West Coast Local Government Reform Head Start Outline Proposal – August 2026

Submitted by Grey District Council and Westland District Council

Supported by West Coast Regional Council and Poutini Ngāi Tahu

Eligibility

This Outline Proposal is jointly submitted by Grey District Council and Westland District Council, representing two of the three territorial authorities directly affected by the proposal. Both councils unanimously resolved to submit the proposal under the Head Start pathway.

Buller District Council considered the proposal but did not approve submission following a tied 5–5 vote, meaning the resolution was not carried. The five votes in support included the Mayor and Deputy Mayor, demonstrating support within the Council for progressing the proposal to detailed design.

Following the decision, some members of the Buller community have expressed frustration on social media that the vote against submission has effectively left Buller without a formal seat at the detailed-design table. This concern has been heightened by the fact that councillors were advised that Grey and Westland District Councils intended to proceed with the Head Start proposal regardless, and that the proposed unitary authority would still cover the whole West Coast, including Buller.

The West Coast Regional Council, which would also be directly affected by the proposed reform, unanimously resolved to support the Outline Proposal and provide a formal letter of support as has Poutini Ngāi Tahu.

The proposal seeks Government support to progress a single West Coast unitary authority into detailed design under the Head Start pathway. The proposed model would bring together the functions of Buller District Council, Grey District Council, Westland District Council and the West Coast Regional Council within one authority responsible for both territorial and regional functions across the West Coast.

Within the West Coast, this proposal represents the fullest practical consolidation available, bringing together all four existing councils and both territorial and regional functions within one authority. It is therefore the most comprehensive structural option the region can reasonably explore through Head Start.

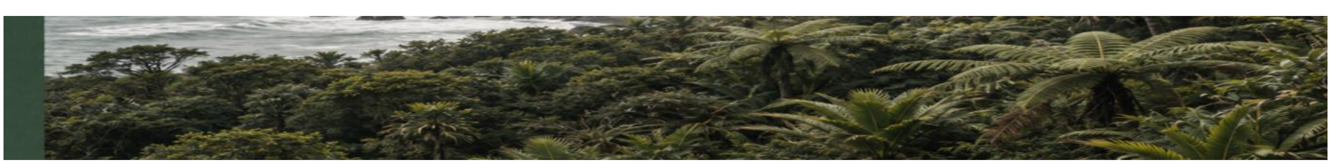
The detailed-design phase would determine how the authority should operate and whether it can demonstrably deliver improved long-term financial sustainability, net operational efficiencies after transition costs, stronger organisational capability, integrated planning and infrastructure functions, accessible local services, and fair representation for the distinct communities of Buller, Grey and Westland.

Progressing a single West Coast unitary authority into evidence gathering and detailed design would not constitute a final decision to establish that authority. The model would proceed only if the evidence demonstrates that it is financially viable, operationally deliverable and capable of producing better outcomes than the current arrangements. If the evidence demonstrates that a single unitary authority is not a viable model for the West Coast, the councils would expect Government to work in partnership with the region to agree and progress an alternative approach to reform that responds to the West Coast's circumstances and achieves the agreed reform objectives.

Case for change

The West Coast faces a structural local government sustainability challenge. Its councils must deliver regulatory, infrastructure, environmental, resilience and community services across 23,245 square kilometres and a region extending around 600 kilometres from north to south, comparable to the distance between Auckland and Wellington as pictured below, supported by a population of approximately 34,700 and only 23,233 rateable properties.

The region's responsibilities are disproportionate to the revenue base available to fund them. Around 84 percent of the West Coast is conservation land, and the region records approximately 37.8 commercial guest nights for every resident each year - more than five times the national average of 7.3. Nationally significant industries depend on local infrastructure, regulation and resilience services without all of that economic value being available to fund local government. Core functions such as planning, consenting, building control, emergency management, flood protection, finance and



democratic services still require specialist capability, systems and governance, regardless of the small population over which those fixed costs can be spread.

These pressures are compounded by significant and recurring natural hazards. Flooding, river and coastal erosion, land instability, severe weather and seismic risk create immediate and costly demands on councils and communities. The 2021 Westport flood alone affected more than 400 homes and resulted in approximately $56 million in insured losses. These losses represent only part of the total cost to the community. Recovery and resilience works have also required more than $15 million in debt funding, with a significant funding shortfall remaining and further costs likely to affect ratepayers over time.

Franz Josef also illustrates the scale of the challenge clearly. The Waiho River presents one of New Zealand's most significant flood hazards to an established township, yet the local rating base is extremely small, with around 400 rateable units and only 109 ratepayers contributing directly to flood protection costs, despite more than two million visitors travelling through the town each year. Similar pressures in Hokitika and other exposed communities require complex and costly decisions about protection, infrastructure, land use, affordability and long-term resilience.

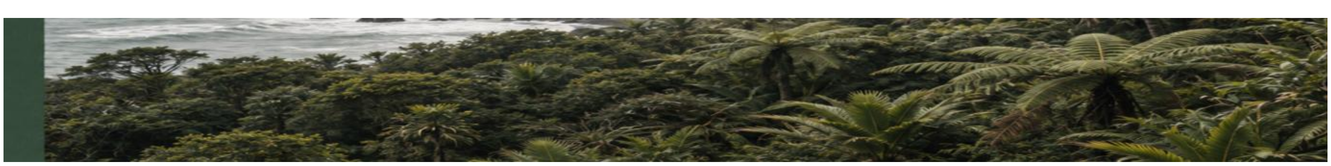
The West Coast's challenge is not duplication alone. While there may be opportunities to simplify governance, consolidate systems and reduce administrative overlap, the more fundamental issue is the cost of delivering national, regional and local responsibilities across a large, remote and hazard-prone region from a narrow local funding base.

West Coast ratepayers are already meeting substantial costs associated with Government-led reforms, including Te Tai o Poutini Plan and Local Water Done Well. Councils are not prepared to enter a further structural reform process without early certainty that Government will resource the evidence and de tailed design phase rather than leaving a significant shortfall to be recovered through rates. Government funding has met only a small proportion of the total cost of developing Te Tai o Poutini Plan, approximately one-fiftieth, demonstrating the risk of nationally driven reform costs ultimately falling on a small regional rating base.

A unitary council may improve scale, capability and coordination, but it will not remove the underlying pressures created by the region's geography, infrastructure deficits, extensive Crown and conservation land, high visitor demand, workforce constraints, exposure to natural hazards and limited household and business capacity to absorb further rates increases. Structural reform should be accompanied by work with Government on a more sustainable long-term funding model; otherwise, many of the region's underlying fiscal pressures would simply transfer into the new organisation.

The case for change is to create a local government system that:

- provides sufficient scale, capability and resilience to meet modern service and regulatory expectations;
- retains meaningful local voice and place-based decision-making across the region's diverse communities; and



- is supported by an ongoing central government funding framework that recognises the West Coast's exceptional circumstances to ensure long term viability of the new system.

Community feedback indicates that West Coast households and businesses have reached the limit of what can reasonably be addressed through continued rates increases. They are already funding substantial infrastructure renewals, natural-hazard responses and national reform programmes from a small rating base. Further structural change cannot be justified on the assumption that larger scale will reduce costs. West Coasters reasonably expect clear evidence that any new model will generate net benefits after transition costs, improve services and infrastructure, and reduce rather than compound long-term affordability pressures.

For the current governance system the West Coast has 36 elected members serving approximately 34,700 residents, around one elected member for every 960 people. Comparably, Gisborne's unitary authority has 14 elected members for about 52,700 residents, while Marlborough has 11 for about 50,800, around one elected member for every 3,800 to 4,600 residents. Our region's current arrangements support strong local representation, but also create governance and administrative overhead across four separate councils.

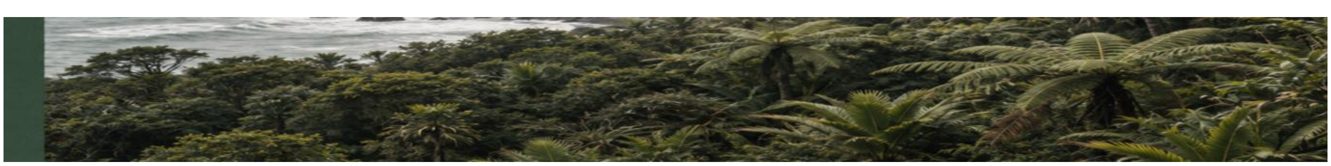
Exploring a unitary council through detailed design provides an opportunity to align regional and territorial decision-making, pool scarce capability, consolidate corporate and regulatory systems, strengthen asset and infrastructure planning, and provide a clearer regional voice. The central question is whether these benefits are material, achievable and sufficient to outweigh the costs and risks of transition.

How the Region Has Approached Head Start

The West Coast entered the Head Start pathway to retain regional influence over reform and ensure that any future arrangements reflect the region's distinctive geography, dispersed communities, limited rating base and service-delivery challenges. Councils understand that, without an accepted and viable local proposal, the region may instead be subject to a centrally led backstop process. The proposed direction is to test whether a single West Coast unitary authority could provide a more sustainable, capable and integrated system of local government.

The Mayors, Chairs and Iwi Forum have provided regional oversight, supported by a council working group responsible for developing the proposal, undertaking initial engagement and coordinating analysis. Formal decisions remain with the individual district councils. The West Coast Regional Council, while not eligible to submit the proposal, has participated in its development and formally supports it.

Given the limited timeframe, the work to date has focused on identifying a clear structural direction rather than completing the detailed design of a final model. Initial community feedback, previous Local



Government Commission work and councils' experience under the current system have informed the decision to progress a single West Coast unitary authority for independent investigation and detailed design.

The next phase should establish an independent evidence base across all four councils and test whether a single unitary authority would deliver better financial, operational, service-delivery, governance and representation outcomes. If it does not meet those tests, the councils would expect Government to work with the region to agree an alternative reform approach.

This work cannot be delivered through existing council resources without affecting core services and statutory programmes. Councils are already implementing Local Water Done Well, progressing the Te Tai o Poutini Plan and managing significant infrastructure and resilience pressures. The West Coast therefore seeks Government financial, technical and legislative support for the next phase.

The councils propose that MCERT resource and coordinate the independent technical evidence, modelling and specialist advice required across the five workstreams in **Annex One**. The participating councils would lead the detailed-design process and retain all decisions on the structure and key features of the model.

What we heard from communities

The initial engagement was designed as an early community conversation, not formal consultation on a model. Communities were asked what is working in the current system, what could be improved, what matters most to them, and what they considered would work best for the West Coast. The engagement also tested several potential starting scenarios rather than asking people to endorse a final structure.

Those scenarios included:

A. one unitary authority for the whole West Coast;

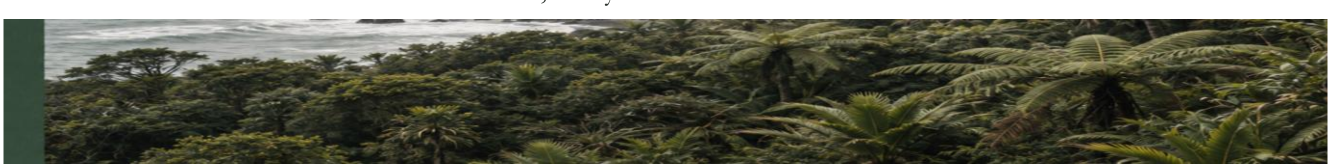
B. a Grey-Westland unitary authority with a separate arrangement for Buller; and

C. any other structural or local voice arrangements communities considered should be explored.

Following 196 submissions to the survey, 118 respondents selected Scenario A, a single West Coast unitary authority, as an option that should be tested further. This represents 60% of all responses and 65% of respondents who selected at least one scenario. Because respondents could select more than one scenario, this should be interpreted as support for further exploration rather than a final preference or mandate for a particular model.

The main priorities raised by the West Coast communities were:

- **Rates affordability:** reform should not create another layer of cost or result in unaffordable rates. Communities want clear information on transition costs, future rates impacts and how costs would be shared across Buller, Grey and Westland.



- **More infrastructure investment:** any new model should strengthen the region's ability to fund and deliver roads, water services, flood protection, economic development, resilience and other essential infrastructure.
- **Less duplication and a leaner organisation:** people expect reform to reduce duplicated governance, management, systems and back-office functions. They want evidence about whether staffing and administration costs can be reduced while protecting frontline services and local capability.
- **Visible local services and decision-making:** communities do not want reform to mean losing local offices, locally based staff or influence over decisions affecting their area.
- **Clarity on Development West Coast (DWC):** community feedback indicated that Development West Coast's purpose and investment settings warrant further consideration, including whether the current Trust Deed provides sufficient flexibility to support essential enabling infrastructure and the future needs of West Coast communities. The councils consider that the Minister of Finance, as Settlor of the Trust Deed, should receive a copy of this report and the feedback received for consideration. An economic development function should be closely aligned with a future unitary authority's long-term goals, regional development plans and community priorities. The detailed-design phase provides an opportunity to consider how Development West Coast and council-led economic development activity could be better aligned within a future regional system.
- **A fairer funding partnership with Government:** communities recognise that structural change alone will not resolve the pressure created by a small rating base, extensive conservation land and nationally significant infrastructure and resilience responsibilities.
- **Proof that reform will deliver better outcomes:** there is an expectation that any proposed model will be supported by transparent evidence and tested with communities before final decisions are made.

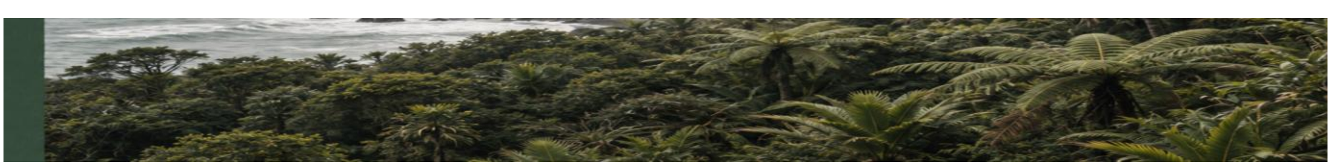
Communities want simpler governance, but also strong local voice; the next phase will need to test this trade-off openly, including the additional governance layer created by local boards.

This feedback supports progressing reform for more detailed investigation.

Earlier Local Government Commission engagement also demonstrated sustained interest in reform. Its 2016 engagement programme included eight community drop-in sessions, seven workshops, meetings involving more than 200 people and 699 questionnaire responses. Of those responding:

- 54 percent considered that council services could be better delivered through shared services across all or part of the region; and
- 44 percent considered that some West Coast councils should be combined.

A subsequent representative telephone survey of 602 residents in 2017 found that 51 percent considered that local government arrangements needed to change, compared with 40 percent who did



not. While Local Government Commission engagement showed communities were broadly divided on structural reform, recent Head Start feedback indicates stronger support for exploring a unitary arrangement for the West Coast, providing a clearer basis for detailed design and further testing.

This history demonstrates a continuing basis for investigating reform, while reinforcing the need for contemporary evidence, detailed design, and broader community testing before any final structural decision is made.

Existing Evidence Base

The 2017 Local Government Commission investigation and supporting MartinJenkins analysis provide a useful foundation for the next phase. The Commission concluded that a single West Coast unitary authority was a "reasonably practicable" option, although it did not recommend proceeding at that time because of implementation risk, transition disruption and uncertainty about local-board arrangements.

MartinJenkins assessed the unitary model as offering the strongest potential qualitative benefits, including more integrated infrastructure and planning, greater consistency across regulatory services, pooled specialist capability, reduced organisational vulnerability and clearer regional leadership.

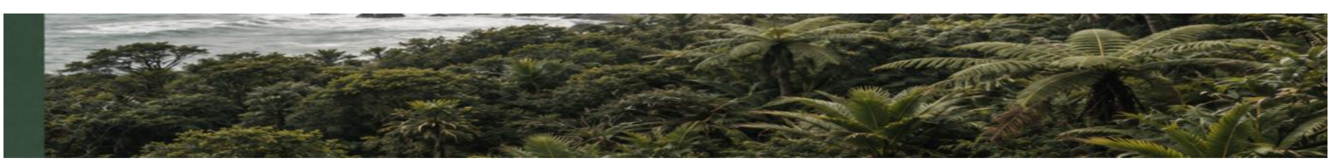
The accompanying financial modelling, based on the councils' 2015–2025 Long-term Plans, estimated transition costs of approximately $6.1 million and annual efficiencies reaching approximately $2.8 million by year seven. It indicated that efficiencies may be achievable, but would take time to realise and could be materially offset by transition and implementation costs.

These findings are now historical rather than a reliable forecast. Local Water Done Well, the Te Tai o Poutini Plan and material changes in council finances, infrastructure obligations, staffing, systems and community expectations have altered the operating environment. Updated and independently verified modelling is required to determine whether a single unitary authority would deliver genuine net benefits and improve long-term sustainability.

The earlier work also suggests that structural reform alone is unlikely to produce substantial rates reductions. Any efficiencies are more likely to strengthen capability, offset future cost pressures and moderate future rates increases. The councils consider that structural reform must be accompanied by a more sustainable long-term funding model if it is to support the region's continued growth and prosperity.

Sustainable Long-Term Funding

A new governance model may improve capability, coordination and efficiency, but it will not on its own resolve the mismatch between the region's limited rating base and the scale of its infrastructure, resilience, environmental and regulatory responsibilities.



Mining, tourism, energy, agriculture and forestry generate substantial national value and Crown revenue, but also create local infrastructure, resilience and service costs that are not fully reflected in the region's rating base. Structural efficiencies should be pursued, but they are unlikely to provide a complete solution to long-term affordability.

As part of the Head Start process, the West Coast seeks to work with Government on an enduring funding partnership that better reflects the national value generated from the region and the local costs of supporting it. Options for assessment could include:

- returning a share of West Coast mineral royalties to the region or introducing a Local Levy that is distributed direct to a district;
- allocating a share of the International Visitor Conservation and Tourism Levy to high-visitor-pressure regions; and,
- long-term Crown co-investment in flood protection, resilience, critical transport and infrastructure serving the conservation estate.

Community feedback identified the future role of Development West Coast as an issue for further consideration. The West Coast councils propose providing the Minister of Finance, as Settlor of the Development West Coast Trust Deed, with a copy of this Outline Proposal and a summary of community feedback, inviting consideration of whether the Trust Deed remains aligned with the West Coast's future economic development and infrastructure needs.

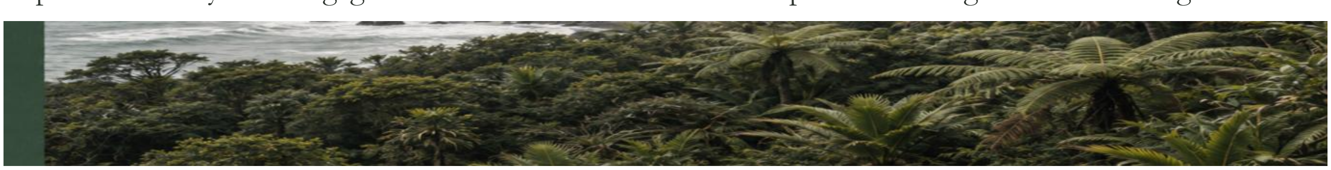
With an enduring Crown partnership, a future governance model would have a stronger prospect of delivering the outcomes communities expect: more affordable rates, better infrastructure, improved resilience and more sustainable local government on the West Coast. **Annex Two** outlines the approach to address this challenge within the local government reform project.

Poutini Ngāi Tahu Partnership and Existing Iwi Relationship Arrangements

Poutini Ngāi Tahu have helped shape this proposal through the Mayors, Chairs and Iwi Forum. West Coast councils support working collaboratively with Poutini Ngāi Tahu through detailed design to strengthen partnership arrangements across the future local government system.

Paetae Kotahitanga ki Te Tai Poutini and the existing Mana Whakahono ā Rohe provide a strong baseline for this workstream. Although Mana Whakahono ā Rohe will not automatically transfer into the new planning system, the reform process provides an opportunity to develop an effective successor agreement and embed consistent, enduring partnership arrangements across all West Coast councils and any future authority.

The detailed design phase will also identify any wider iwi engagement required where matters are of national significance, extend beyond the immediate area of the proposal, or have cross-boundary implications. Any such engagement will be undertaken without predetermining or characterising iwi



interests, boundaries, statutory rights, or existing relationships. If any wider engagement was determined to be required, it would be led and informed by mana whenua.

Evidence Base and Detailed Design – Proposed Approach

The West Coast councils agree that the current local government system faces significant long-term sustainability challenges. The direction toward a single unitary authority is consistent with the Head Start criteria by seeking simpler governance, stronger organisational capability and economies of scale, better integration with the new planning system, improved deliverability and enduring local voice.

Government support is critical to the West Coast's ability to proceed. Early in the next phase, councils require clear confirmation from MCERT of the financial, technical and programme resources available to support detailed design, including which costs Government will meet. Given the region's limited rating base and existing reform pressures, councils are not prepared to fund this work themselves without first understanding the full costs and potential impacts on ratepayers. Without an agreed and adequately resourced Government partnership, the West Coast cannot responsibly proceed with detailed design or transition in a way that protects ratepayers, core services and statutory obligations.

The next phase's purpose would be to develop the evidence and design required to determine whether the model can:

- provide a financially sustainable and deliverable system of local government;
- produce net benefits after transition and implementation costs;
- simplify governance and strengthen accountability;
- improve capability, resilience and the integration of territorial and regional functions;
- support effective implementation of the new planning system;
- maintain accessible services across Buller, Grey and Westland;
- protect strong local representation and place-based decision-making; and
- deliver better outcomes than the current arrangements.

The barrier to progressing this work is not regional willingness or governance alignment. It is the funding, programme capacity and specialist expertise required to complete this work independently and within the Government's Head Start timeframes.

The councils cannot deliver a programme of this scale through existing resources without affecting essential services and statutory responsibilities. Council teams are already implementing Local Water Done Well, progressing the Te Tai o Poutini Plan and responding to significant infrastructure, resilience and affordability pressures. Redirecting staff and funding into structural reform would risk delaying critical programmes, weakening service delivery and placing further costs on ratepayers.

If the outline proposal is accepted, the participating councils would lead the detailed-design process and retain all decisions on the structure and key features of the model. MCERT would be requested to resource and coordinate the independent technical evidence, modelling and legislative support required to complete the work within the Head Start timeframe.

Spatial planning and implementation of the new planning system will be integrated into the detailed-design programme rather than treated as a separate reform. The councils propose developing a coordinated West Coast work programme with MCERT and relevant central government agencies to align governance design, spatial planning, infrastructure priorities, environmental planning, consenting and transition arrangements. This work would build on Te Tai o Poutini Plan, avoid duplication and ensure any future authority is ready to implement the new planning system.

The work would be undertaken through five concurrent workstreams:

1. **Financial viability and future funding** - establishing a common financial baseline and assessing revenue, rates, debt, reserves, assets, liabilities, transition and implementation costs, potential efficiencies, rating impacts, the distribution of costs and benefits, and alternative long-term revenue sources.
2. **Service delivery, functional and organisational design** - assessing territorial and regional functions, determining the appropriate balance between regional integration and local delivery, and designing the future workforce, organisational structure, office network, systems and service standards. This workstream would also determine how spatial planning, infrastructure planning, environmental management and consenting functions should operate together under the new planning system.
3. **Local voice, governance and representation** - designing the governing body, wards, local boards, delegations, local budgets, service centres and mechanisms that protect meaningful place-based decision-making and representation for smaller and remote communities.
4. **Poutini Ngāi Tahu partnership** - co-designing how existing partnership arrangements would transfer into and be strengthened under any future model.
5. **Regional entities, economic development and funding alignment** - assessing the future relationship between the authority, Development West Coast, council-controlled organisations and other regional entities and functions, alongside regional economic-development leadership and wider Crown funding arrangements.

Continuity of essential services and statutory functions would be a core requirement of the detailed design and transition programme. Reform must not disrupt implementation of the Te Tai o Poutini Plan, preparation for the new planning system, consenting and compliance services, freshwater management, environmental monitoring, catchment and flood-risk management, regional transport planning or critical infrastructure delivery. The scale, complexity and statutory risk of this work are key reasons MCERT must resource and support the programme.

A strong local-board model would be a central component of the detailed design. Community feedback and elected-member discussions have consistently identified the need for local boards to have meaningful delegations, responsibility for appropriate local decisions, influence over local budgets and

service priorities, and a clear role in representing Buller, Grey, Westland and smaller and remote communities. They should not operate solely as advisory bodies.

The councils would remain the formal decision-makers throughout the process. MCERT would prepare the evidence and develop design options in partnership with the region, but any decision required to determine the structure or key features of the model would return to the individual council governance tables. Monthly council workshops would enable elected members to consider the emerging evidence and provide direction on financial assumptions, service delivery, governance, local boards, representation and transition arrangements.

The proposed model would be released for community consultation commencing in early February 2027. Consultation analysis would be undertaken progressively, with the findings and any recommended amendments presented for final council decisions in late March 2027.

Annex 1 sets out the proposed workstreams, programme timetable, council decision points, community-input stages and the support required from MCERT to complete the work within the Head Start timeframes.

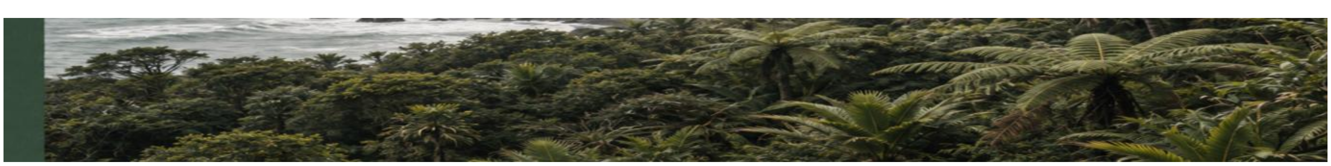
Where to From Here?

Following submission of this outline proposal, the West Coast seeks an early decision from Government on whether the region will enter the next phase of Head Start.

From September 2026 to February 2027, MCERT and the West Coast councils would work collaboratively to develop the independent evidence base and detailed design.

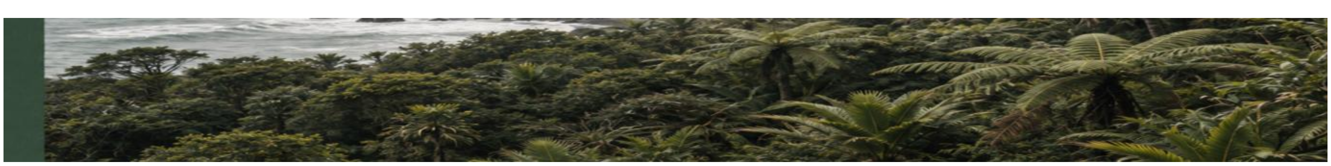
No final governance structure or implementation programme would be committed to until the evidence demonstrates better outcomes, an affordable transition pathway and a credible long-term funding framework capable of supporting the future authority.

For further information or clarification regarding this proposal, please contact Ashley Stuart at Ashley.Stuart@westcoast.govt.nz



Annexes:

Annex One: Proposed Workstreams and MCERT/Government Support Required
Annex Two: Sustainable Revenue Stream Approach
Annex Three: Outline Proposal and Head Start Criteria
Annex Four: Local Government Commission Findings on One Unitary Council
Annex Five: Financial Overview
Attached to Outline Proposal: West Coast Regional Council and Poutini Ngāi Tahu Letters



Annex One: Proposed Workstreams and MCERT/Government Support Required

Purpose

This annex sets out how the West Coast proposes to complete the independent evidence base and detailed design required under the Head Start pathway.

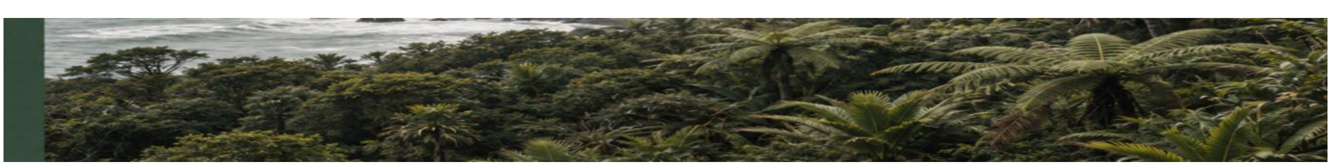
The programme would be delivered through five concurrent workstreams from September 2026 to March 2027. The participating councils would lead the detailed-design programme through an appointed independent West Coast Programme Director and team. In practice, this would involve regular workshops between elected members, the local programme team and MCERT to develop, test and refine design principles and options for the West Coast context.

The councils would determine the issues to be examined, set the design principles, provide direction on emerging options and make all formal decisions on the structure and key features of the proposed model. The West Coast Programme Director and team would coordinate this input, translate council direction into workstream requirements and act as the connection point between the councils, MCERT, Poutini Ngāi Tahu and other stakeholders.

MCERT would support this council-led process by resourcing, commissioning and coordinating the independent technical evidence, financial modelling, legislative advice, specialist analysis and quality assurance required to inform council workshops and decisions.

The proposed model would then be released for community consultation. Consultation analysis would be undertaken progressively, with the findings and any recommended amendments presented to the participating councils for final decisions in late March 2027.

Councils would like any transition plan to include formal evaluation points throughout the process, covering financial, operational, service, workforce, governance and community outcomes. This would enable progress to be assessed in real time and the design or implementation approach to be adjusted where necessary.



Proposed workstreams

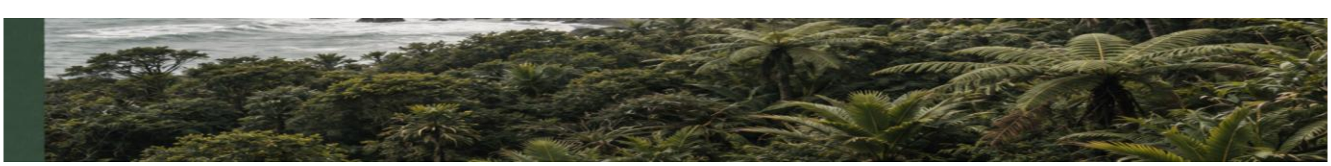
Workstream	What the workstream will determine	How the workstream could operate	Key outputs and engagement
1. Financial viability and future funding	Whether a single unitary authority would be financially sustainable and deliver net benefits after transition and implementation costs. It would also assess how costs, benefits and rates impacts could be distributed across Buller, Grey and Westland.	Councils would set the financial principles, affordability expectations and questions to be tested. The local programme team would coordinate financial information and council input. MCERT would commission independent financial, rating and sensitivity analysis.	**Outputs:** common financial baseline; transition-cost estimate; efficiency analysis; rating and affordability scenarios; asset, debt and liability assessment; long-term funding options. **Engagement:** clear community information on rates, costs and financial impacts.
2. Service delivery, functional and organisational design	Which territorial and regional functions should be integrated, which services should remain locally delivered, and how local access, offices, staff and service levels would be protected. This workstream would also determine how spatial planning, infrastructure planning, environmental management and consenting functions should operate together under the new planning system.	Councils would establish service-delivery principles and minimum expectations for local presence. Council staff would explain current functions and test practical options. MCERT would provide functional, organisational and transition expertise. The local programme team would ensure West Coast conditions are reflected.	**Outputs:** future allocation of functions; service-delivery model; office and service-centre network; workforce and organisational design; systems requirements; service-continuity plan. **Engagement:** community input on local offices, service access and locally delivered functions.
3. Local voice, governance and representation	How one regional authority could retain strong representation and meaningful local decision-making for Buller, Grey, Westland and smaller and remote communities.	Councils and elected members would set the representation and local-voice principles. Regular workshops would test options for the governing body, wards, local boards, delegations and local budgets. MCERT would provide governance and legislative advice.	**Outputs:** governing-body options; ward and local-board design; proposed powers and delegations; local-budget arrangements; accountability framework. **Engagement:** community testing of boundaries, representation, local-board responsibilities and the balance

			between regional and local decisions.
4. Poutini Ngāi Tahu partnership	How existing partnership agreements would transfer into and be strengthened under any future authority.	Poutini Ngāi Tahu would work directly with councils and the local programme team to define partnership requirements. MCERT would provide legal, legislative and policy support. Emerging arrangements would return to councils and Poutini Ngāi Tahu at agreed stages.	**Outputs:** future partnership framework; transfer of existing arrangements; participation and representation mechanisms; opportunities for appropriate takiwā-level delivery. **Engagement:** processes would be agreed with and led alongside Poutini Ngāi Tahu.
5. Regional entities, economic development and funding alignment	How Development West Coast, council-controlled organisations, regional economic-development functions and wider Crown funding arrangements should align with a future authority.	Councils would set the principles and identify the options to be investigated. The local programme team would coordinate regional entities and stakeholders. MCERT would support cross-government analysis and develop structural and funding options.	**Outputs:** options for Development West Coast Settlor (Minister of Finance) and CCO alignment; regional economic-development model; accountability arrangements; infrastructure and investment alignment; alternative revenue and Crown funding options. **Engagement:** targeted input from Development West Coast, CCOs, Poutini Ngāi Tahu, businesses, industry and regional stakeholders.

Cross-Cutting Design Requirements

The following requirements would be embedded across all five workstreams rather than considered separately at the end of the process. Each workstream would be required to identify how its proposed options affect statutory continuity, service delivery, workforce capability, systems, transition risk and implementation readiness.

This means that financial, governance, service-delivery, partnership and regional-entity options would all be assessed against the same core requirements:

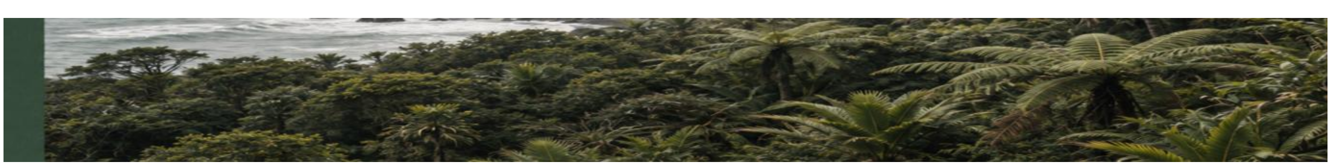


- **Continuity of essential services and statutory responsibilities** - each workstream would identify any risks to existing services, regulatory obligations and active programmes, and specify how these would be managed throughout transition.
- **Planning-system continuity** - options would be assessed for their impact on implementation of the Te Tai o Poutini Plan and implementation of the new planning system (such as regional spatial planning), including the transfer of planning responsibilities, staff, information and current work programmes.
- **Continuity of regional and regulatory functions** - the design would need to maintain uninterrupted consenting, compliance, freshwater management, environmental monitoring, catchment and flood-risk management, regional transport planning and infrastructure delivery.
- **Transition governance and legislative requirements** - each workstream would identify the interim governance, delegations, statutory changes and decision-making arrangements required to move safely from the current councils to any future authority.
- **Systems, data and institutional knowledge** - options would include requirements for the transfer and integration of systems, records, data, contracts, policies and organisational knowledge.
- **Workforce retention and specialist capability** - the design would assess how critical staff and specialist expertise would be retained during uncertainty and transition, and how future capability gaps would be addressed. Any service delivery and staff changes would be assessed on how possible losses, if any, would affect community.
- **Independent assurance and sensitivity testing** - key assumptions, costs, benefits and risks would be independently tested, including whether the proposed model remains viable under less favourable financial, workforce or implementation scenarios.
- **Day-one operational readiness** - each workstream would identify what must be in place for a future authority to operate effectively from its first day, including governance, staff, systems, delegations, funding and service-continuity arrangements.

The West Coast Programme Director and team would ensure these requirements are reflected in every workstream brief, council workshop and decision report. MCERT would provide the specialist programme capacity, technical expertise and independent assurance needed to test these matters consistently across the full design.

This support is necessary because the cross-cutting requirements involve significant statutory, operational and transition risk and cannot safely be managed through existing council capacity alone.

Subject to council and Government approval in 2027, the subsequent transition programme would then need to include enabling legislation, establishment governance, organisational and systems integration, rating-transition arrangements, service-continuity planning and preparation for elections to the new authority in 2028.

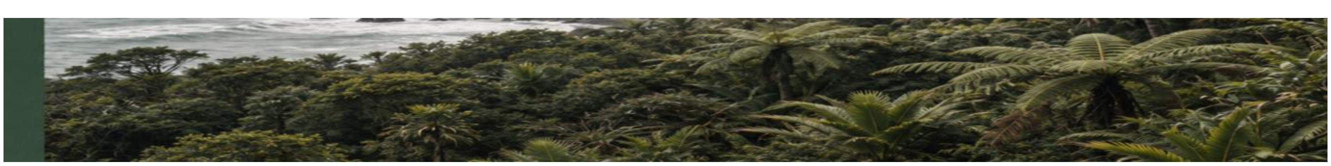


Programme Timeline and Council Capacity

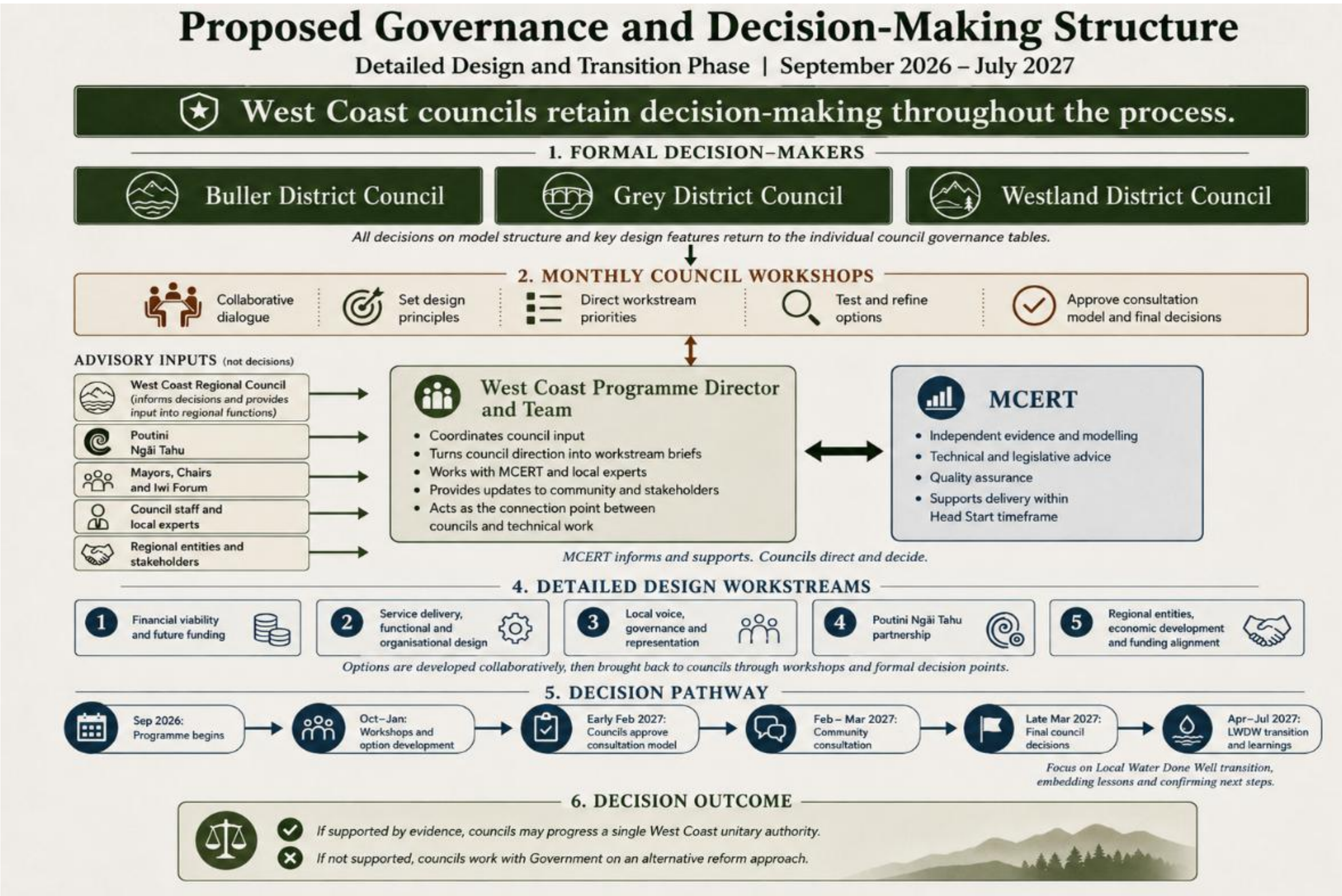
Any Head Start timeline must allow for the orderly transfer of staff, functions and resources to Coast Waters on 1 July 2027, followed by sufficient time to review and embed lessons from that transition.

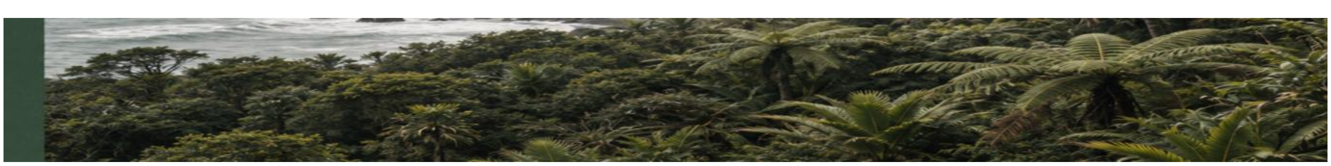
The programme must also recognise the significant capacity constraints facing West Coast councils, including the 2027–2037 Long-term Plan process, Te Tai o Poutini Plan appeals and wider planning reforms including the expectation regional spatial plans will be completed by mid 2028.

Early in the next phase, councils will require clarity from MCERT on the scope, timing and level of resourcing it can provide. This will enable councils to assess the impact on business-as-usual work, identify any additional local capacity required and understand the costs of securing that resource. The programme must be sequenced realistically to protect core services and statutory responsibilities while supporting successful delivery of both reform programmes.



Proposed Governance of Detailed Design to March 2027





Annex Two: Sustainable Revenue Stream Approach

Alignment with a Potential Regional Deal

The West Coast considers that a future Regional Deal could provide the principal framework for a long-term partnership between the region and Government. Regional Deals are intended to establish long-term agreements that align central and local government priorities and coordinate economic growth, infrastructure and investment. Current deals are structured around 10-year strategic plans with agreed outcomes and actions.

For the West Coast, a Regional Deal could bring together:

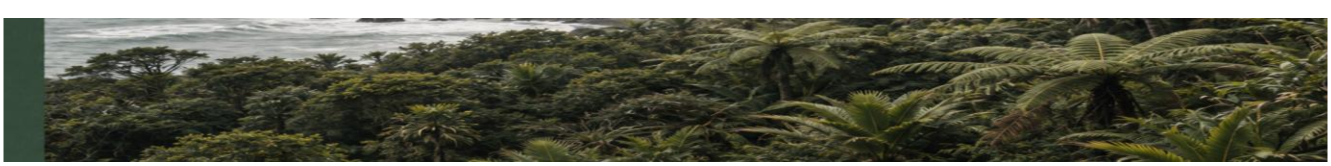
- priority infrastructure and resilience projects;
- regional economic-development initiatives;
- investment linked to minerals, tourism, energy, agriculture and forestry;
- Crown and council funding commitments;
- agreed delivery responsibilities and milestones; and
- enduring alternative revenue arrangements that recognise the national value generated by the region.

The Regional Deal and local government reform processes should be developed in a coordinated way so that the future governance model has the funding and investment framework required to succeed.

Revenue Options for Further Investigation

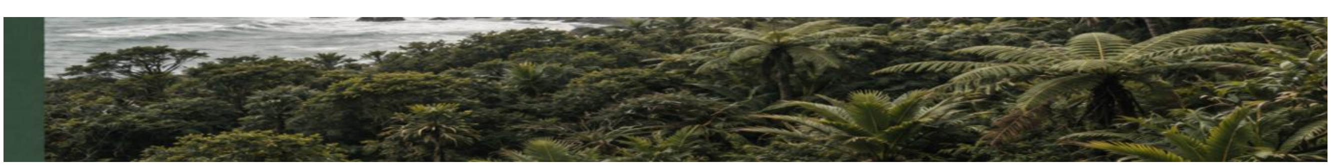
The West Coast proposes that MCERT and relevant Government agencies work with the councils to assess a broad range of revenue options through the detailed-design process.

Potential approach	Matters to investigate
Share of mineral royalties or extractive-industry revenue	Returning an agreed proportion of Crown mineral royalties generated by West Coast extractive industries, to support regional infrastructure, resilience and economic development. This would align with the Government’s Minerals Strategy, which seeks to increase minerals exports and recognises that royalties from Crown-owned minerals are paid to the Crown.
GST collected on council rates	Returning all or a proportion of the GST collected on West Coast rates to the region, potentially through a formula recognising population, land area, infrastructure responsibilities and affordability. The return of GST collected on rates has previously been identified nationally as a potential way to broaden the local government funding base.
International visitor revenue	Allocating a proportion of the International Visitor Conservation and Tourism Levy to regions carrying high tourism infrastructure, conservation and resilience costs.



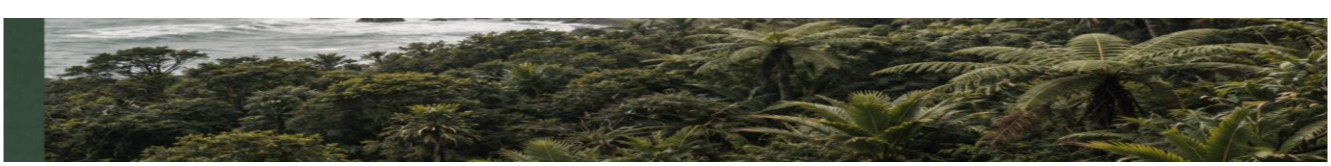
Long-term Crown co-investment	Establishing predictable multi-year Crown contributions for flood protection, natural-hazard resilience, critical transport links and infrastructure supporting the conservation estate and nationally significant industries.
Regional value-capture mechanisms	Assessing value-capture, targeted investment and other funding tools through a potential Regional Deal where Government or regional investment materially increases economic activity or land value.
Development West Coast alignment	Reviewing whether the Development West Coast Trust Deed remains fit for purpose and whether it provides sufficient flexibility for the multi-generational fund to be used more effectively in support of the West Coast's long-term infrastructure, resilience and economic-development priorities. The review should consider how the fund can continue to preserve value for future generations while delivering greater benefit to current and future West Coast communities.

The intended outcome is a long-term funding agreement that recognises the West Coast's national economic contribution, extensive Crown and conservation estate, visitor pressures, natural-hazard exposure and limited local rating base.

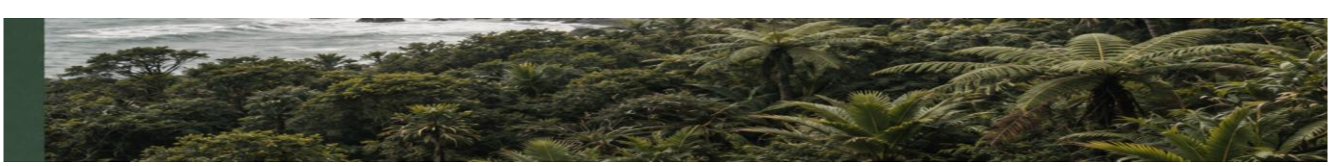


Annex Three: Outline Proposal and Head Start Criteria

Head Start criterion	How the proposed single West Coast unitary authority meets the criterion	Matters to be confirmed through detailed design
Deliverability	The proposal identifies a clear structural model: one unitary authority combining the territorial and regional functions currently delivered by Buller, Grey and Westland District Councils and the West Coast Regional Council. The proposed programme provides for five concurrent workstreams, regular council workshops, community consultation in February 2027 and final council decisions in March 2027. This would allow sufficient time for Government decisions, enabling legislation, establishment and transition ahead of, or soon after, the 2028 local elections.	The detailed design would confirm the legislative pathway, transition governance, implementation costs, workforce and systems integration, rating transition, service-continuity requirements and day-one readiness.
Supports the new planning system	A single unitary authority would bring regional and district planning, infrastructure, environmental management, natural-hazard management and consenting functions within one organisation. The West Coast already has an integrated district-planning foundation through the Te Tai o Poutini Plan, reducing the complexity of moving toward a more integrated planning system.	The detailed design would establish how the Te Tai o Poutini Plan, the transition to the new planning system, spatial and environmental planning, consenting, freshwater management, monitoring and infrastructure delivery would continue without disruption.
Simpler local governance	The model would replace four separate councils with one authority responsible for both territorial and regional functions. This would reduce structural duplication, clarify regional accountability and remove the need for separate organisations to make decisions about closely connected planning, infrastructure, environmental and resilience matters.	The detailed design would confirm the future governing body, committee structure, delegations, local boards, corporate systems and accountability arrangements.
Economies of scale and better value	A region-wide authority would allow the councils to pool scarce specialist capability, consolidate corporate and regulatory systems, coordinate procurement, integrate asset and infrastructure planning and reduce organisational vulnerability. It would also provide a single regional platform for transport, catchment management, natural-hazard planning, environmental functions and engagement with Government and investment partners. The proposal captures the available	Independent financial modelling would test transition and implementation costs, potential efficiencies, service and remuneration harmonisation, rating impacts and whether the model would deliver genuine net benefits over time.



	opportunities for structural consolidation within the West Coast by combining all four councils; a larger cross-boundary arrangement would introduce additional functional, geographic, representation and partnership complexity.	
Maintains a strong local voice	Strong local boards would be a central feature of the proposed model. They would be designed to provide meaningful local decision-making, delegations, influence over local budgets and service priorities, and representation for Buller, Grey, Westland and smaller and remote communities. The proposal also seeks to retain accessible local services, offices and locally based staff.	Councils and communities would determine the appropriate wards, local-board boundaries, membership, delegations, budgets and accountability arrangements. The design would test whether urban, rural, remote and smaller communities would continue to be represented fairly.
Clear leadership and regional support	The proposal has been developed through the Mayors, Chairs and Iwi Forum, with participation from all four West Coast councils and Poutini Ngāi Tahu. The three district councils would remain the formal decision-makers throughout detailed design, while the West Coast Regional Council would participate as an affected and supporting council.	Formal council decisions would be required at agreed design points, before consultation on the proposed model and again after consultation and completion of the independent evidence base.
Demonstrable community benefit	The proposed model is directed toward the outcomes identified through initial community engagement: affordable and sustainable local government, reduced duplication, stronger infrastructure and organisational capability, accessible local services, meaningful local representation and a fairer funding partnership with Government.	The final model would be tested with communities once its financial implications, service arrangements, local-board powers, representation structure and transition requirements are sufficiently developed.
Overall alignment	A single West Coast unitary authority directly aligns with the purpose of Head Start by proposing a locally developed unitary model that could simplify governance, integrate regional and territorial functions, improve scale and capability, support the new planning system and retain local decision-making.	Progression would remain subject to independent evidence demonstrating that the model is financially viable, operationally deliverable, locally responsive and capable of producing better outcomes than the current arrangements.



Annex Four: Previous Local Government Commission Findings

The 2015-2017 Local Government Commission investigation provides a historical evidence base for considering a single West Coast unitary authority. The Commission assessed four change options alongside the status quo:

- transfer of district plan-preparation responsibilities to the West Coast Regional Council;
- amalgamation of Grey and Westland District Councils;
- amalgamation of all three district councils while retaining the Regional Council; and
- establishment of a single West Coast unitary authority.

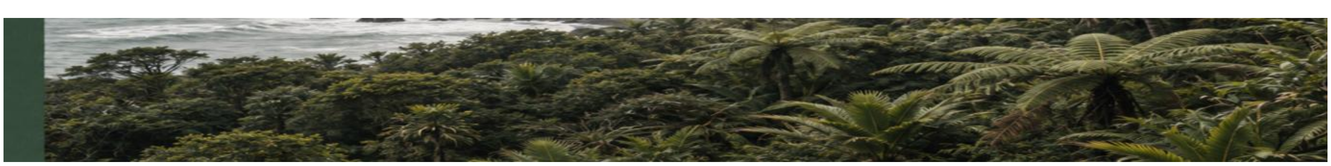
MartinJenkins was commissioned to assess the financial and operational practicability of these options and compare their potential efficiencies, productivity benefits and planning outcomes. The Local Government Commission subsequently found that a unitary authority was the most reasonably practicable option but selected the lower-risk transfer of district plan-preparation responsibilities as its preferred option at that time.

The findings should therefore be treated as a strong starting point for updated investigation, not as a current business case or mandate for reform. The modelling was based largely on councils' 2015–2025 Long-term Plans and predates Local Water Done Well, Te Tai o Poutini Plan, the proposed new planning system and material changes in council finances, infrastructure obligations, systems, workforce and community expectations.

Previous finding	Relevance to Head Start	Further work required
A single West Coast unitary authority was found to be reasonably practicable. MartinJenkins considered that the structural options would have generally sustainable financial positions and sufficient resources to perform their roles and functions. *(MartinJenkins, pp. 7, 15–20; LGC, pp. 20–22.)*	Confirms that the proposed direction has previously been subject to independent financial and operational assessment and was not rejected as unviable.	Establish a current and consistent financial, operational and organisational baseline across all four councils and reassess practicability in the context of current responsibilities, debt, assets, liabilities, service levels and Government reforms.
The existing West Coast regional boundary was considered an appropriate scale. The Commission found the West Coast to be a distinct regional community of interest, while also recognising strong district and local communities. A unitary authority using the existing regional boundary would not disrupt current catchment-based flooding and water-management boundaries. *(MartinJenkins, pp. 18–20; LGC, pp. 20–21, 52.)*	Supports the proposal to consolidate all four councils within the existing West Coast boundary. It provides a coherent scale for regional planning, environmental management, resilience and infrastructure while avoiding the complexity	Confirm how regional-scale functions and local place-based services would be allocated, including how Buller, Grey, Westland and smaller and remote communities would retain meaningful representation and service access.

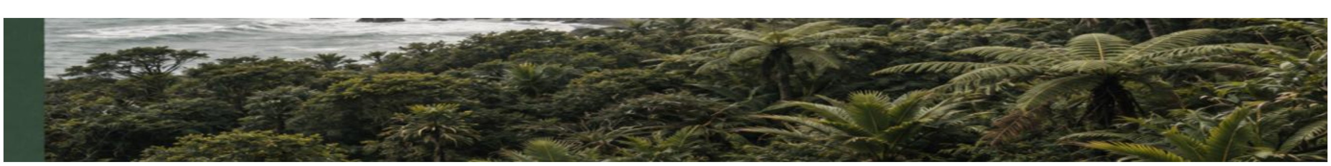
	of operating across additional regional, catchment and iwi boundaries.	
The unitary authority ranked first for overall qualitative efficiency and quality improvement. MartinJenkins ranked the unitary option first across infrastructure, regulatory functions, governance and corporate services, productivity and simplified planning. It concluded that the unitary option could be expected to deliver the most overall benefits. *(MartinJenkins, pp. 9, 12, 63–64.)*	Supports testing a unitary model on the basis of capability, integration, resilience and service quality, not solely immediate cost reduction.	Define measurable financial and non-financial outcomes and independently test whether the anticipated capability and quality improvements remain achievable under current conditions.
Infrastructure provided the strongest efficiency case. MartinJenkins ranked the unitary option first for infrastructure and estimated nominal infrastructure efficiencies of approximately $6.3 million over seven years, with a net present value of approximately $3.7 million. Around 60% of the estimated efficiencies related to water-management asset maintenance and around 30% to road maintenance. *(MartinJenkins, pp. 26–35; LGC, pp. 35–36.)*	Shows the potential value of integrated asset planning, procurement, maintenance programmes and specialist infrastructure capability.	Rebuild the infrastructure analysis following the transfer of water services to Coast Waters. Assess roads, flood protection, river and catchment management, ports, airports, waste, resilience and remaining council infrastructure using current asset data and investment requirements.
Financial savings in local public services were expected to be limited. Economic development, tourism and emergency functions were already largely regional in nature, and few additional efficiencies were identified. Modest savings of approximately $0.2 million over seven years were identified, primarily through library-management rationalisation. *(MartinJenkins, pp. 36–39; LGC, p. 35.)*	Demonstrates that the case for reform should not assume significant savings across all council activities. Many services will still need to be delivered locally.	Undertake a function-by-function review to determine which services should be integrated regionally, which should remain locally delivered and what local offices, staff, facilities and service standards must be retained.
Regulatory functions offered consistency and capability benefits but limited personnel savings. MartinJenkins identified opportunities for common regulatory frameworks, standardised processes and pooled specialist capability. However, it expected most operational and team-leader roles to remain locally based. *(MartinJenkins, pp. 40–44; LGC, pp. 36–37.)*	Supports a stronger and more resilient regional regulatory platform without assuming major reductions in frontline staffing.	Assess building control, consenting, compliance, environmental health, policy, planning and monitoring functions against current statutory obligations and the new planning system. Test the appropriate balance between regional consistency and locally accessible delivery.

Governance and corporate savings would be partly offset by the cost of local boards and the larger organisation. Estimated governance and democratic-support savings of approximately $1.7 million were partly offset by approximately $0.9 million in local-board costs. MartinJenkins also anticipated opportunities to consolidate management and corporate functions, but noted that larger roles and additional capability could offset some savings. *(MartinJenkins, pp. 45–49; LGC, pp. 36–37.)*	Highlights the trade-off between simplifying the overall governance system and retaining meaningful local decision-making. Local boards would add a tier within the unitary model but could replace parts of the existing four-council governance structure.	Develop and cost the complete governance model, including the governing body, wards, local boards, committees, delegations, local budgets, democratic support and remuneration. Clearly demonstrate whether the resulting system provides less governance overall while retaining strong local voice.
A larger organisation was expected to improve workforce capability and organisational resilience. MartinJenkins considered that increased scale could improve the ability to recruit and retain specialist staff, create more attractive professional roles, pool expertise and reduce dependence on individual employees. *(MartinJenkins, pp. 15–20, 28–33.)*	This remains highly relevant given specialist workforce constraints and organisational vulnerability across small councils.	Prepare a current workforce and capability baseline, identify critical roles and single-person dependencies, and design a workforce-retention and transition plan. This must account for the transfer of staff to Coast Waters and capacity pressures from concurrent reforms.
The unitary option had the strongest planning-integration benefits. MartinJenkins ranked the unitary authority first for simplified planning processes, strategic alignment, capability, integrated assessment and consenting. The Commission considered that combining regional and district planning could provide greater benefits than preparing a single district plan alone. *(MartinJenkins, pp. 58–63; LGC, pp. 32–33, 37–38.)*	Directly supports the Head Start criterion concerning implementation of the new planning system. The West Coast now has an additional foundation through Te Tai o Poutini Plan.	Develop a coordinated programme with MCERT and relevant agencies for spatial planning, natural-environment planning, infrastructure integration, consenting and implementation of the new planning system. Identify how the work already completed through Te Tai o Poutini Plan will be retained and built upon.
The unitary option had the highest potential for productivity improvements. Benefits identified included stronger procurement, a larger pool of expertise, more consistent infrastructure and regulatory services, and a clearer regional voice when negotiating with Government and investment partners. *(MartinJenkins, pp. 52–57; LGC, pp. 36–38.)*	Supports the potential for clearer regional leadership, coordinated investment and a stronger platform for progressing a Regional Deal and Crown co-investment.	Assess the future economic-development model, relationships with Development West Coast and regional entities, investment coordination and the ability of a future authority to support productivity and regional growth.



The financial case was positive but not overwhelming. MartinJenkins estimated transition costs of approximately $6.1 million, incurred mainly over the first four years. Annual efficiencies were estimated to reach approximately $2.8 million by year seven, producing cumulative nominal savings of approximately $5.1 million and a net present value of approximately $2.0 million over the modelled period. The one-district-council option produced higher quantified savings because it did not include the same local-board costs, although the unitary option ranked higher qualitatively. *(MartinJenkins, pp. 9–12, 64, 72–77.)*	Demonstrates that efficiencies could take several years to offset transition costs and should not be represented as immediate rates reductions. The broader justification rests on capability, integration and long-term resilience as well as savings.	Commission updated independent modelling of transition and implementation costs, potential efficiencies, local-board costs, service and remuneration harmonisation, rating impacts and the distribution of costs and benefits. Include sensitivity testing and clearly identify costs that Government, councils or ratepayers would be expected to meet.
Strong local boards were identified as a central design requirement. The Commission considered that the size, geography and dispersed population of the West Coast required localised representation and decision-making. It suggested five local boards reflecting identified communities of interest, with the maximum practicable allocation of non-regulatory decisions. Local boards were viewed as providing stronger and more secure decision-making powers than community boards. *(LGC, pp. 21–22, 33–35.)*	Provides a clear starting point for designing local voice within one regional authority. It also explains why the unitary option was considered more capable of protecting local decision-making than district-amalgamation options relying on community boards.	Test the number, boundaries, membership, delegations, budgets and accountability of local boards. Clearly identify which decisions would be regional and which would remain local, and consult communities on the trade-off between simpler governance and the additional tier created by local boards.
Local service access was expected to be retained. The Commission assumed that service centres would remain in each existing council area and that general access to council services would not be reduced.	Reinforces that a unitary authority does not require centralising all services or staff in one centre.	Design and cost the future office and service-centre network, locally based workforce, digital access and minimum service standards for Buller, Grey, Westland and remote communities.
Previous engagement demonstrated support for considering change, but not a majority mandate for a unitary authority. The 2016 engagement found 54% considered services could be better delivered through shared services and 44% considered some councils should be combined. The 2017 representative survey found 51% supported change to current arrangements, while 27% supported combining all four councils and 21% identified a unitary authority as their preferred option. The survey description of the unitary option did not include	Supports further investigation but confirms that historical engagement cannot be treated as approval of a final model.	Undertake contemporary consultation once financial impacts, local-board powers, service arrangements, representation and transition requirements are sufficiently developed for communities to make an informed assessment.

the proposed local-board model. *(LGC, pp. 9–12, 53–61.)*		
The principal concern was implementation risk, not whether the unitary model had merit. Particular concern related to the unfamiliarity of local boards and the resources needed to establish and explain them. *(LGC, pp. 23–24, 34–37.)*	Identifies the central issues the Head Start process must resolve: transition governance, public understanding, service continuity, workforce retention, systems integration and effective local decision-making.	Develop a fully costed and sequenced transition plan, aligned with Local Water Done Well and other reforms.
The previous evidence supports a capability and resilience case more strongly than a simple cost-cutting case. The unitary authority produced the highest overall qualitative ranking, but its quantified savings were reduced by transition costs and the cost of maintaining local democracy.	Provides a balanced basis for the Head Start proposal: structural reform could improve integration and organisational strength, but it cannot by itself resolve the West Coast's underlying funding pressures.	Test whether the model delivers better outcomes after all transition and implementation costs and develop, in parallel, an enduring Crown funding partnership recognising conservation land, visitor pressures, natural hazards and the limited rating base.



Appendix Five: Financial Overview

Council	Reporting year	Rates revenue	Total operating revenue	Operating expenditure	Operating result
Buller District Council	2024/25	21,552	47,640	45,816	1,824 surplus before tax
Grey District Council	2024/25	25,540	44,300	49,076	4,776 deficit
Westland District Council	2024/25	22,806	37,493	39,246	1,753 deficit before tax
West Coast Regional Council	2024/25	11,846	27,938	28,488	551 deficit

Data limitation: Financial information is not currently recorded and presented consistently across the four West Coast councils. While headline measures such as total rates revenue, operating revenue, expenditure, debt and assets can generally be identified, councils use different accounting classifications, levels of disaggregation and terminology for items such as general and targeted rates, grants, fees and charges, other revenue, asset impairments and operating expenditure. Reporting periods are also not fully aligned.

A consistent financial baseline will be required in the next phase, using common definitions, reporting periods and treatment of one-off funding, revaluations, impairments, internal borrowing, restricted reserves and council-controlled organisation interests. This will be necessary to support reliable comparison, modelling and assessment of the financial implications of any future reform option.