing communities of interest. Integration of differing service levels, organisational cultures and priorities would still be required.

It may also struggle to develop a strong shared identity and would not fully resolve ongoing relationships with Kāpiti and the southern growth corridor.

Option 5



Stays within the existing Horizons framework, reducing disruption to regional planning and regulatory arrangements.

Builds on some existing collaboration and in particular Central Districts Water

Involves fewer councils making the transition moderate in scale.

Creates a new governance grouping that does not fully align with Horowhenua's southern growth corridor.

Adds Rangitikei communities and catchment issues that are less central to Horowhenua's immediate priorities.

Requires integration of different service levels, organisational cultures and local identities and lacks a contiguous boundary.

May struggle to develop a strong shared identity across Horowhenua, Palmerston North and Rangitikei.



What this means for decision makers

All options would create new subregional unitary arrangements and would require clear ongoing arrangements with neighbouring authorities for catchment management, regional planning, transport, economic planning and shared services adding complexity to implementation.

Option 1 is the most straightforward and avoids the regional boundary issues created by options involving Kāpiti. This may therefore be easier to explain and implement than Options 2 and 3. However, they still require new unitary structures and would need to show how Horowhenua's growth, infrastructure, coastal and southern corridor issues would be managed within a narrower northern-focused model.

Options 2 and 3 requires acceptance of unitary models that do not sit wholly within one current region. However, option 3 provides the strongest subregional because it recognises the functional corridor from Palmerston North through Manawatū, Horowhenua to Kāpiti. However, it also introduces additional transition and operating complexity because it crosses the Horizons and Greater Wellington boundary and would need to manage Kāpiti's existing Wellington-facing relationships. The key risk is whether these arrangements can be made clear enough for communities to understand who is responsible for decisions, funding and service delivery during and after transition.

Option 4 is more focused around Palmerston North's functional relationships. However, it would still require integration of different service levels, organisational cultures and local priorities, and it would not fully resolve Palmerston North's relationship with Kāpiti and the southern growth corridor.

Option 5 is challenged by not having a contiguous boundary of all the councils involved. That is a challenge for both implementation but will be an ongoing issue.

The key deliverability test for decision makers is whether each option can be implemented in time, with manageable transition risk and a proposal that Horowhenua and communities can understand and trust



Summary of key trade-offs

Based on the analysis in the previous sections, this section summarises the key differences between the options that are not design details that can be resolved through further work.

Regional coherence versus singular focus

The strongest trade-off is between achieving greater regional integration and maintaining a direct focus on Palmerston North or Horowhenua's specific priorities. Larger geographic mergers bring regional scale which has benefits but this can dilute the local focus that smaller councils have. That can be demonstrated with the incremental changes through the options as the number of councils changes.

For example., option 1 reflects a strong community of interest between Palmerston North and Horowhenua and the immediate growth relationships but requires more coordination across boundaries. Option 2 recognise Horowhenua's southern corridor and option 3 a stronger alignment planning, catchment management and regional-scale decisions but includes communities that are currently not supporting a head start proposal. The larger mergers also carry greater risks that, for example, Horowhenua's growth agenda, affordability concerns, coastal issues and local identity would compete with a wider set of regional priorities.

Simplicity and accountability versus local flexibility

A second trade-off is between governance simplicity and local flexibility. Smaller subregional options preserve greater local flexibility and allow different approaches to representation and service delivery but retain more complex governance arrangements and ongoing coordination requirements. The more councils and cross boundary collaboration involved, the greater the need for agreements and shared decision making.

Benefits of scale versus local voice

All options must balance the benefits of increased scale with the need to maintain meaningful local representation. Larger authorities can provide stronger capability, specialist expertise and organisational resilience, but they inevitably increase the distance between communities and decision makers. The two smaller unitary options generally make it easier for Palmerston North to remain visible within the governing structure, while larger options such as the Horizons model would require stronger local governance arrangements to ensure local priorities remain influential. Palmerston North by its size may be able to remain influential whatever option is preferred. The central question is not whether representation exists, but whether it has sufficient influence over local outcomes.

Functional relationships versus institutional alignment

The assessment also identifies a trade-off between reflecting functional relationships and aligning with existing regional institutions.

Option 1 aligns institutionally with Horizons and strengthens the Horowhenua, Palmerston North relationship, but it does not capture Horowhenua's southern corridor relationship with Kāpiti or the full Manawatū catchment. It is therefore a pragmatic northern alignment option rather than a full regional or full growth-corridor solution that is provided by other options.



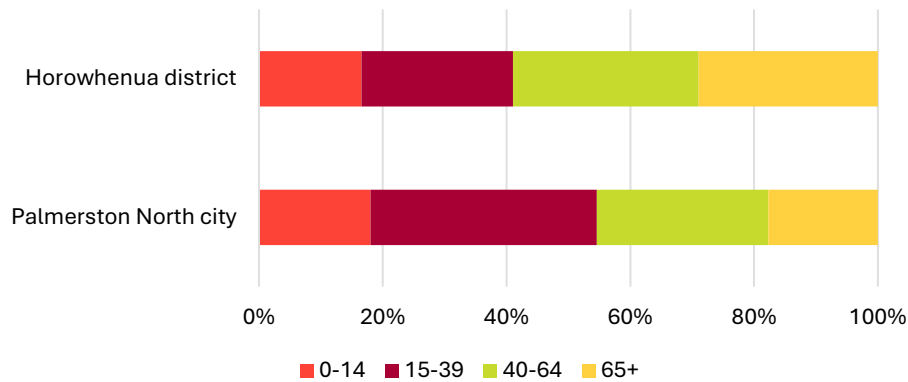
Options that better reflect growth corridors, labour markets and community connections generally require more complex governance arrangements, while options that align with existing regional boundaries provide greater administrative simplicity.



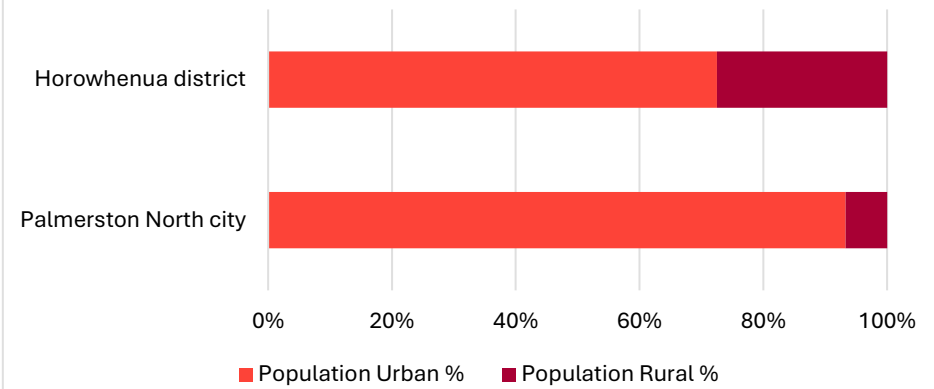
Appendix 1 Option 1

Population structure

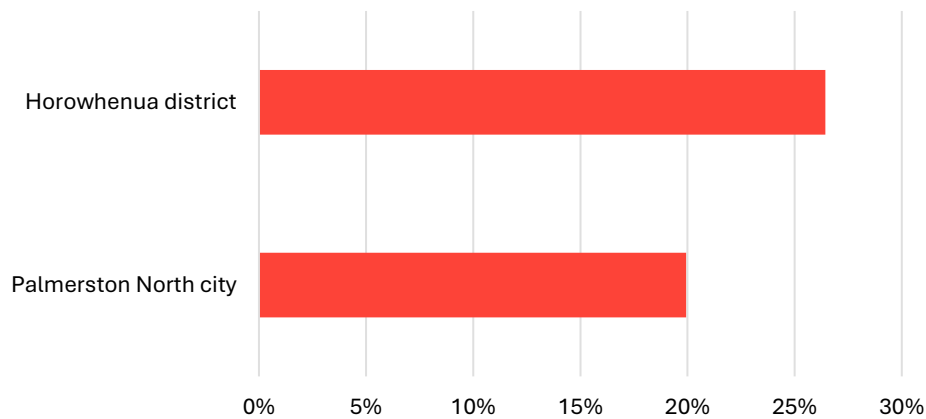
Option 6: Age structure (2028 projections)



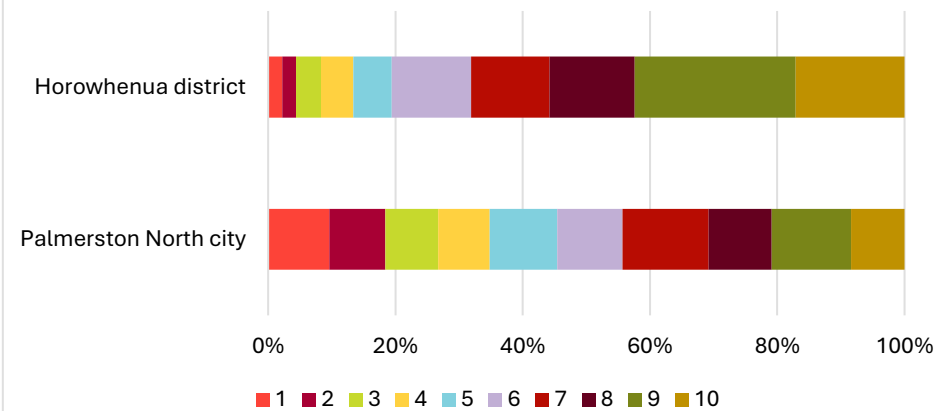
Option 6: Urban/Rural split



Option 6: Māori population (%)

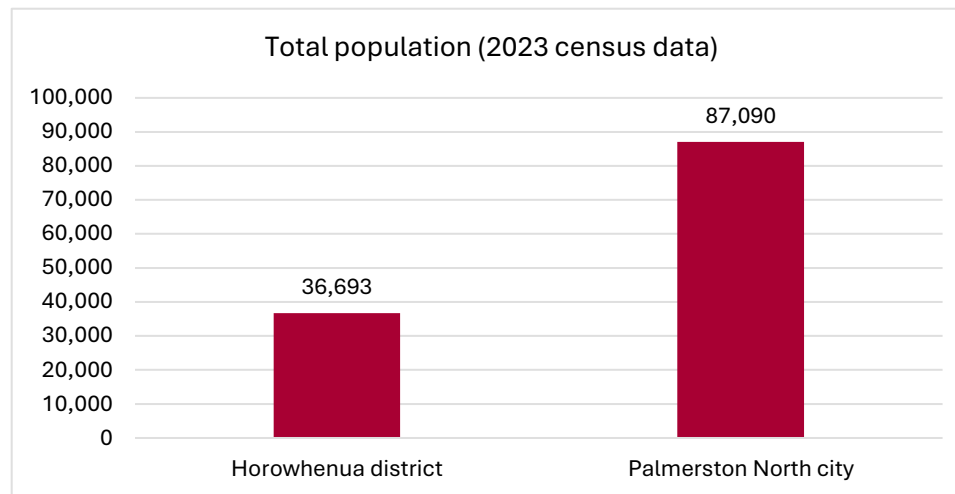
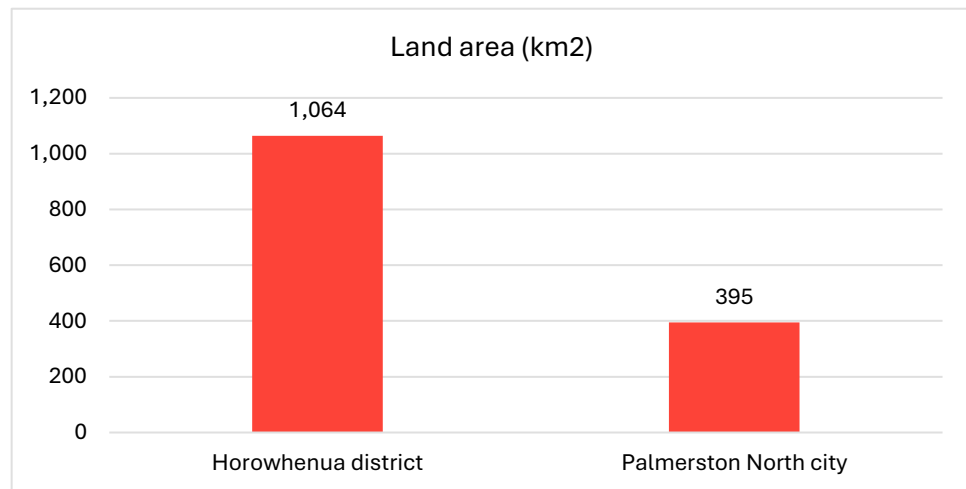


Option 6: Deprivation profile

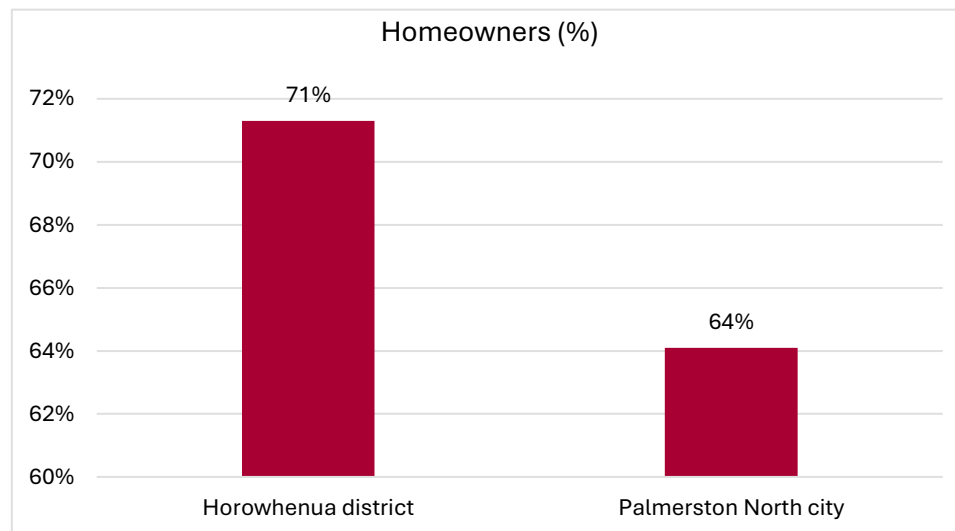
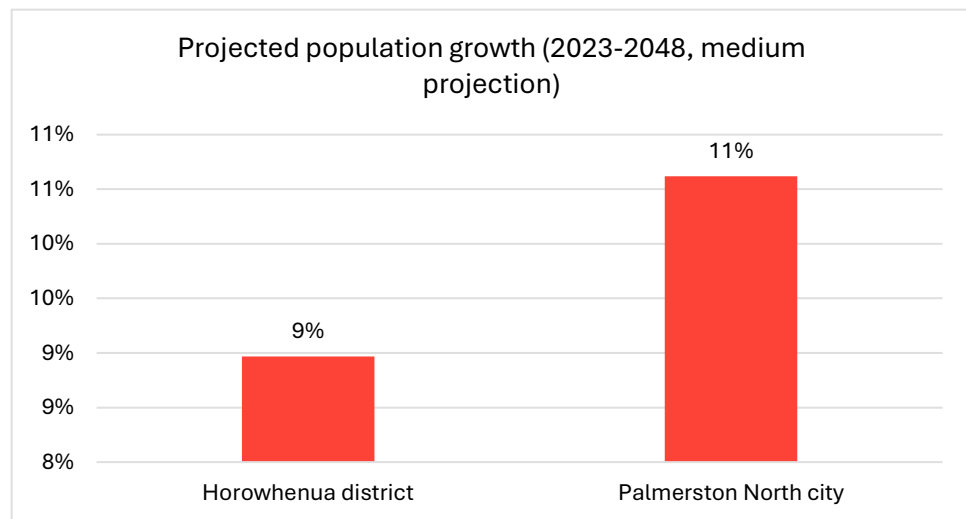




Land and population

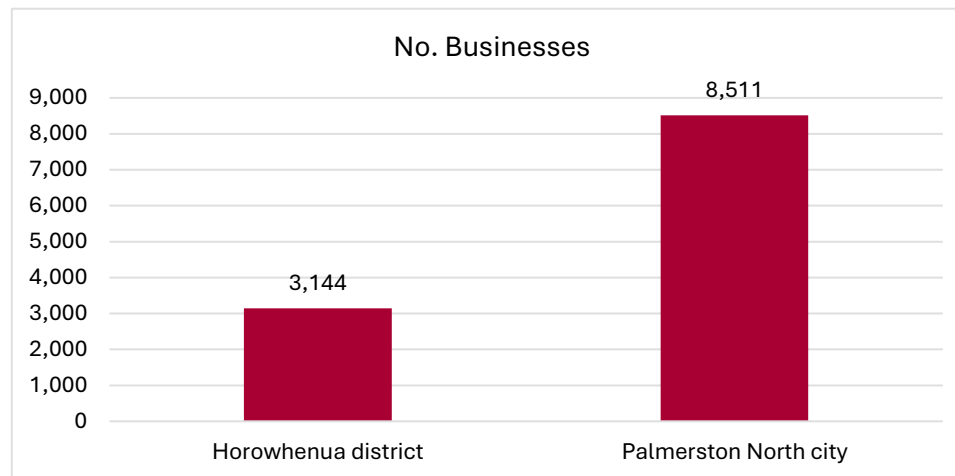
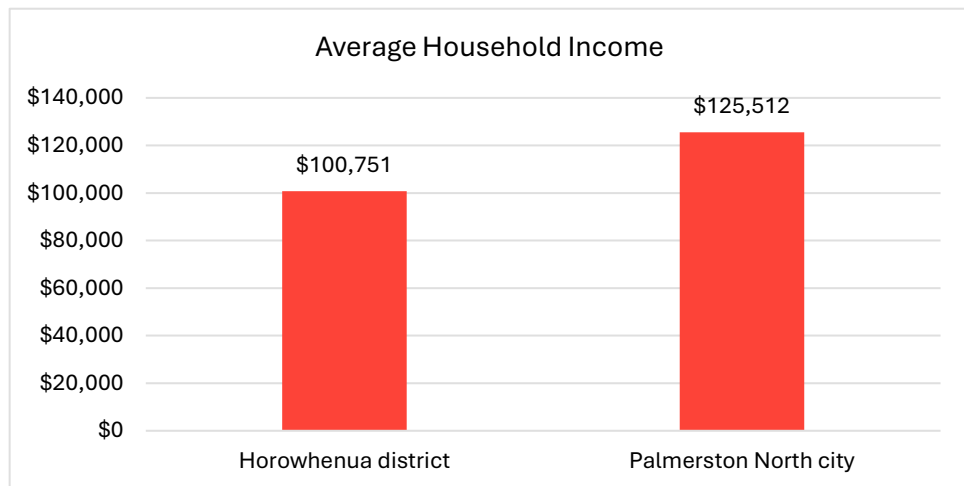


Growth and homeownership

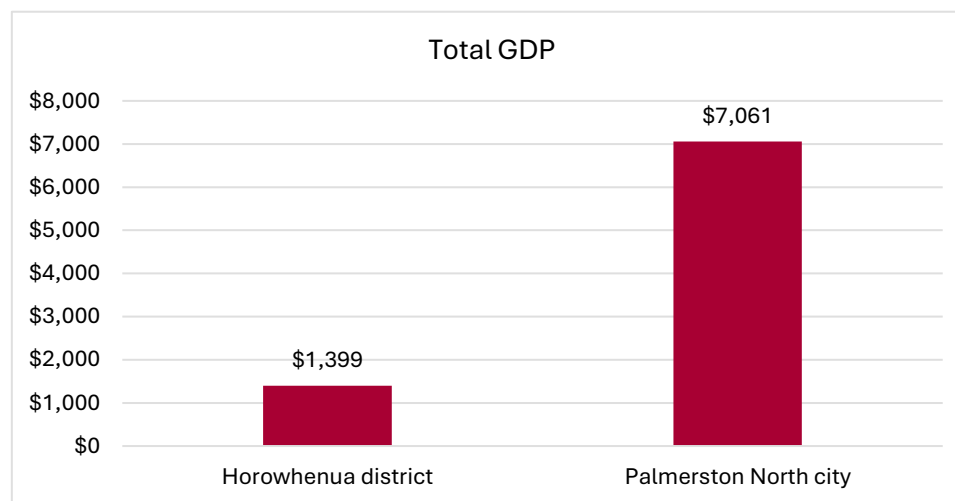
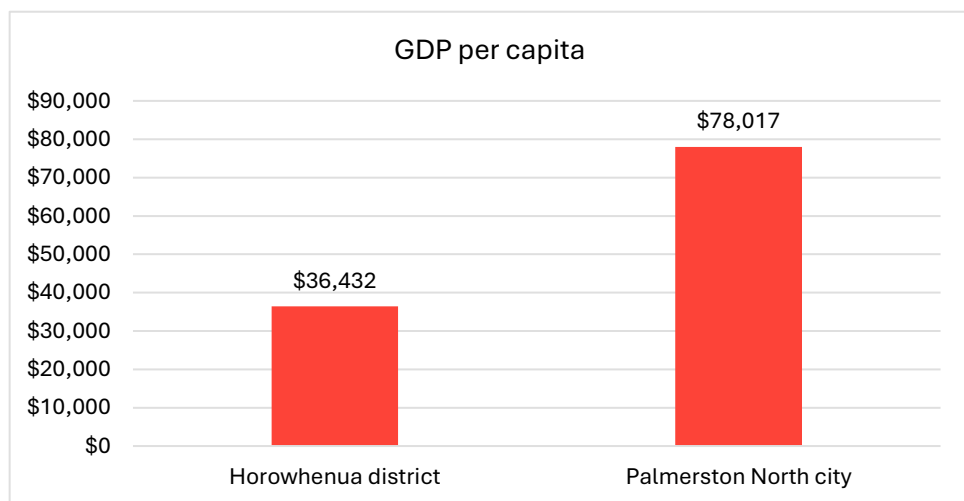




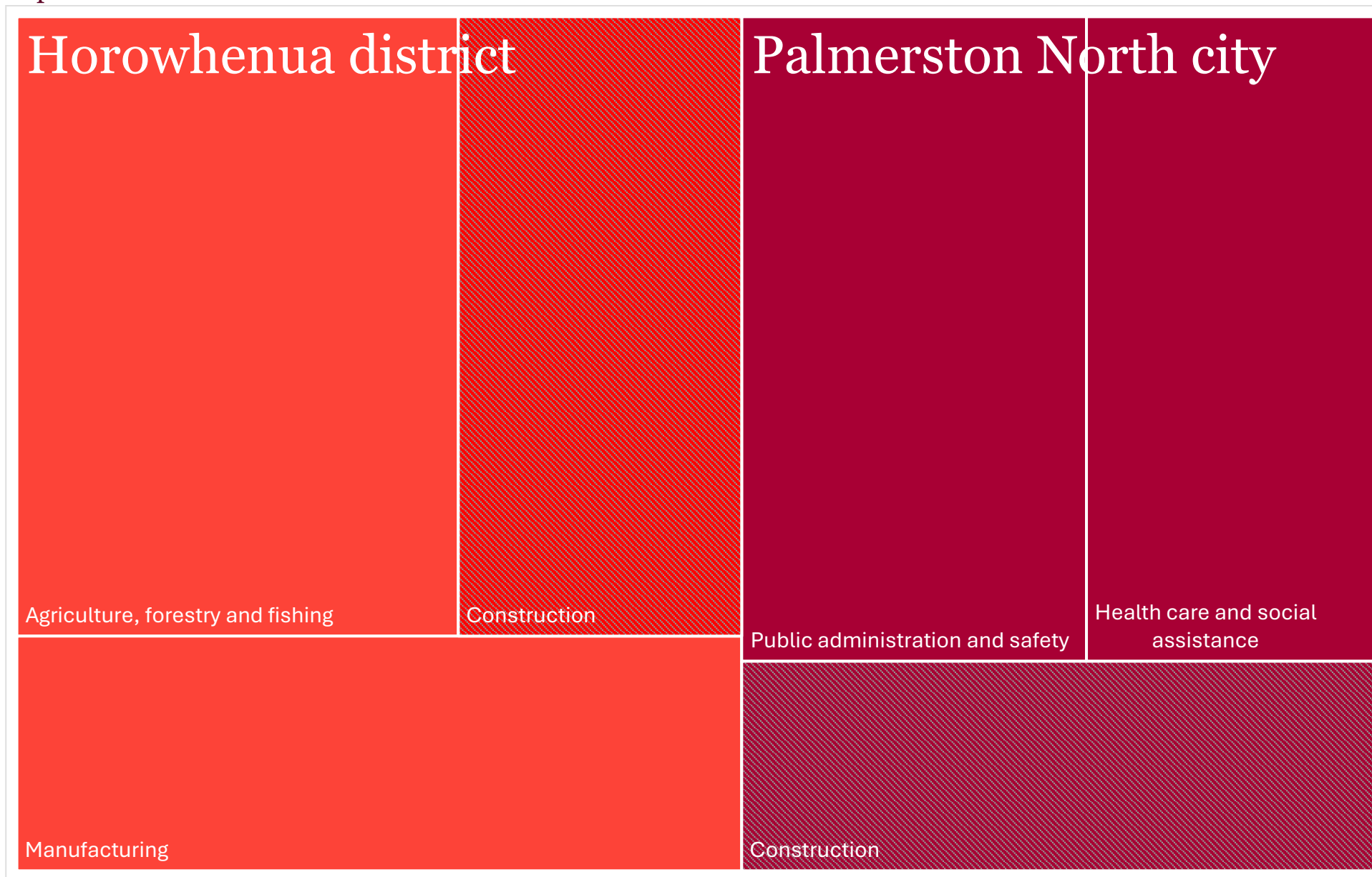
Business and income



GDP

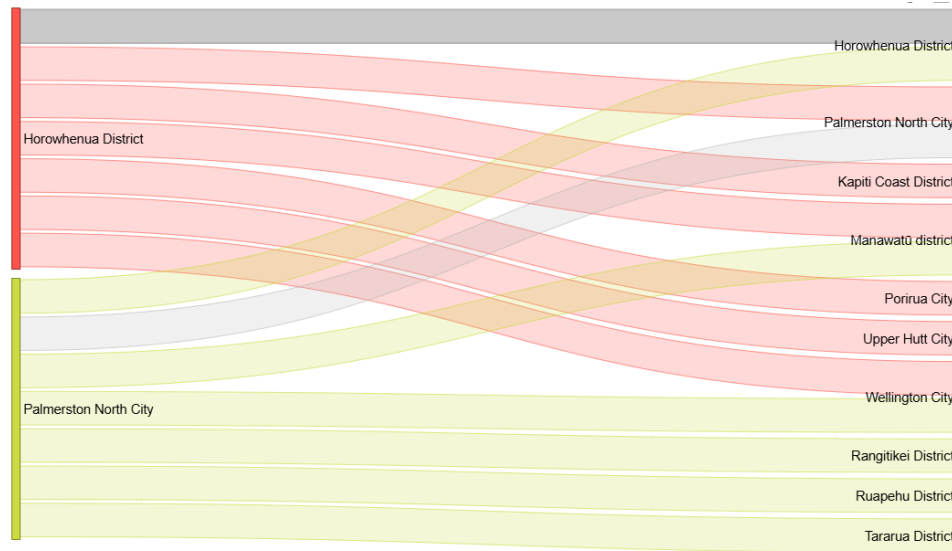


Top three industries

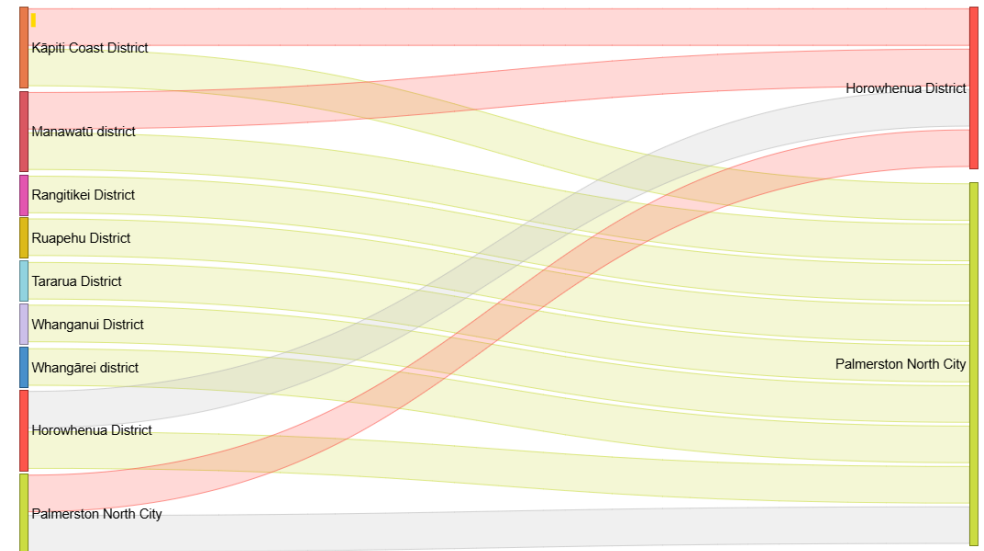


Labour movement

Movement out

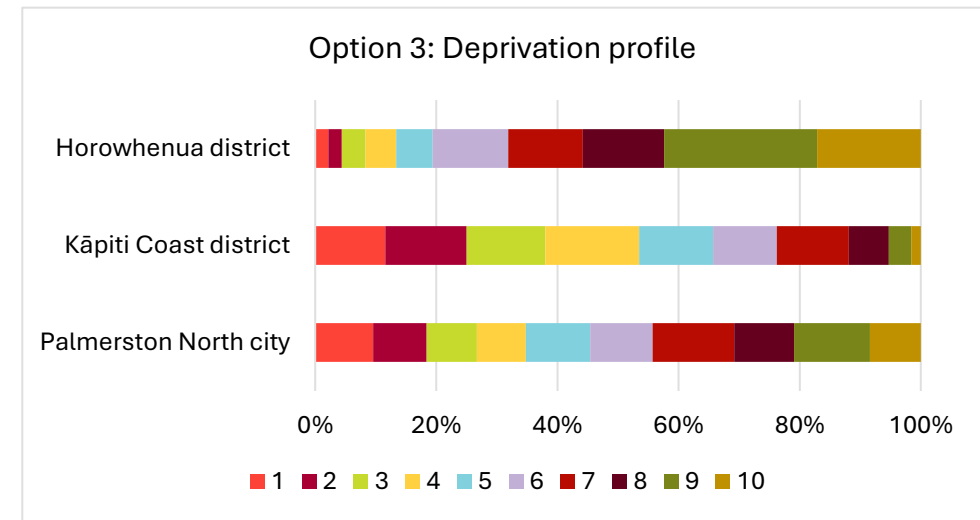
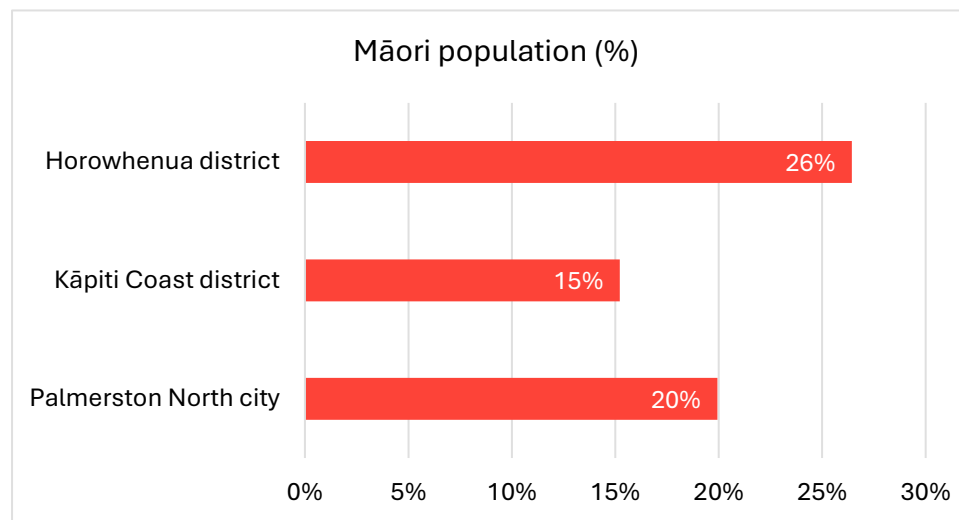
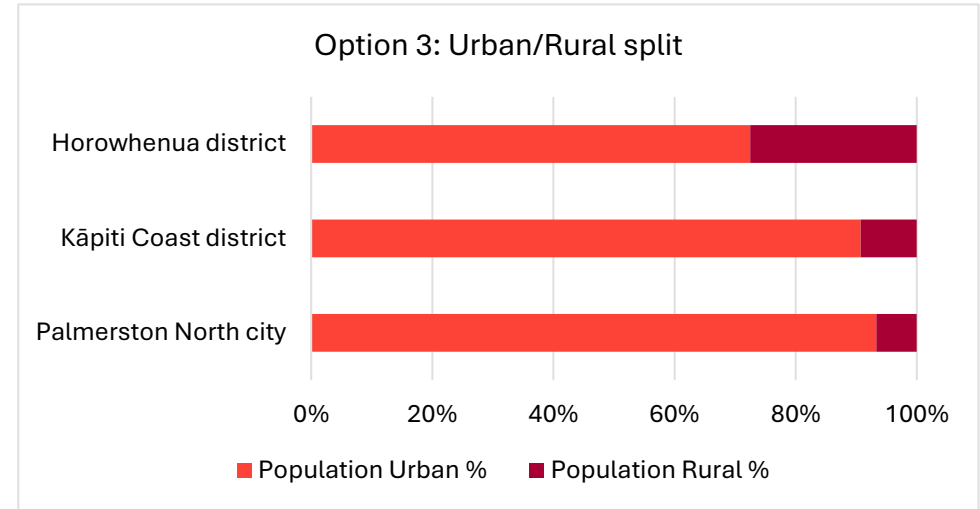
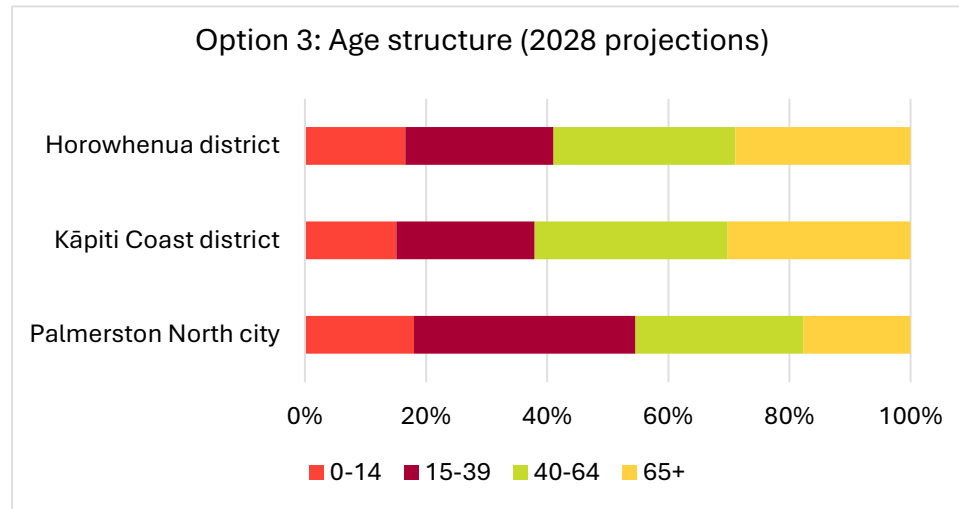


Movement in



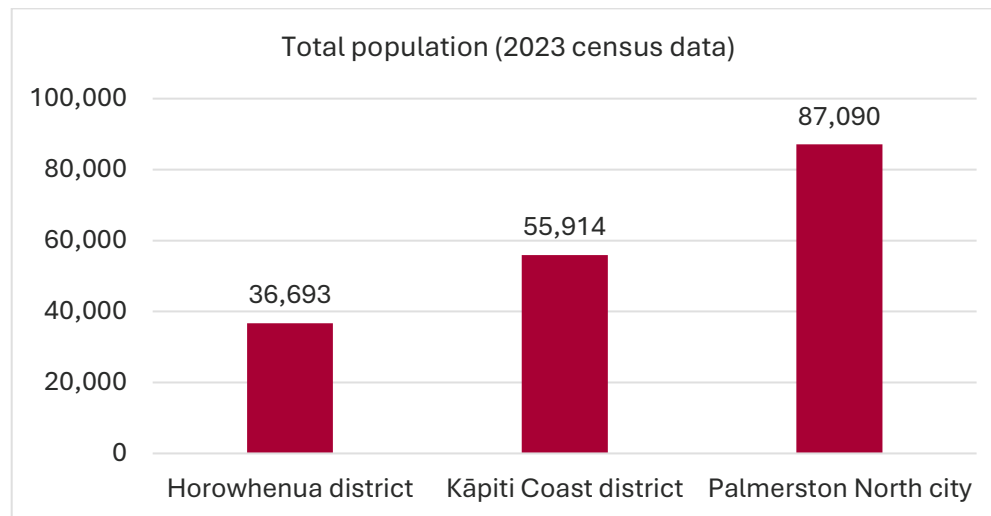
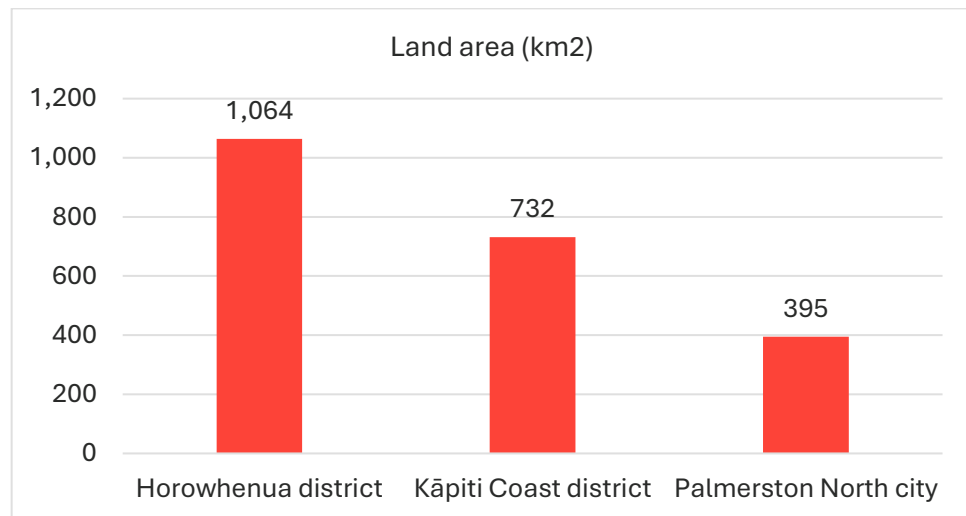
Appendix 2 Option 2

Population structure

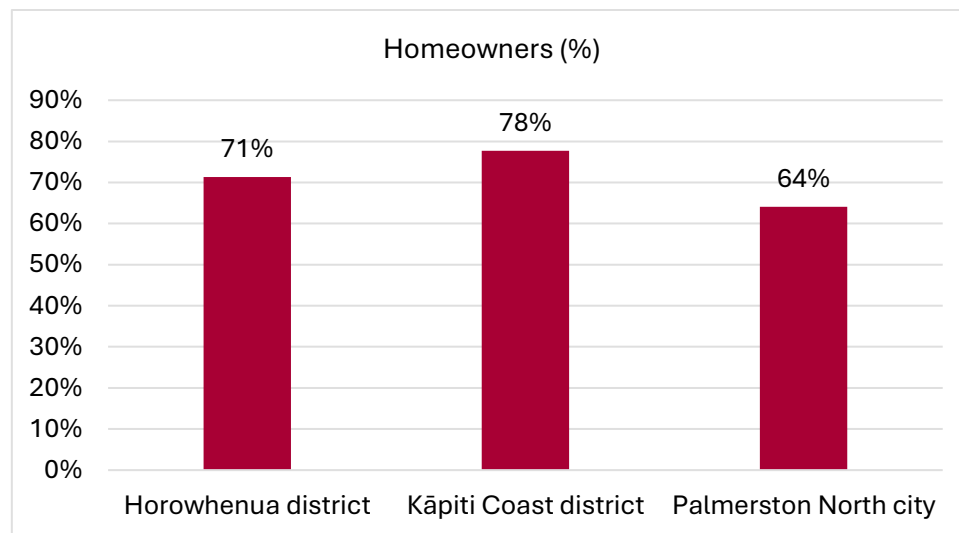
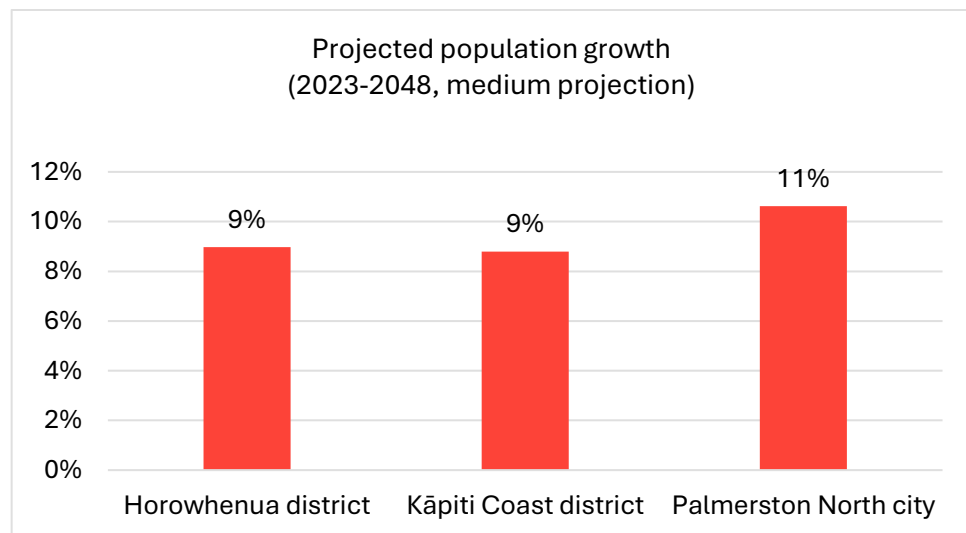




Land and population

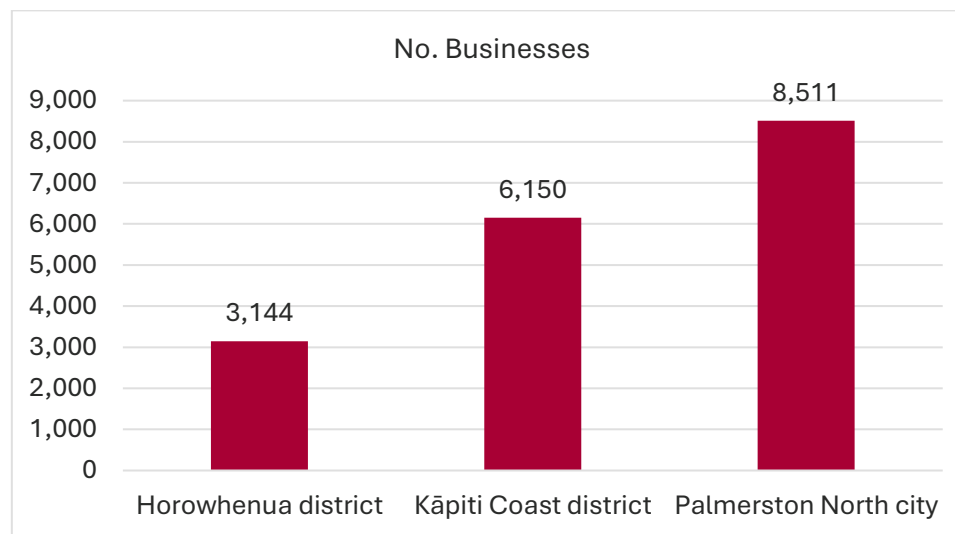
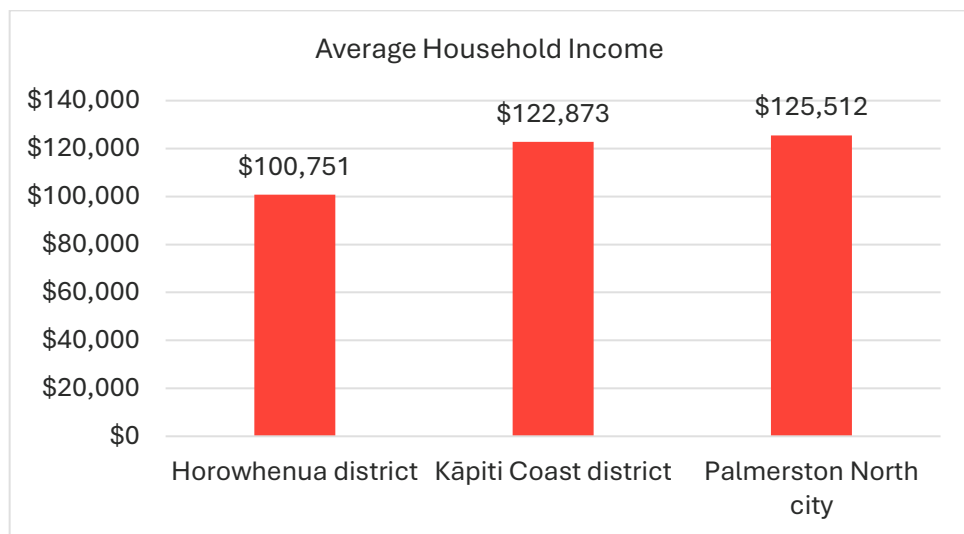


Growth and homeownership

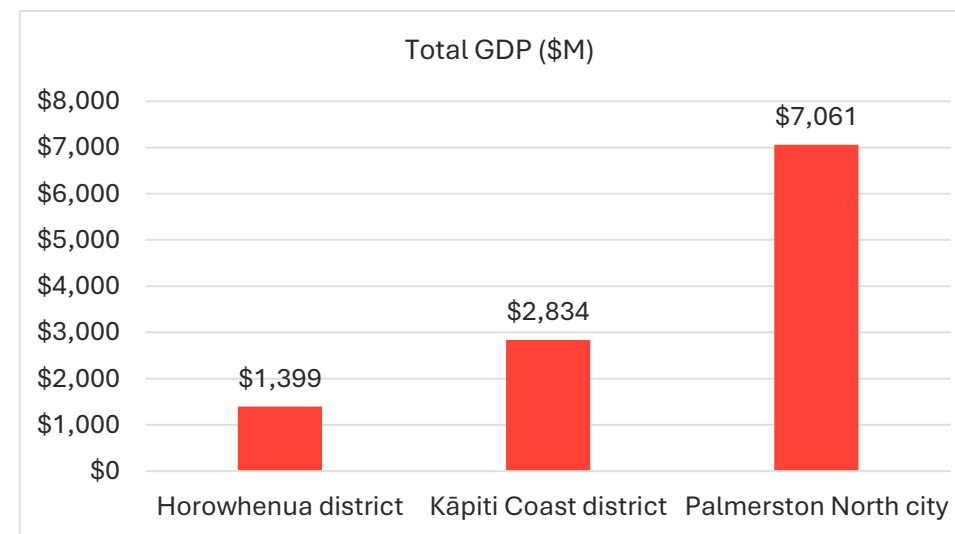
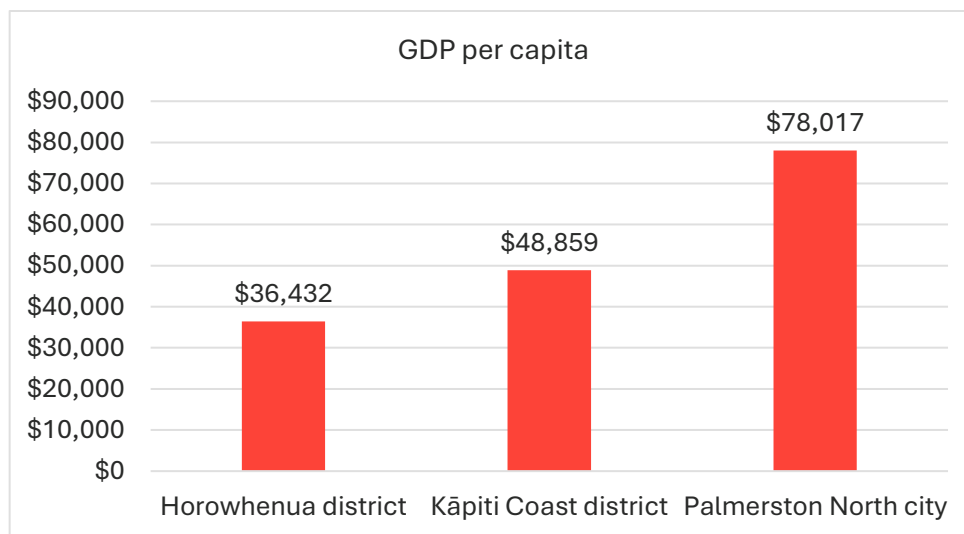




Business and income

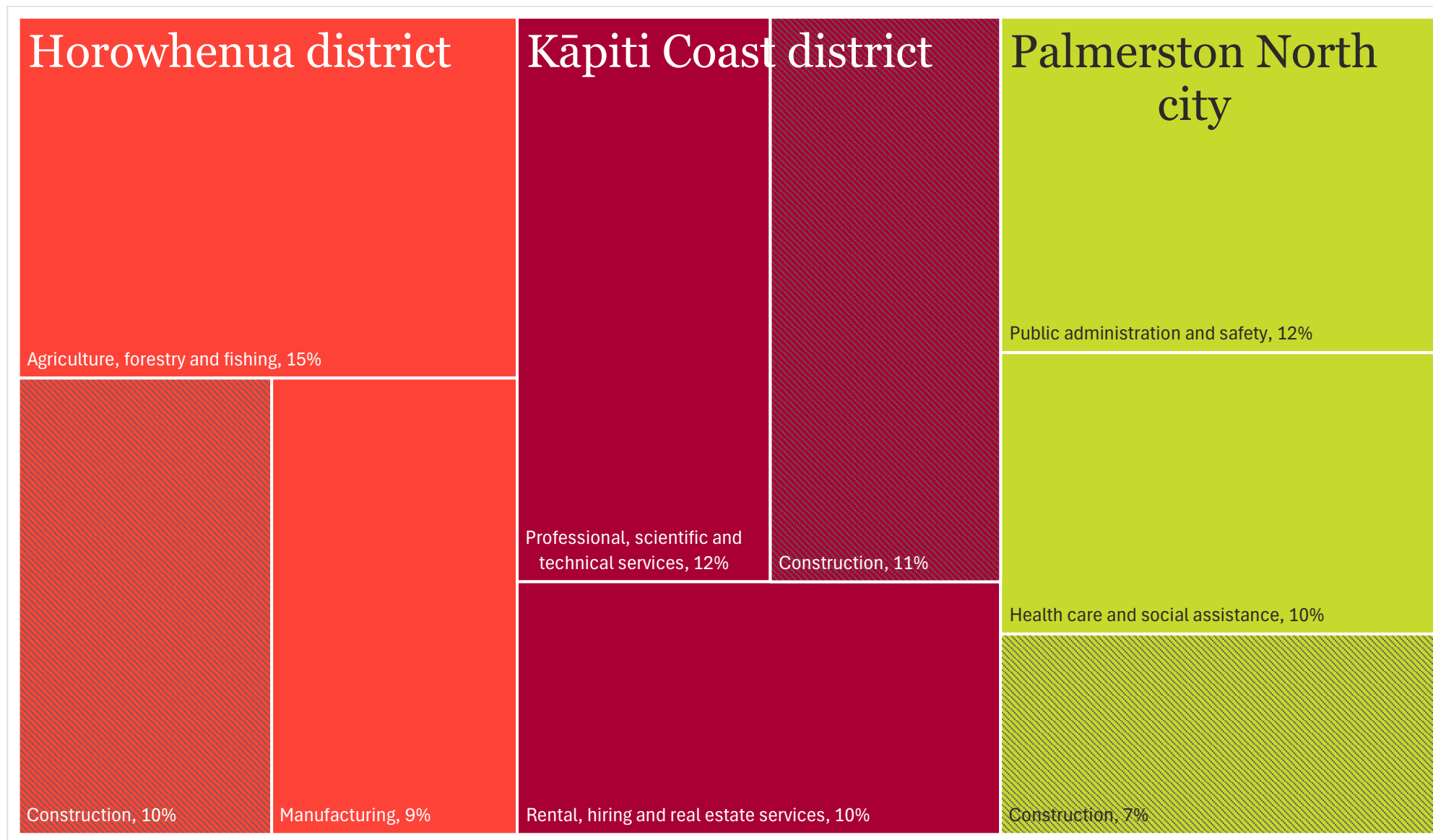


GDP



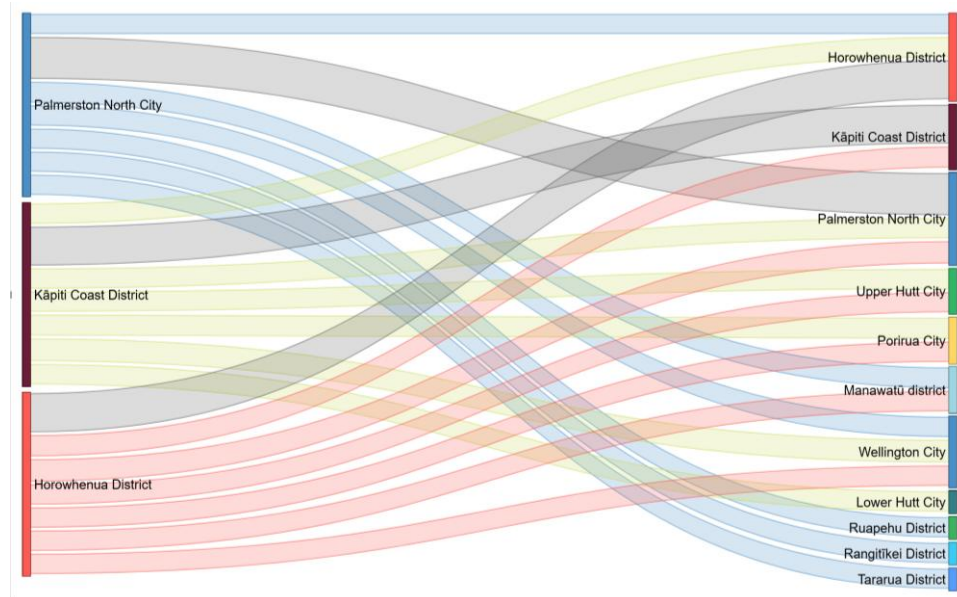


Top three industries by GDP

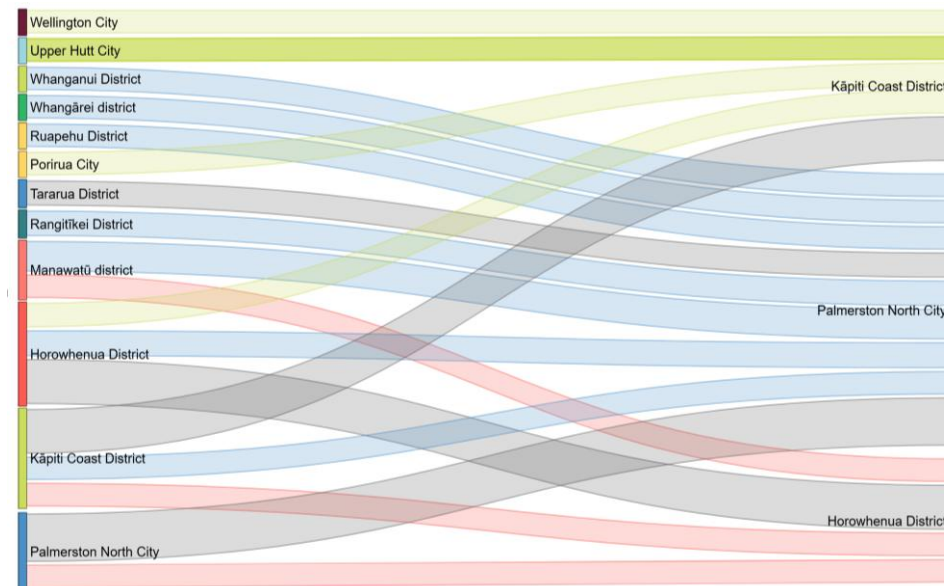


Labour movement

Movement out



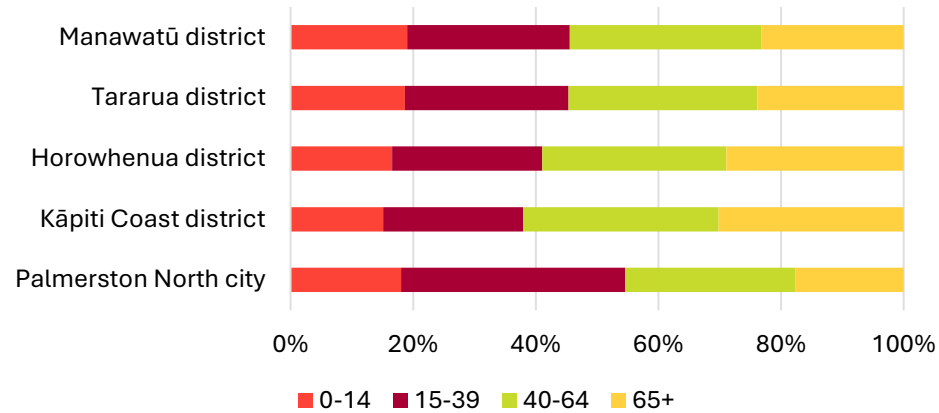
Movement in



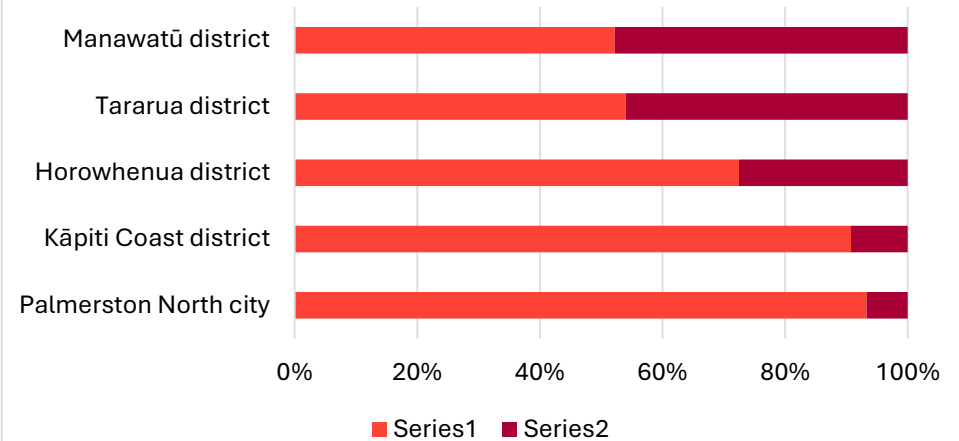


Appendix 3 Option 3

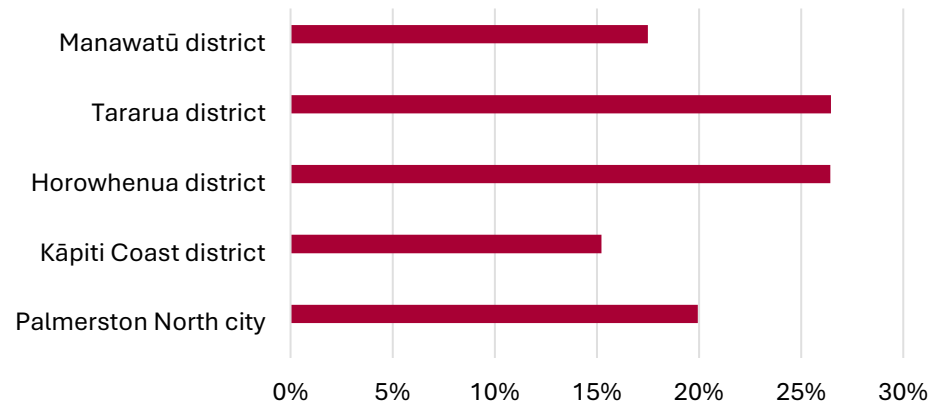
Option 2: Age structure (2028 projections)



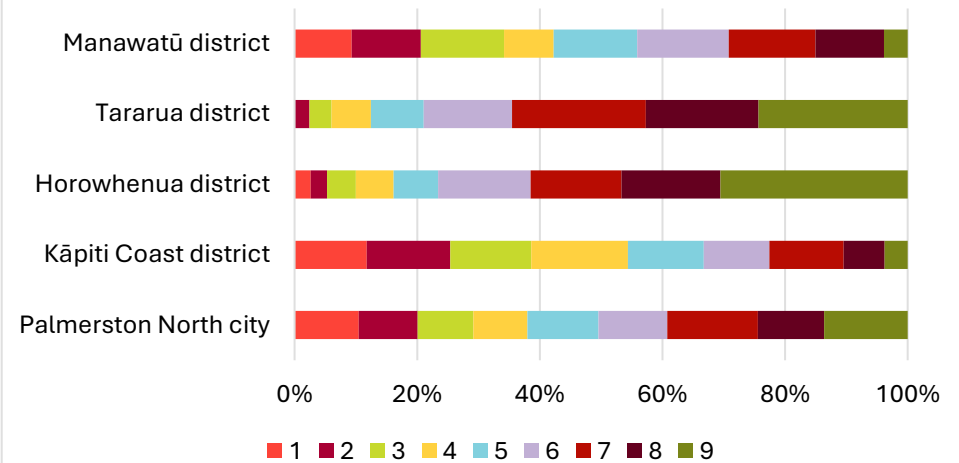
Option 2 - Urban vs Rural Population



Option 2: Māori population (%)

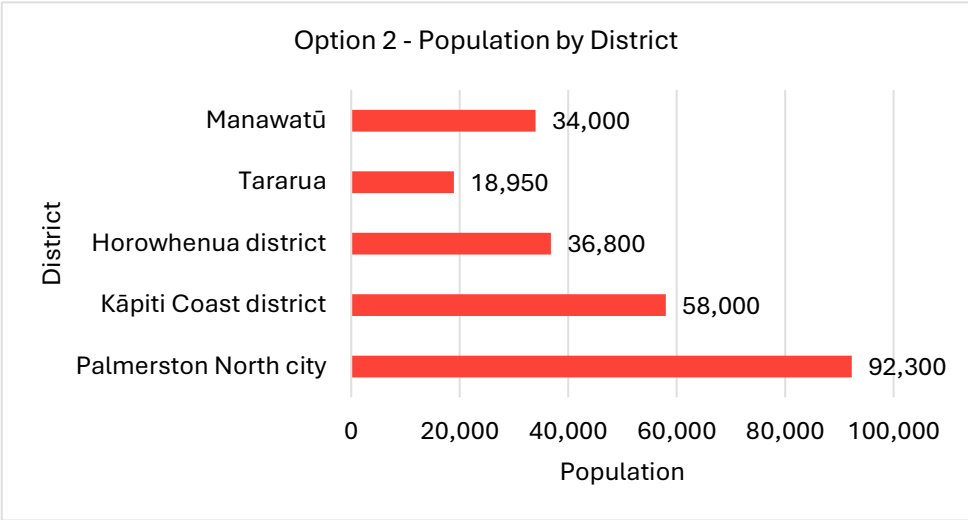
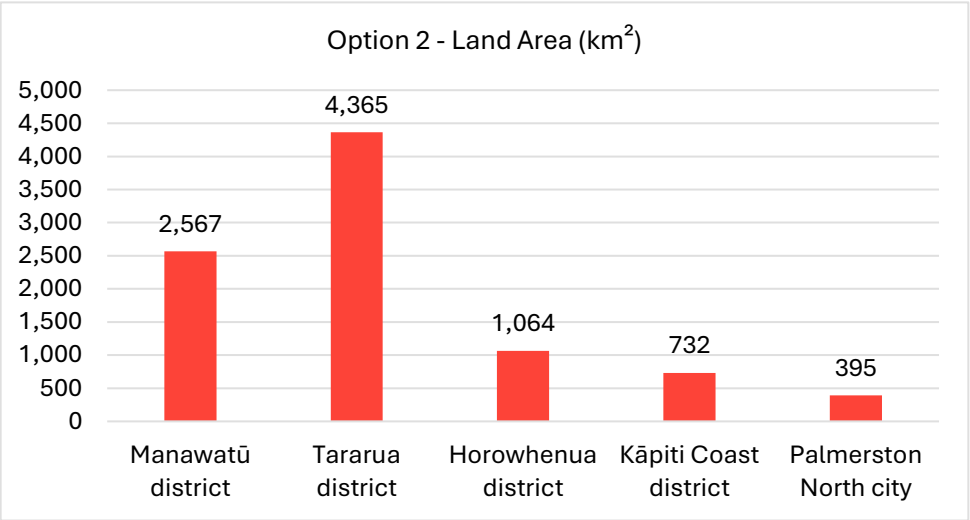


Option 2: Deprivation profile

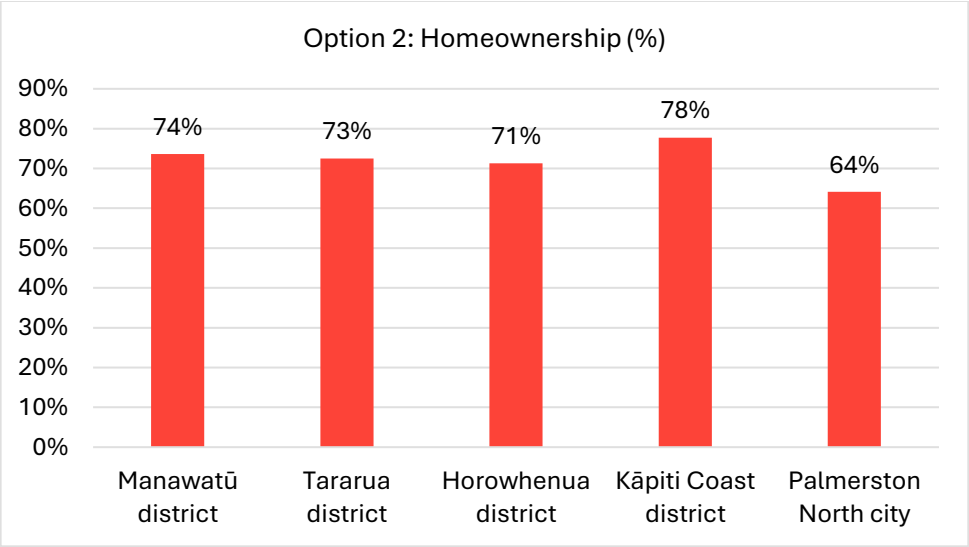
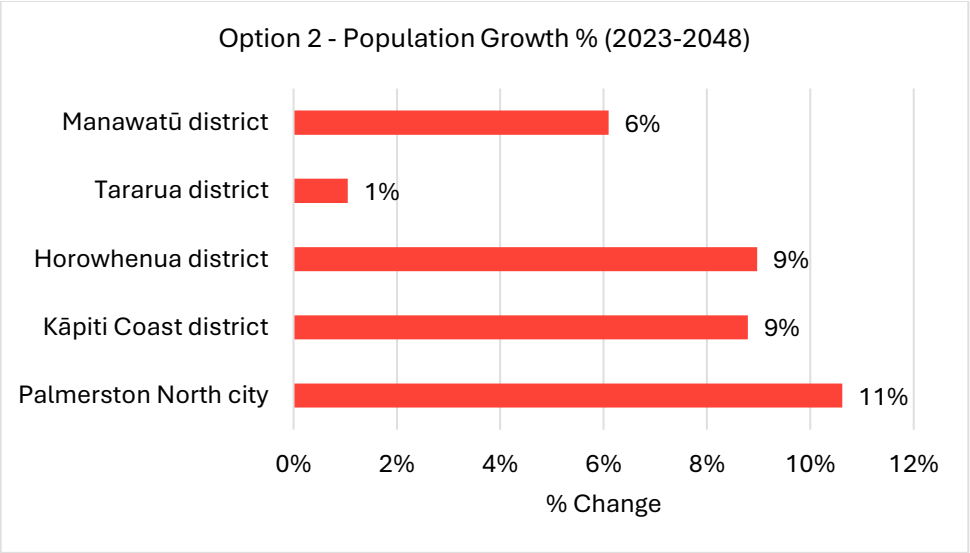




Land and population

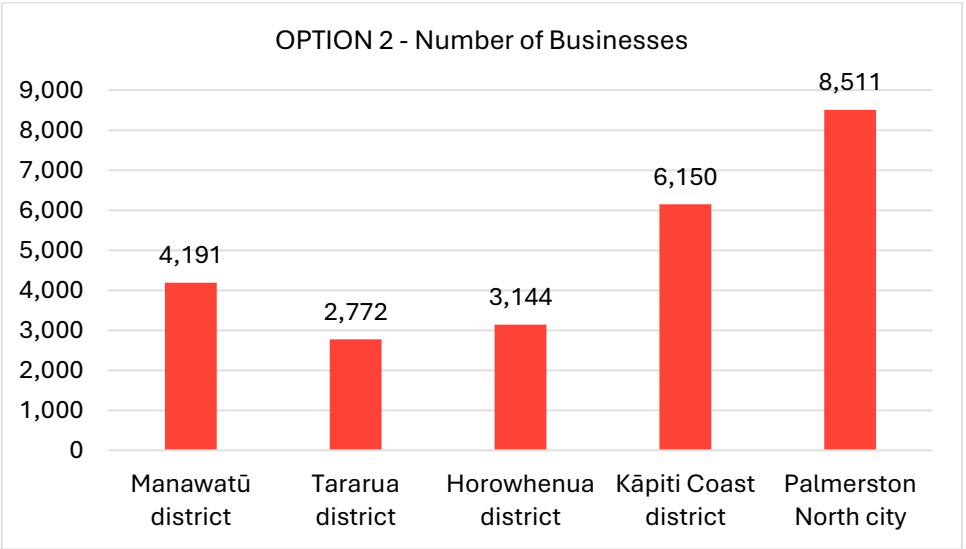
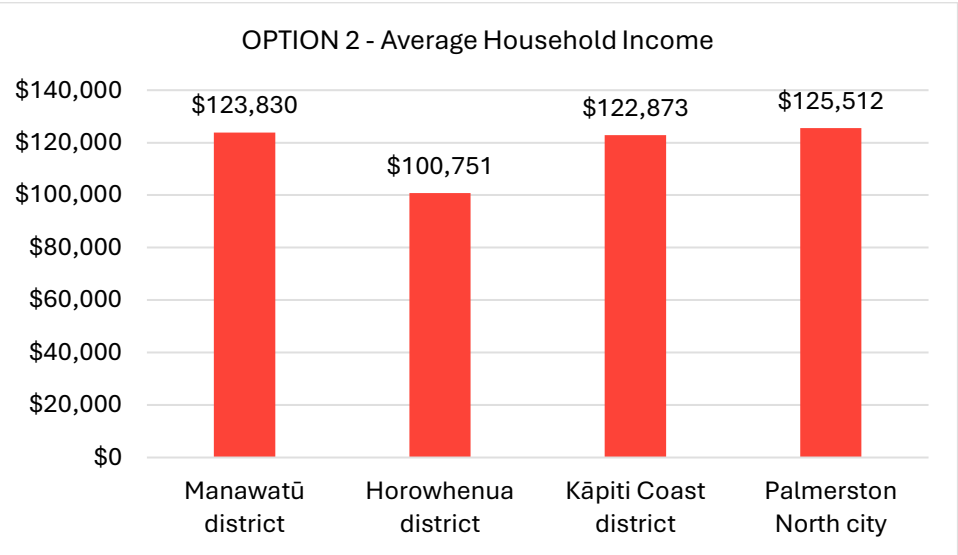


Growth and homeownership

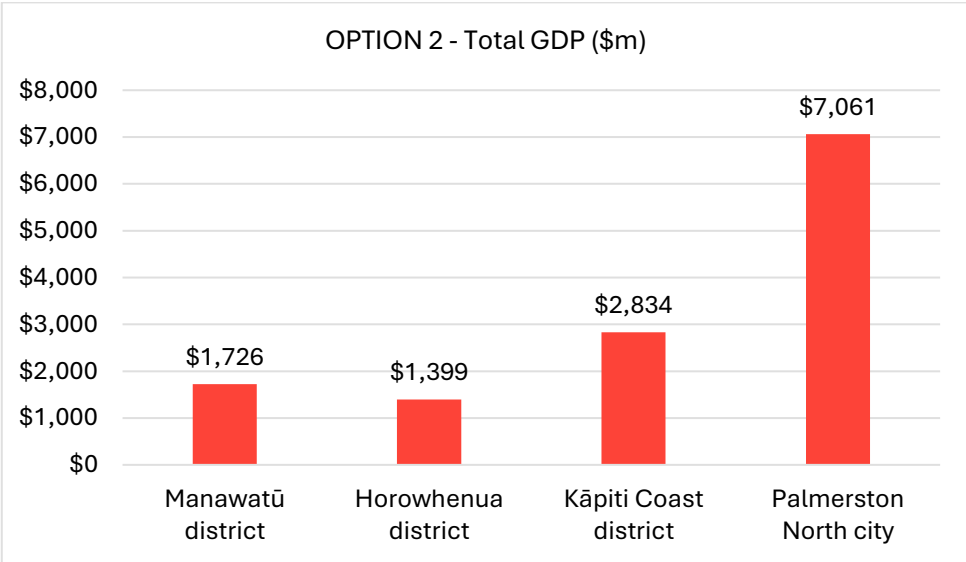
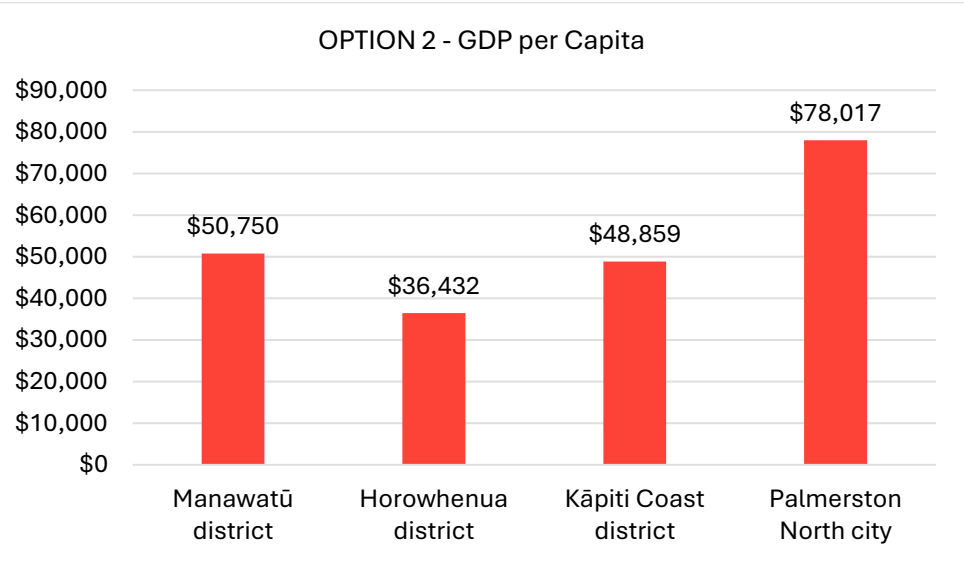




Business and income

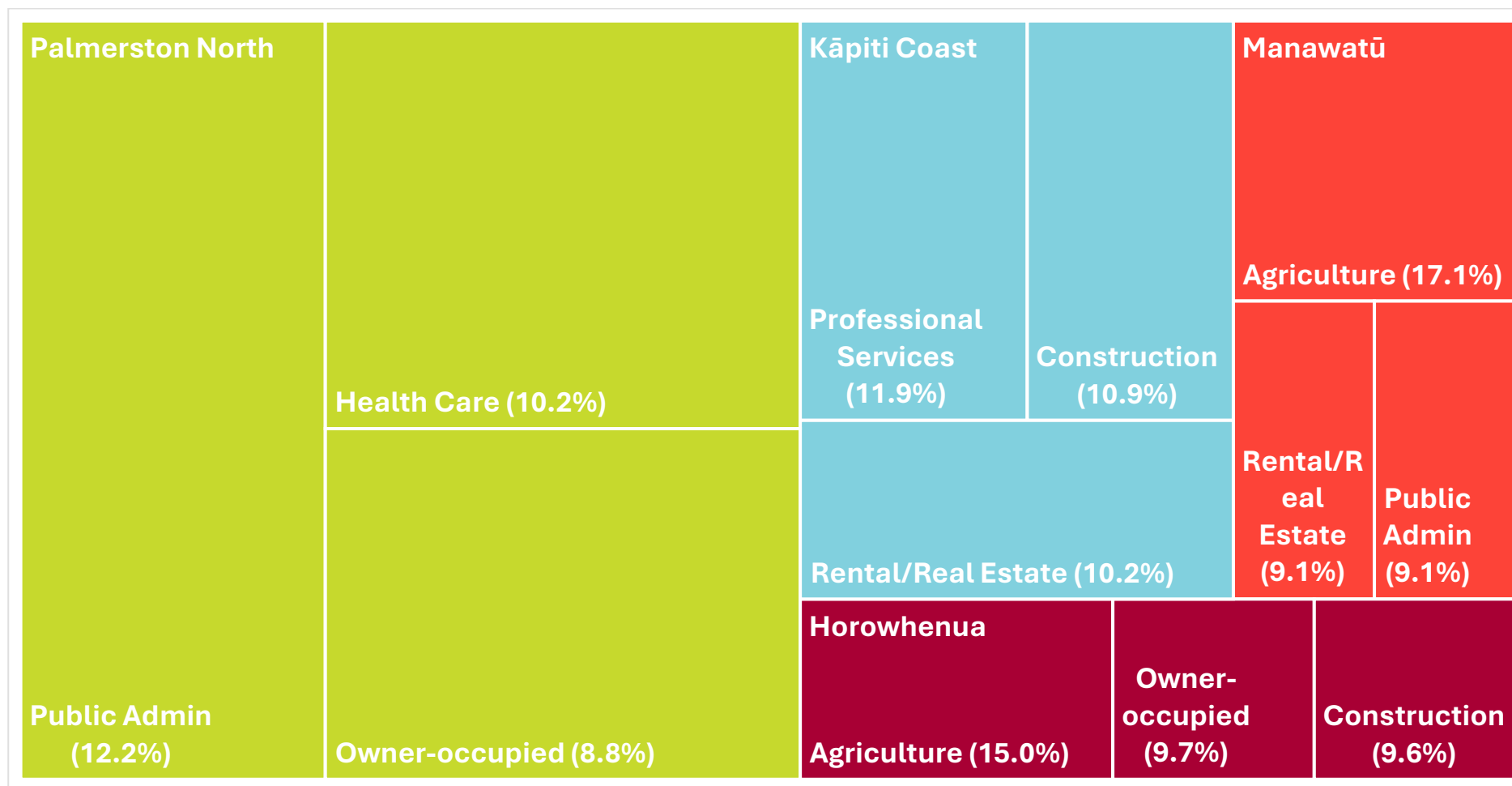


GDP



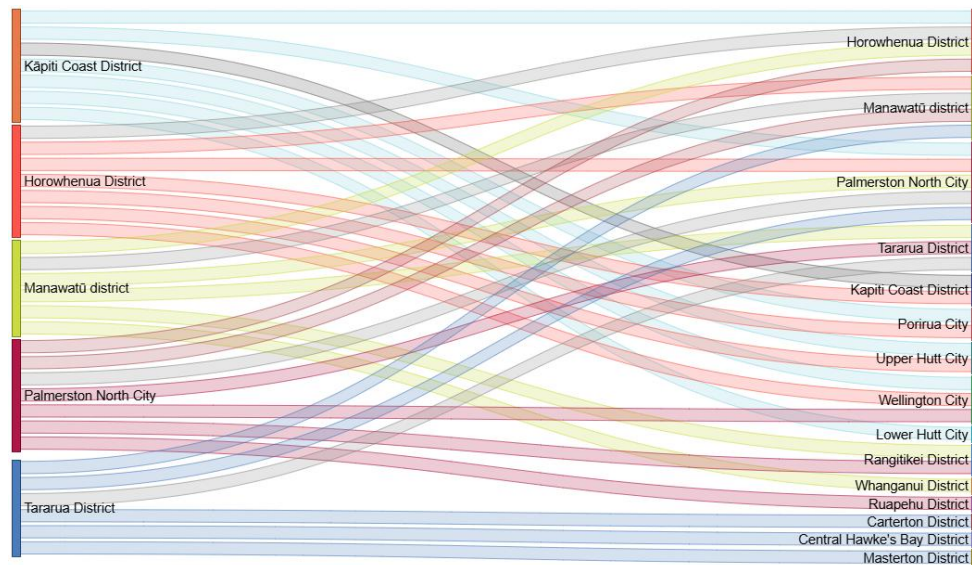


Top three industries by GDP

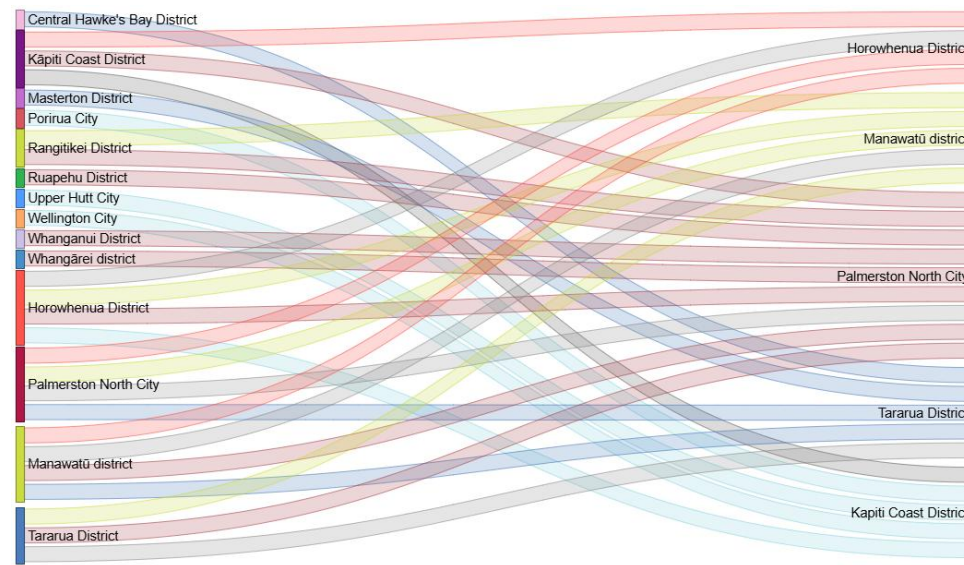


Labour movement

Movement out



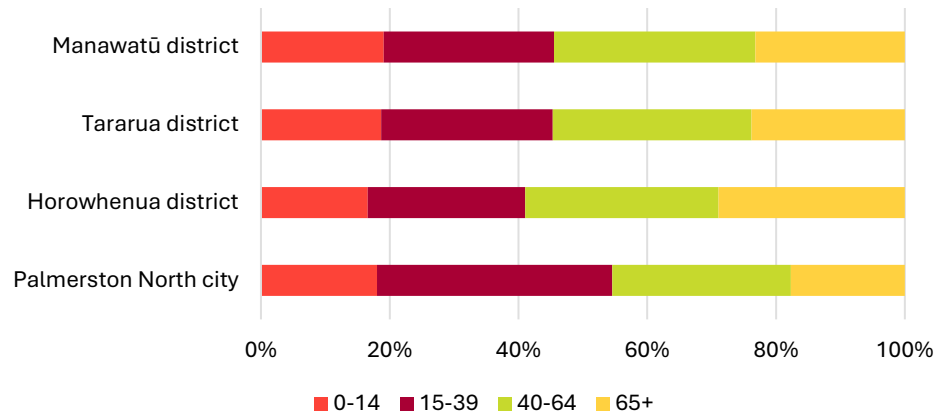
Movement in



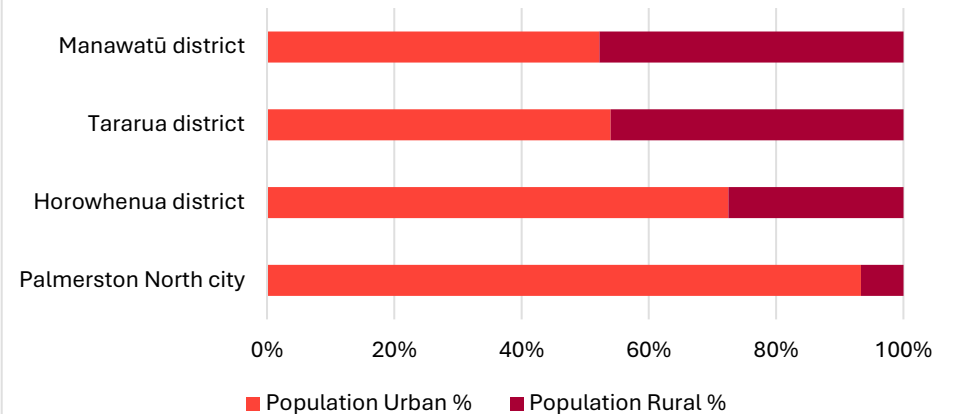


Appendix 4 Option 4

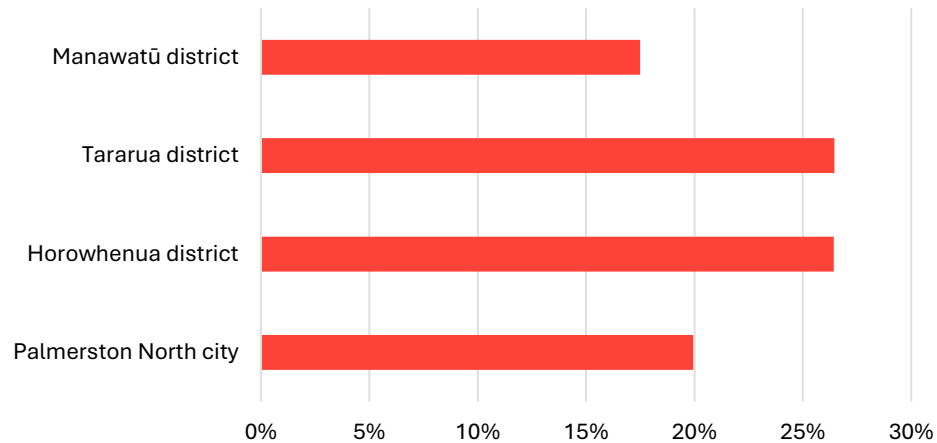
Option 1: Age structure (2028 projections)



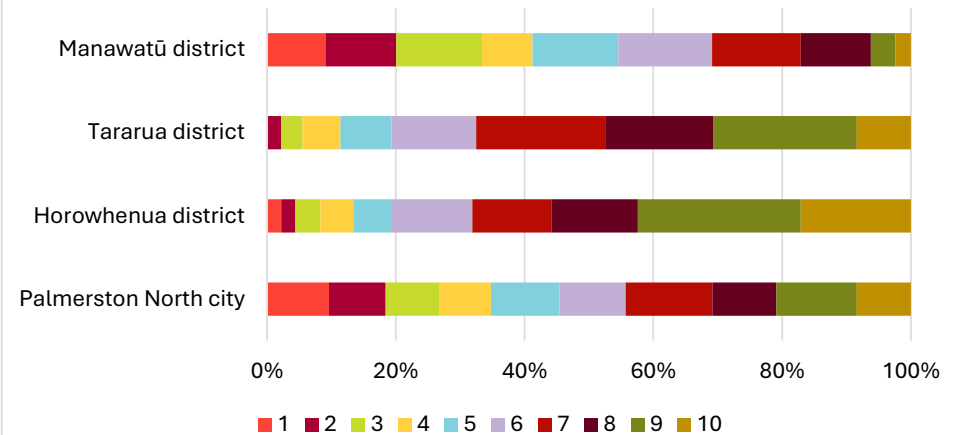
Option 1 - Urban vs Rural Population



Option 1: Māori population (%)

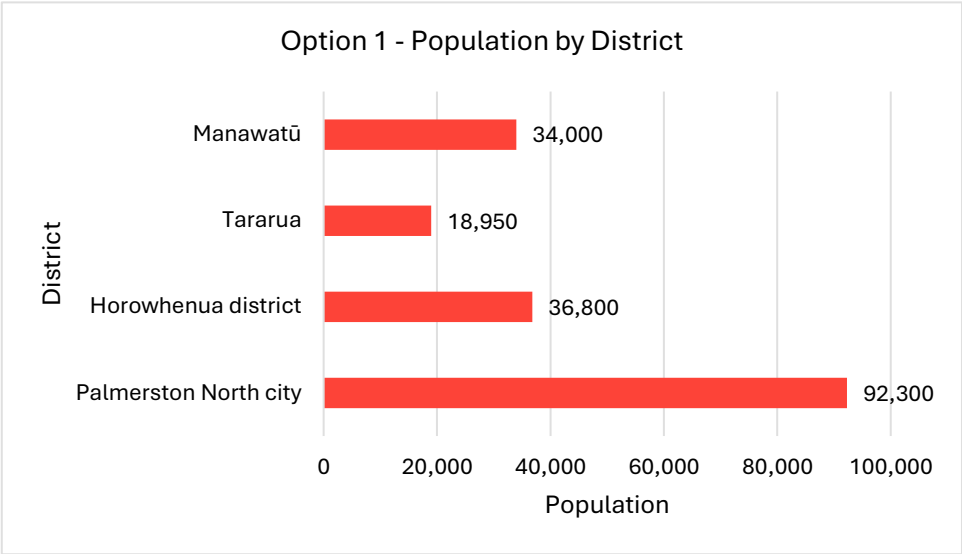
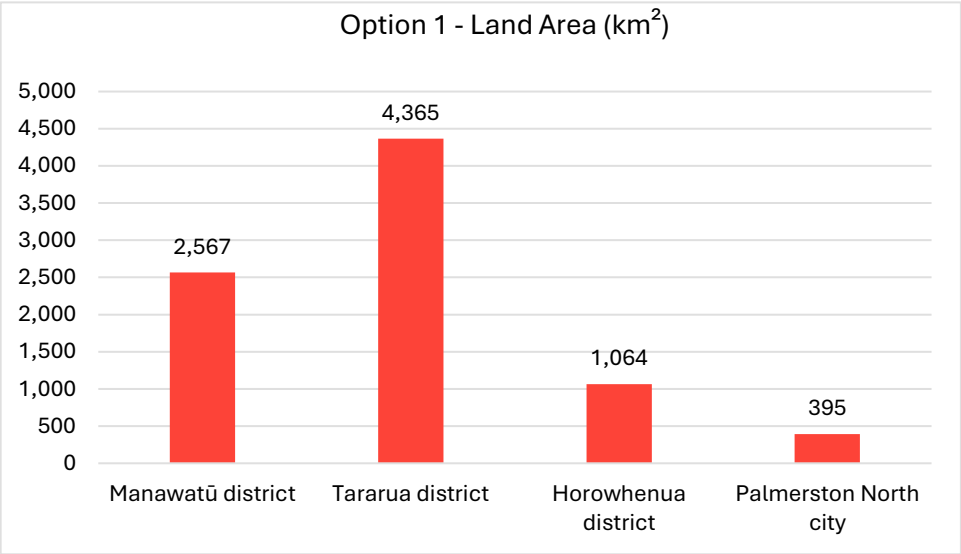


Option 1: Deprivation profile

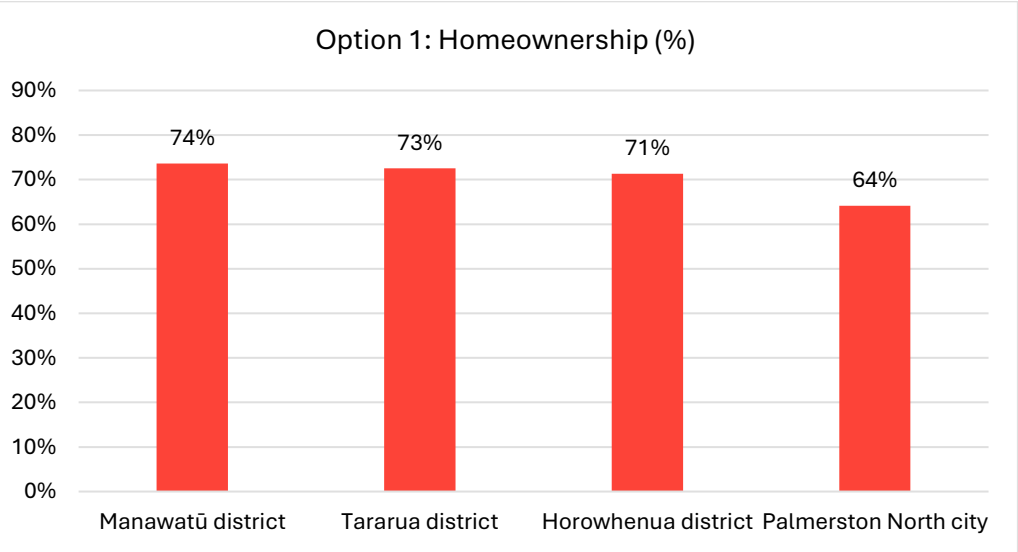
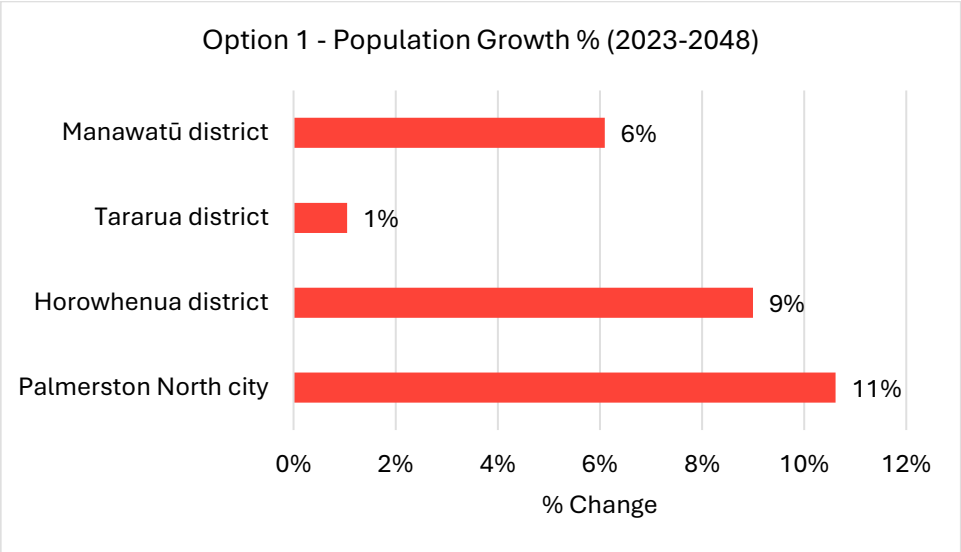




Land and population

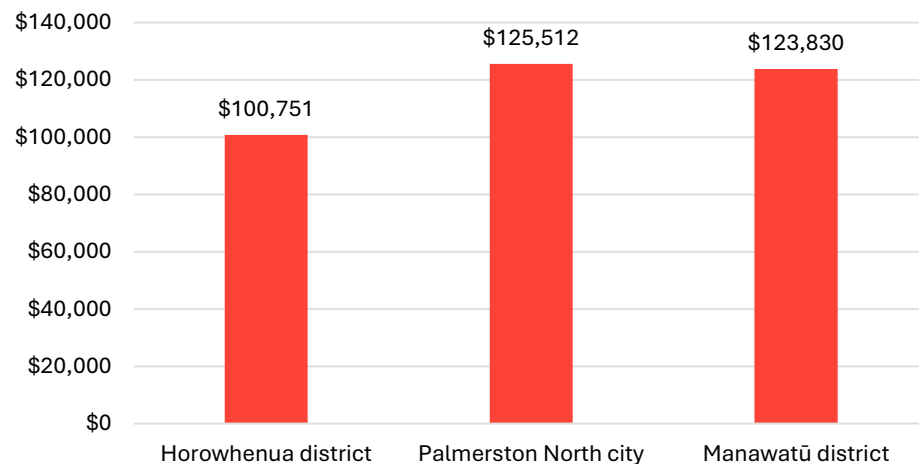


Growth and homeownership

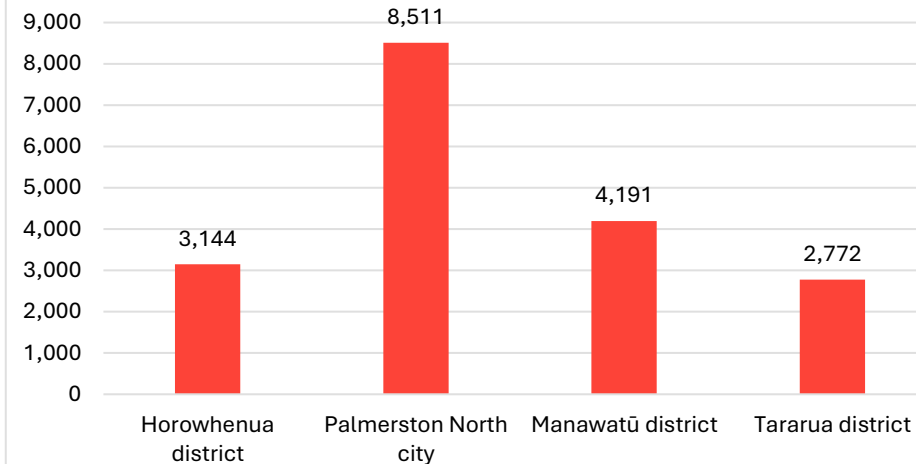


Business and income

OPTION 1 - Average Household Income

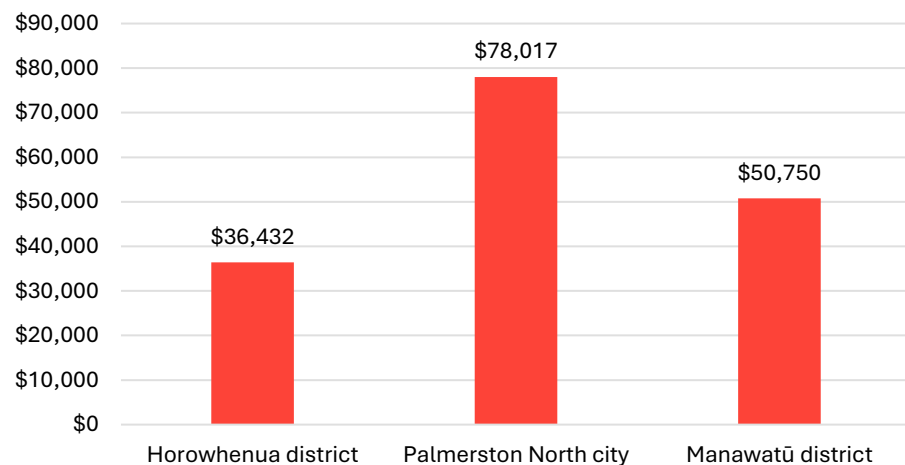


OPTION 1 - Number of Businesses

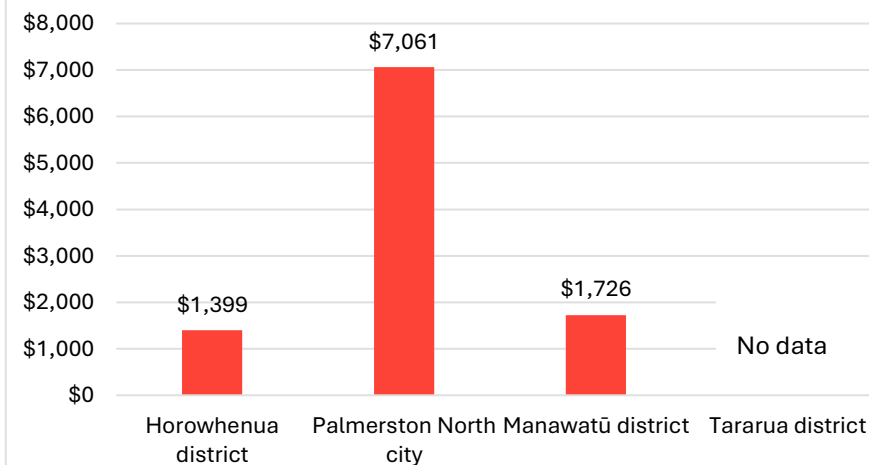


GDP

OPTION 1 - GDP per Capita

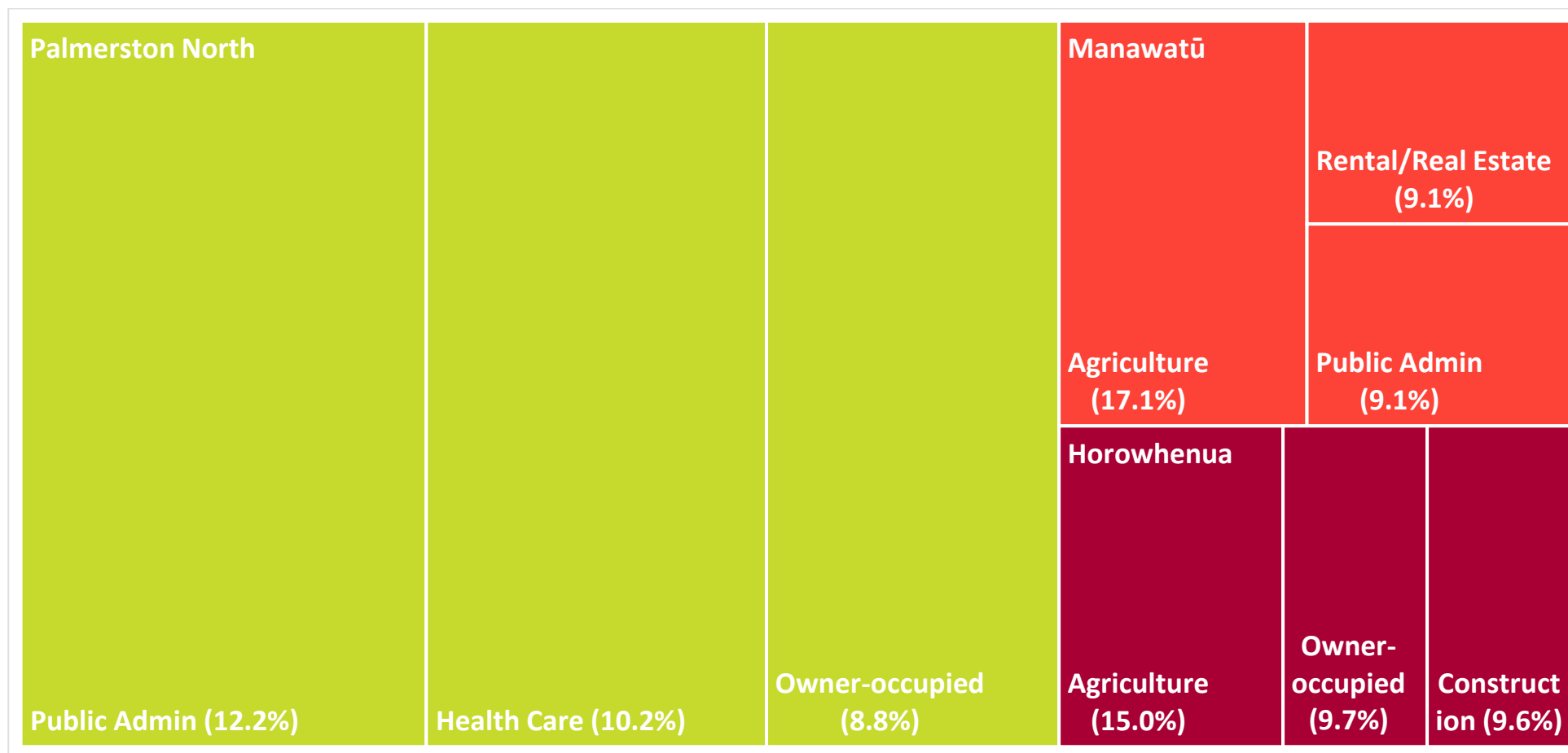


OPTION 1 - Total GDP (\$m)



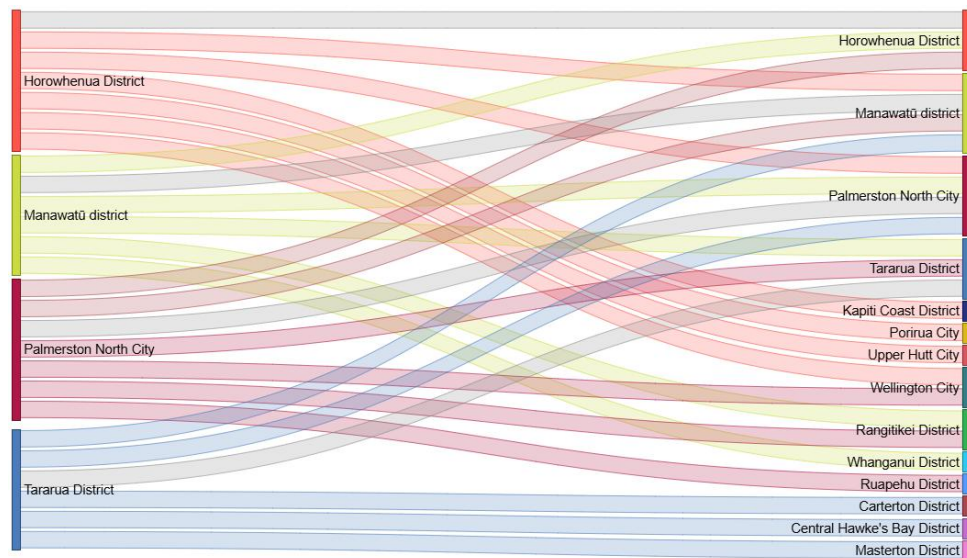


Top three industries by GDP

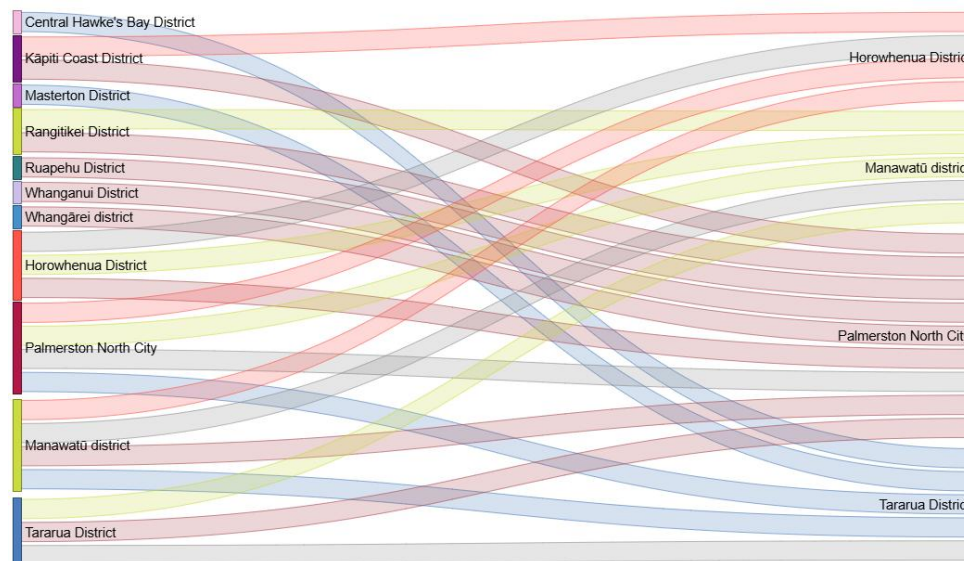


Labour movement

Movement out



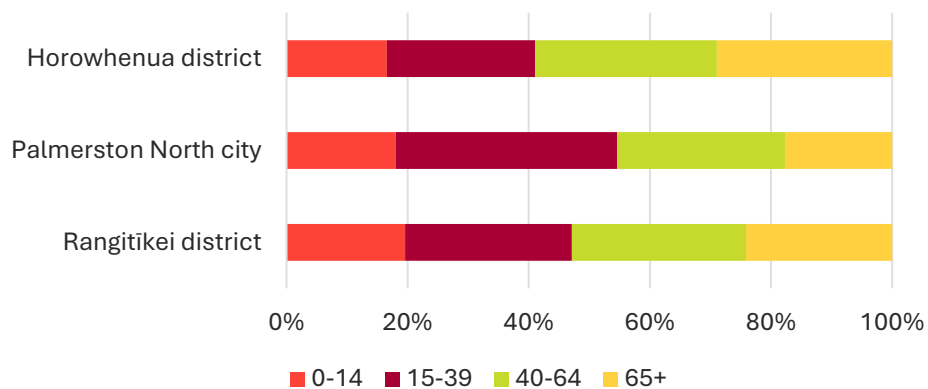
Movement in



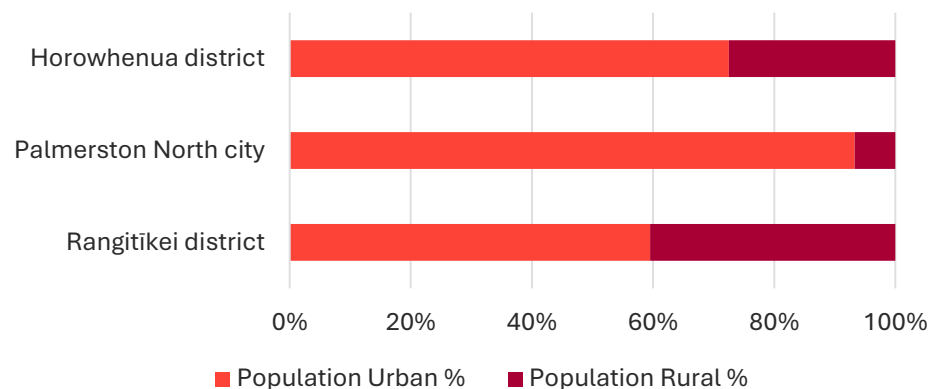
Appendix 5 Option 5

Population structure

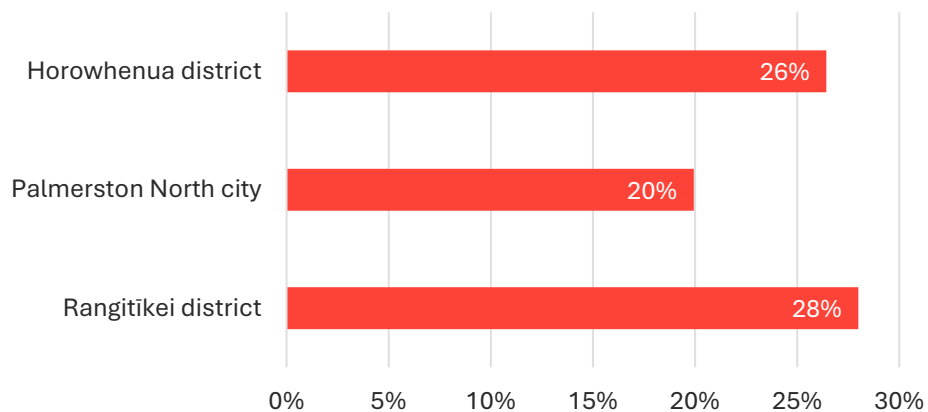
Option 4: Age structure (2028 projections)



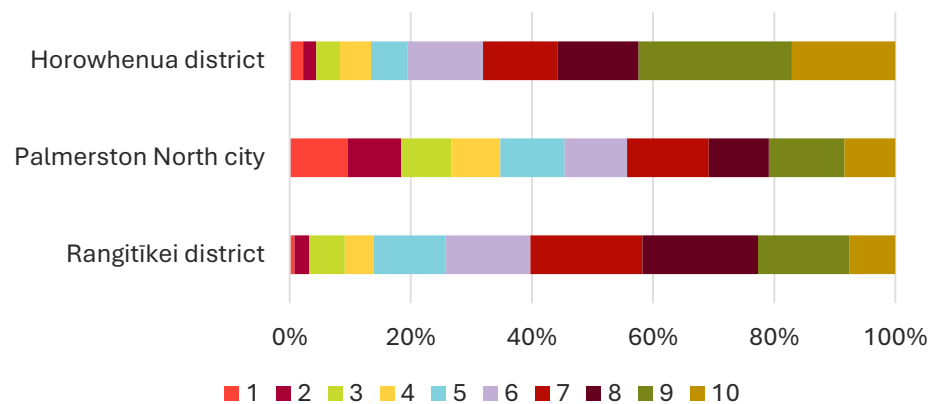
Option 4: Urban/Rural split



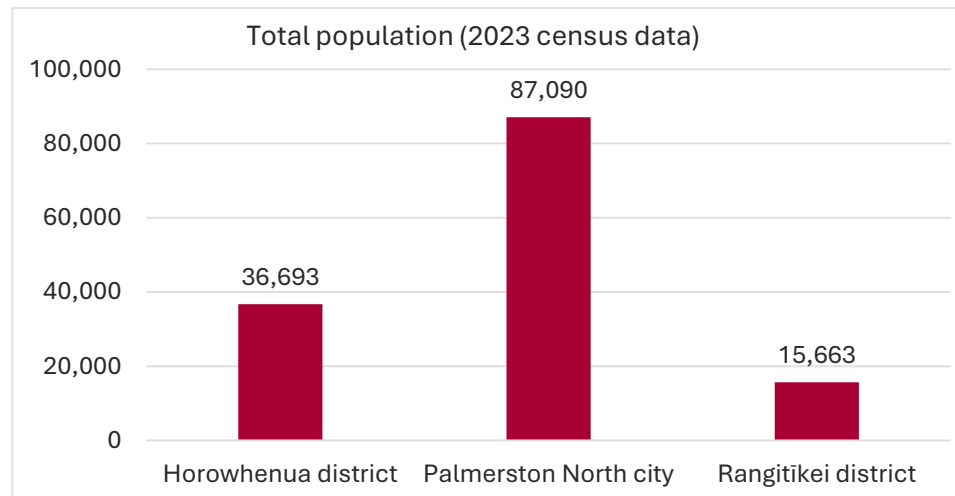
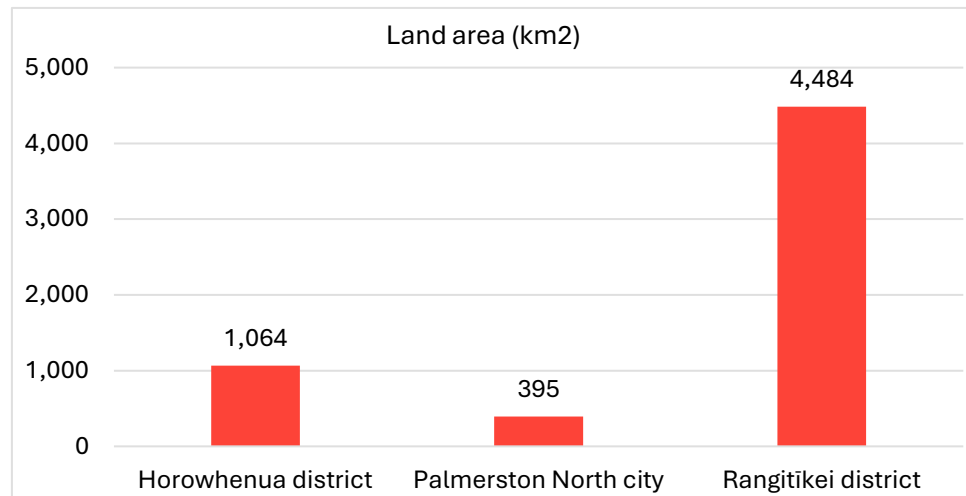
Option 4: Māori population(%)



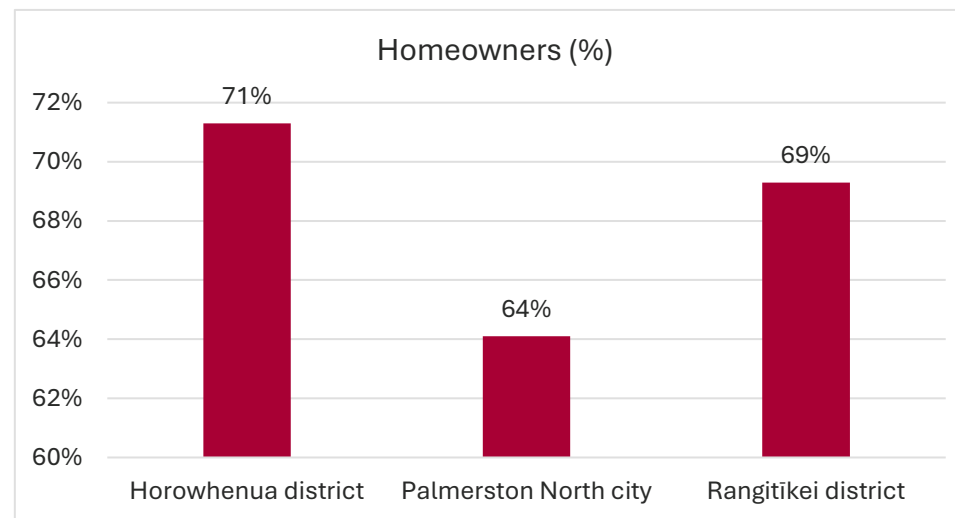
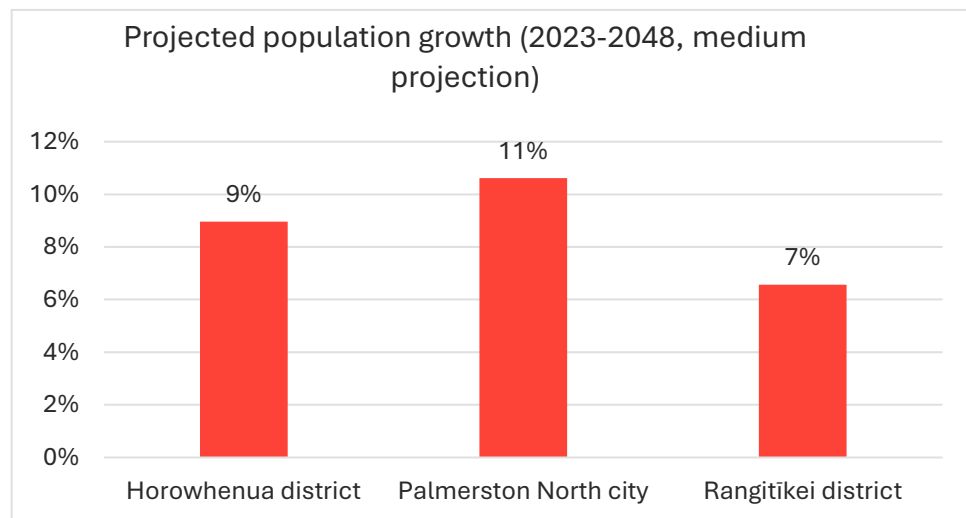
Option 4: Deprivation profile



Land and population

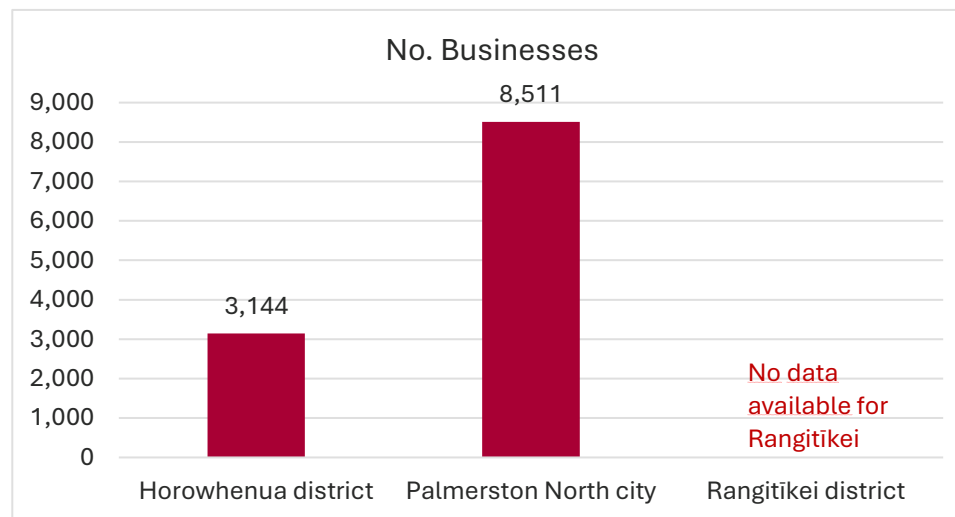
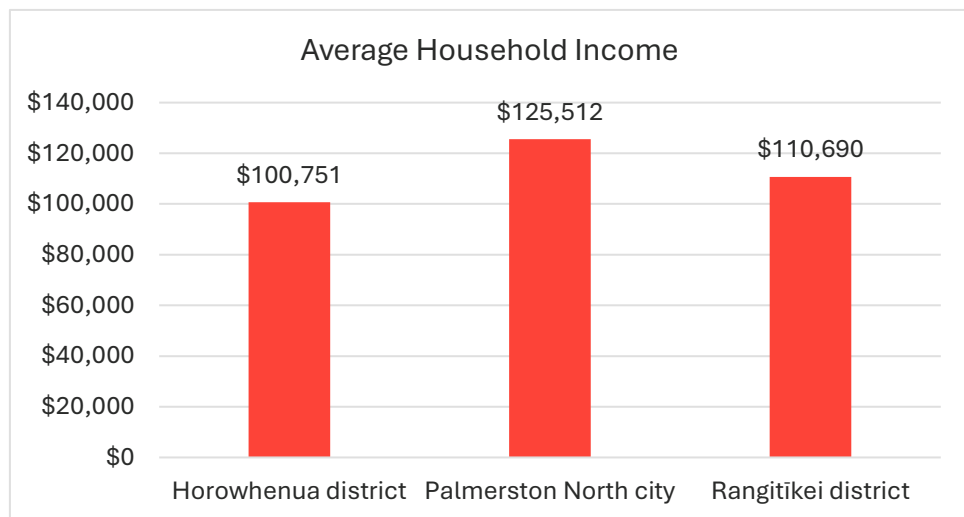


Growth and homeownership

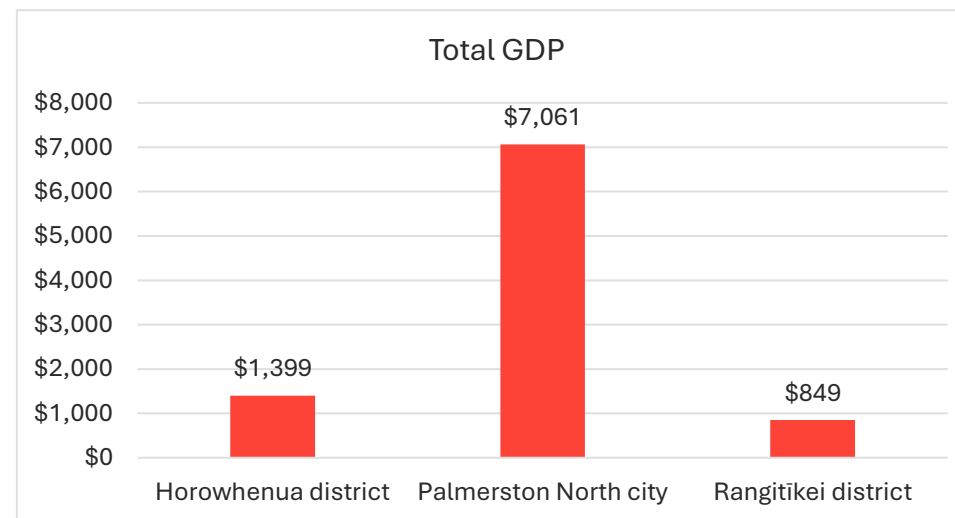
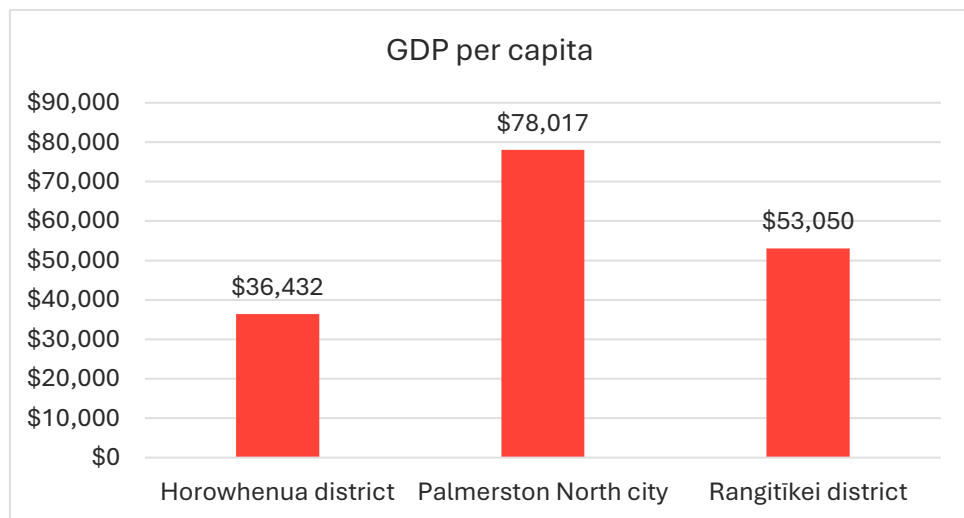




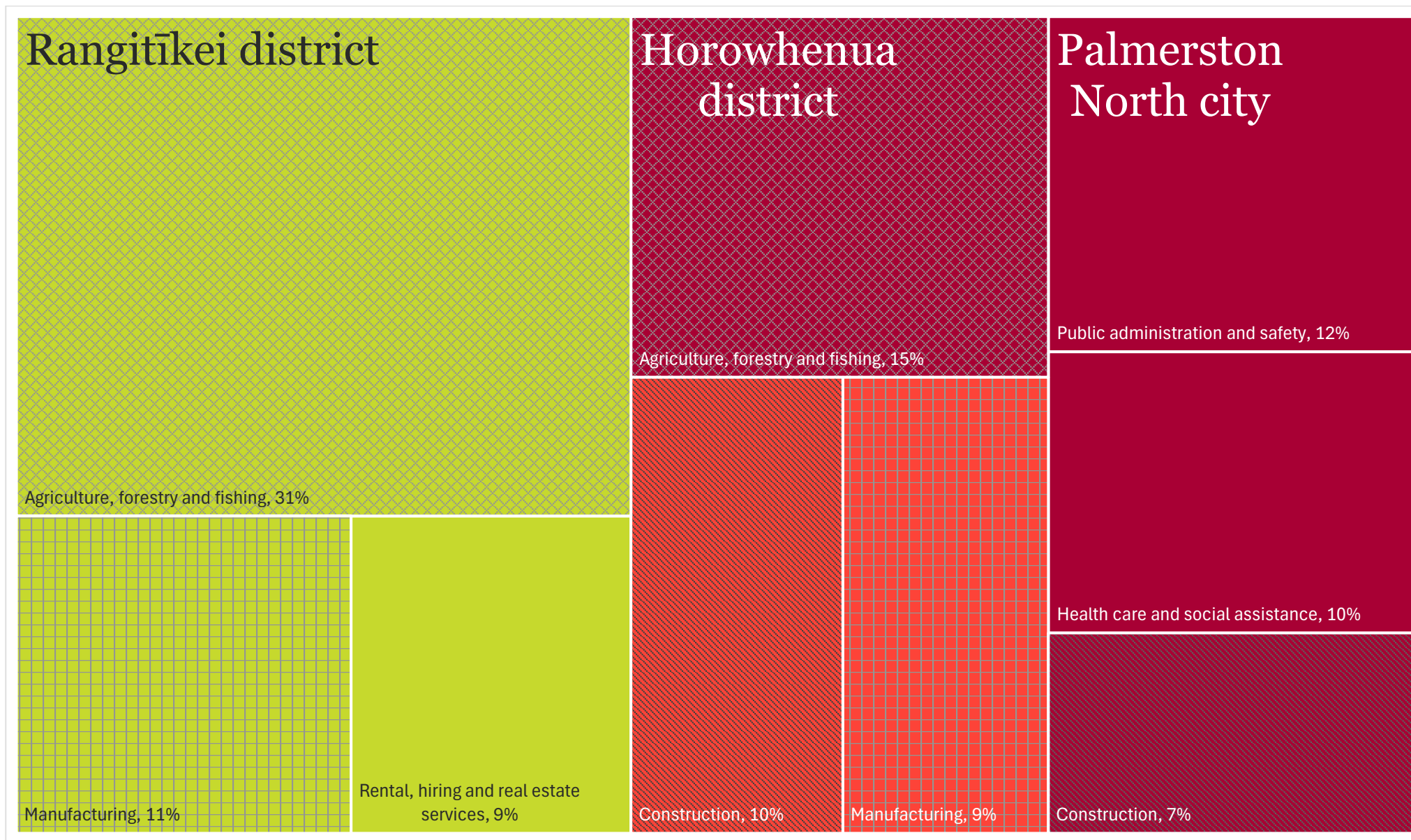
Business and income



GDP

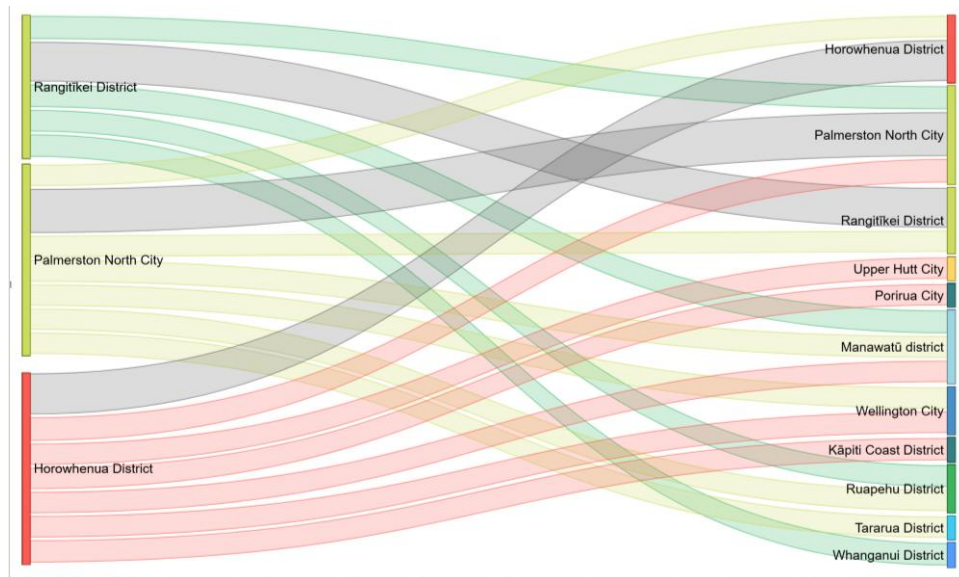


Top three industries

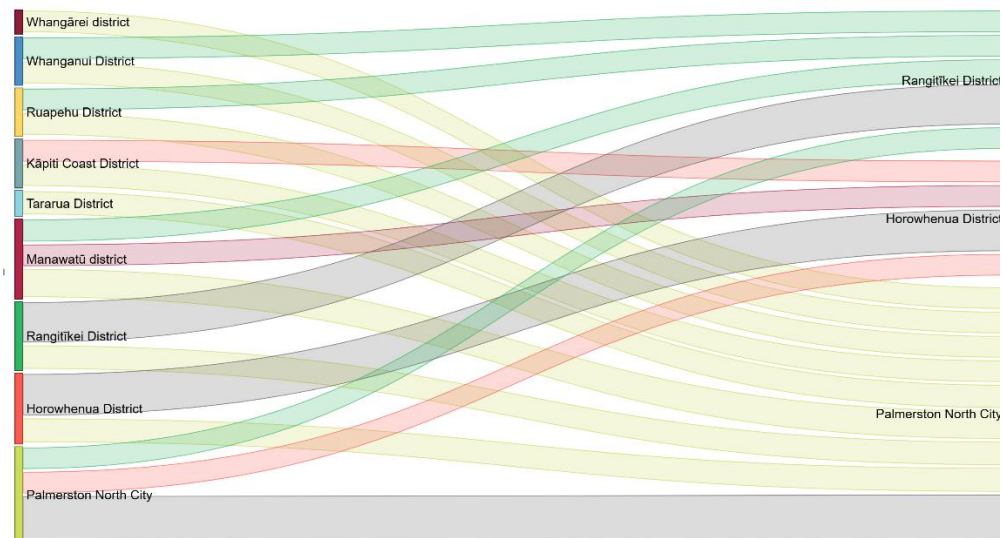


Labour movement

Movement out



Movement in





Document Status

Job #	Version	Written	Reviewed	Approved	Report Date
3158	001	J. Williams-Shigeeda, S. Bunting	D. Bonifant	D. Bonifant	7 August 2026

