

Notice of Meeting:

I hereby give notice that an ordinary meeting of the Dunedin City Council will be held on:

Date: Monday 3 August 2026
Time: 10.00 am
Venue: Council Chamber, Dunedin Public Art Gallery, the Octagon, Dunedin

Sandy Graham
Chief Executive Officer

Council
PUBLIC AGENDA

MEMBERSHIP**Mayor
Deputy Mayor**

Mayor Sophie Barker
Cr Cherry Lucas

Members

Cr John Chambers	Cr Jo Galer
Cr Christine Garey	Cr Doug Hall
Cr Marie Laufiso	Cr Russell Lund
Cr Mandy Mayhem	Cr Benedict Ong
Cr Andrew Simms	Cr Mickey Treadwell
Cr Lee Vandervis	Cr Steve Walker
Cr Brent Weatherall	

Senior Officer

Sandy Graham, Chief Executive

Governance Support Officer

Lynne Adamson

Lynne Adamson
Governance Support Officer

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Note: Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.

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1 PUBLIC FORUM

There will be no public forum at this meeting.

2 APOLOGIES

At the close of the agenda no apologies had been received.

3 CONFIRMATION OF AGENDA

Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

DECLARATION OF INTEREST

EXECUTIVE SUMMARY

1. Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.
2. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.
3. Staff members are reminded to update their register of interests as soon as practicable.

RECOMMENDATIONS

That the Council:

- a) **Notes/Amends** if necessary the Elected Members' Interest Register attached as Attachment A; and
- b) **Confirms/Amends** the proposed management plan for Elected Members' Interests.
- c) **Notes** the proposed management plan for the Executive Leadership Teams' interests.

Attachments

	Title	Page
A	Elected Members' Interest Register	6
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Council Interest Register 27 July 2026				
Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Mayor Sophie Barker	Shareholder	Ayrmed Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various publicly listed companies	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Property Owner	Residential Property Owner - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Beneficiary	Sans Peur Trust (Larnach Castle)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Mentor	Business Mentors NZ	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Vegetable Growers Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Alexander McMillan Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Patron	New Zealand International Science Festival	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Patron	Dunedin Horticultural Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Family Member	Family Member employed at Wilkinson Rogers	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Institute of Directors	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Dunedin Heritage Fund (Council Appointment)	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Grow Dunedin Partnership (Council Appointment)	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Heritage Advisory Group (Council Appointment)	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Local Government New Zealand (Zone 6) (Council Appointment)	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Co-Chair	Ōtepoti Dunedin Destination Management Plan Advisory Panel (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Chinese Garden Advisory Group (Council Appointment)	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr John Chambers	Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Rental Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otakau Golf Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Opera Otago	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Hereweka Harbour Cone Trust (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	Okia Reserve Management Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Waikouaiti Coast Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Jo Galer	Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Southern Heritage Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various International Managed Funds	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various individual shares	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Co-Lead	Heritage Portfolio (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Society (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Hereweka Harbour Cone Trust (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Theomin Gallery Management Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Christine Garey	Trustee	Garey Family Trust - Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Daughter employee	Halo Project	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Ashburn Hall Charitable Trust Board	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Performing Arts Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Sophia Charter (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	St Paul's Cathedral Foundation (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Theomin Gallery Management Committee (Olveston) (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Doug Hall	Trustee	Cronus Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Clickfix Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	District Licensing Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various NZ,US shares and Crypto	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Society (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	West Harbour Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Marie Laufiso	Property Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Trustee	Moray Place Community Building Trust - which owns property 111 Moray Place	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Women of Ōtepoti Recognition Initiative	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Corso Ōtepoti Dunedin Trust	Potential grants recipient	Withdraw from discussion and leave the table. If in public excluded leave the room. Seek advice prior to the meeting.
	Dunedin Branch Treasurer	P.A.C.I.F.I.C.A Inc	Potential grants recipient	Withdraw from discussion and leave the table. If in public excluded leave the room. Seek advice prior to the meeting.
	Expert Panel Member	Health Coalition Aotearoa Public Health Infrastructure Committee	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	The Ōtepoti Community Builders Charitable Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee/Secretary	Refugee Support Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Abrahamic Interfaith Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Saddle Hill Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Former Refugee Steering Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Puketai Residential Centre Liaison Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Social Wellbeing Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Cherry Lucas	Trustee	Otago Farmers Market	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Partner	Southway Enterprises	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Henderson Lucas Family Trust - Residential Dunedin Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	NZ Institute of Chartered Accountants	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Shanghai Association (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Local Government New Zealand (Zone 6) (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tūhura Otago Museum Trust Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Ōtepoti Dunedin Destination Management Plan Advisory Panel (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Taiari Airport Trust (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Deputy Lead	Infrastructure Portfolio (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Te Poāri a Pukekura (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel-Taiari Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Cr Russell Lund	Shareholder	Loan & Mercantile Trust includes:	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Produce Place Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Dunedin Grain Store Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Loan & Mercantile 2000 Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Lund South Trust includes:	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Lund South Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Lund Dunedin Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Resource Values Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Sherwood Manor Properties Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Lund Central Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Lund South Administration Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Construction Operatives Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Lund South Properties Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	RV Lund Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	BDCRS Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Lund Frankton Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Mandy Mayhem	Chairperson	Waitati Hall Society Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Keep Ōtepoti Dunedin Beautiful	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Co-ordinator	Emergency Response Group, Blueskin area	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Blueskin Bay Amenities Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Blueskin A & P Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Zone Representative and Board Member	Keep New Zealand Beautiful	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Coastal Community Cycleway Network	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Waitati Music Festival Committee	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Property Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Disability Issues Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Gasworks Museum Trust (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Keep Dunedin Beautiful (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Performing Arts Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Creative New Zealand Grants Advisory Panel (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Social Wellbeing Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Benedict Ong	Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Listed Stocks	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Benedict Ong Social Enterprise Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Andrew Simms	Director	Landseer Motor Investments Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Landseer Motor Investments Auckland Limited t/a Andrew Simms - Motor vehicle retail	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Stephen Duff Motors Limited t/a Andrew Simms Dunedin - Motor vehicle retail	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Three Diamond Automotive t/a Ralliart NZ - Race car preparation	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Cambridge Finance Limited - Financial Services	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	The Landseer Group Limited - Investments	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Otago Motorhome Centre Limited - Motor vehicle retail	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Landseer Motor Investments Henderson Limited - Motor vehicle retail	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Landseer Motor Investments Moorhouse Limited - Motor vehicle retail	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Minaret Property Investments Limited - Property Investment	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	The Newfoundland Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	The Moturata Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Taieri Trails Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	Taieri Cricket Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel AFC	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Commercial Property. Andersons Bay Road, Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Heritage Fund (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Heritage Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tūhura Otago Museum Trust Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Taieri Airport Trust (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Mickey Treadwell	Director	Atawhai Interactive Tapui Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Contractor	Otago Polytechnic	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Co-owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Green Party of Aotearoa	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Otaru Sister City Society (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Ice Sports Dunedin Incorporated (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Ōtepoti Dunedin Live Music Advisory Panel (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Te Ao Tūroa Partnership (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Peninsula Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Lee Vandervis	Director	Lee Vandervis, Antonie Alm-Lequeux and Cook Allan Gibson Trustee Company Ltd - Residential Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Bunchy Properties Ltd - Residential and Lifestyle Farm Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Various publicly Audio and Lighting - Hire, Sales and Service Business	May contract and provide service to DCC	Withdraw from discussion and leave the table. If the meeting is in public excluded leave the room. Seek advice prior to the meeting.
	Member	District Licensing Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Heritage Fund (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Okia Reserve Management Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Steve Walker	Trustee	Dunedin Wildlife Hospital Trust	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in public excluded leave the room. Seek advice prior to the meeting.
	Member	Orokonui Ecosanctuary	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in public excluded leave the room. Seek advice prior to the meeting.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	New Zealand Labour Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential Property - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various publicly listed companies	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	NZ Sea Lion Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Justice of the Peace		No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Predator Free Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Edinburgh Sister City Society (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Heritage Fund (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Art Gallery Acquisitions Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Hereweka Harbour Cone Trust (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	NZ Masters Games Trust Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Regional Transport Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Ōtepoti Dunedin Live Music Advisory Panel	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Predator Free Dunedin (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Brent Weatherall	Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Business George Street, Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Brent Weatherall Jeweller Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Weatherall Trustee Company	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Residential Rental Properties	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Lead	Infrastructure Portfolio (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Acquisitions Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Society (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Keep Dunedin Beautiful (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Strath Taieri Communitiy Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Executive Leadership Team - Register of Interest - current as at 27 July 2026					
Name	Date of Entry	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Sandy Graham	25/07/2019	Owner	Residential property Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	25/07/2019	Member	St Clair Golf Club	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	12/11/2025	Family member	Family member works for the DCC	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Nicola Morand	09/05/2022	Owner	Residential Property Dunedin	No conflict identified	Seeks advice in advance of meeting if actual conflict arises.
	09/05/2022	Owner	Residential Property in Otago	No conflict identified	Seeks advice in advance of meeting if actual conflict arises.
	09/05/2022	Partner	Morand Painting & Decorating	No conflict identified	Seeks advice in advance of meeting if actual conflict arises.
	12/11/2025	Member	Te Runanga o Otakou	No conflict identified	Seeks advice in advance of meeting if actual conflict arises.
	12/11/2025	Member	Kati Huirapa Runaka ki Puketeraki	No conflict identified	Seeks advice in advance of meeting if actual conflict arises.
	12/11/2025	Family member	Family member works for the DCC	No conflict identified	Seeks advice in advance of meeting if actual conflict arises.
David Ward	28/07/2022	Director	Ward Property Rentals	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	28/07/2022	Member	Water New Zealand	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	28/07/2022	Member	IPWEA (Institute of Public Works Engineering Australasia)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	21/02/2024	Owner	Residential Property Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	28/07/2022	Fellow	The Institution of Civil Engineers	No conflict identified.	Any decisions relating to The Institution of Civil Engineers will be referred to the CEO
Scott MacLean	23/01/2024	Owner	Residential property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	23/01/2024	Trustee	Te Poari a Pukekura Charitable Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	23/01/2024	Spouse is Chair	Dunedin Wildlife Hospital Trust (DWHT)	DCC has funded the DWHT	Take no part in discussions or decision making about the Trust or participate in any transactions between the Trust and DCC.
	19/05/2006	Family member	Family member works for the DCC	No conflict identified	Seeks advice in advance of meeting if actual conflict arises.
	06/05/2026	Family member	RB Recruitment	No conflict identified	Will not take part in any transactions with this company
Carolyn Allan	01/03/2024	Owner	Residential property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	01/03/2024	Owner	Residential rental property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	01/03/2024	Member	Mountain Bike Otago	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Paul Henderson	15/01/2025	Owner	Residential property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	15/01/2025	Playing Member	Dunedin City Royal Football Club	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	10/10/2025	Navigator Member	Taituarā	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Executive Leadership Team - Register of Interest - current as at 27 July 2026					
Name	Date of Entry	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	10/10/2025	Partner	Ruru Workplace Solutions Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Mike Costelloe	10/10/2025	Owner	Residential properties x 2	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

REPORTS

SIMPLIFYING LOCAL GOVERNMENT DECISION MAKING REPORT

Department: Community Services and Corporate Policy

EXECUTIVE SUMMARY

- 1 This report seeks Council's direction on both its preferred strategic direction for local government reform in Otago and how the Dunedin City Council (DCC) will participate in the Government's Simplifying Local Government (SLG) reform programme. It outlines the implementation pathways established by the Government, summarises the regional work undertaken through the Otago Mayoral Forum (OMF), and considers the strategic implications for Dunedin.
- 2 The Government has established two implementation pathways. The voluntary Head Start pathway enables groups of councils to develop locally led proposals for new governance arrangements, with outline proposals due by 9 August 2026. Councils that do not participate, or whose proposals are not approved, will transition through the mandatory Government-led Backstop process following the 2028 local elections.
- 3 In response, Otago councils agreed to work collaboratively through the OMF to assess the implications of the reforms, examine potential governance models, and determine whether a regional Head Start proposal was achievable. This work included an independent assessment by advisory firm Morrison Low, regional workshops for elected members, engagement with Ngāi Tahu and mana whenua, and a region-wide community survey.
- 4 Since completion of the regional assessment, further discussions have identified the potential for DCC and Queenstown Lakes District Council (QLDC) to explore a joint Outline Proposal through the Government's Head Start pathway based on a regional governance model.
- 5 While no formal agreement has been reached, this represents a significant strategic development that Council may wish to take into account when determining both its preferred strategic direction for local governance reform and its preferred implementation pathway.
- 6 The report therefore considers both the available implementation pathways and the strategic implications of identifying a preferred strategic direction, recognising that further discussions may create opportunities to progress a Head Start proposal within the Government's timeframe.

RECOMMENDATIONS

That the Council:

- a) **Notes** the contents of this report.

- b) **Determines** the Dunedin City Council's preferred strategic direction for local government reform in Otago.
- c) **Determines** the Council's preferred implementation pathway for participating in the Government's Simplifying Local Government reform programme.
- d) **Authorises** the Mayor and Chief Executive to continue discussions with Queenstown Lakes District Council and other interested councils regarding the potential development of a joint Outline Proposal through the Government's Head Start pathway, should sufficient alignment be achieved.
- e) **Notes** that participation in discussions regarding a potential Head Start proposal do not commit Council to a final governance model, which would remain subject to further design, engagement and approval processes.
- f) **Approves** signing a joint Otago Mayoral Forum letter and authorises Council's preferred strategic direction for governance reform, if identified, to be communicated separately to neighbouring councils and the Ministry for Cities, Environment, Regions and Transport.

BACKGROUND

Context of the Local Government Reform

- 7 The Government's Simplifying Local Government programme represents the most significant reform of New Zealand's local government system since 1989. The reforms are intended to simplify governance, strengthen strategic planning, improve the delivery of regional functions and establish governance arrangements that are more efficient, financially sustainable and easier for communities to understand.
- 8 Following consultation on its initial proposals in late 2025 and early 2026, the Government announced a revised implementation framework in May 2026. Rather than prescribing a single national model, councils have been provided with two pathways to transition to future governance arrangements.

The two implementation pathways are:

- 9 **Head Start** – a voluntary process enabling groups of territorial authorities to develop locally-led proposals for unitary governance arrangements. Outline proposals are **due by 9 August 2026** and will be assessed by Government against five criteria: support for the new planning system, simplified governance, economies of scale, maintaining local voice, and deliverability. Successful proposals will be implemented through bespoke legislation in early 2028.
- 10 **Backstop** – a mandatory Government-led process that will apply where councils do not participate in Head Start or where proposals are not approved. While details remain limited, implementation is expected to commence following the 2028 local elections. Existing regional councillors will remain in office until 2028 to support an orderly transition. Following this, regional governance functions will transfer to interim arrangements, such as Crown-appointed commissioners or mayoral boards, while central government oversees the design and implementation of the new governance structure.

- 11 The Head Start pathway requires participating councils to identify a preferred governance proposal suitable for Government consideration. Successful proposals would then proceed to a detailed design phase before implementation.

Government Priorities

- 12 The Simplifying Local Government programme establishes a Head Start pathway that allows groups of councils to submit voluntary outline proposals for local government reorganisation. Outline proposals are expected to identify a strategic case for change using existing evidence, identify key risks and trade-offs, and indicate matters requiring further development during the detailed design phase.
- 13 At the outline stage, councils are not expected to produce detailed organisational designs, financial modelling or implementation plans. Proposals are assessed by officials from MCERT before recommendations are made to Cabinet, which determines which proposals will proceed to the detailed design phase.
- 14 The guidance document released for the Head Start pathway does not prescribe minimum thresholds for individual assessment criteria, instead indicating that proposals will be considered across the criteria as a whole and that trade-offs between objectives may be considered.
- 15 The Government's assessment framework is based on five criteria:
 - a) ***Supports the new planning system*** – Assesses whether the proposed governance arrangements align with implementation of the new planning system, facilitate regional spatial planning and integrated regional functions, and minimise disruption during the transition.
 - b) ***Simplifies local governance*** – Examines whether the proposal reduces institutional complexity, clarifies governance responsibilities, improves accountability, and establishes governance arrangements that are easier for communities to understand.
 - c) ***Economies of scale*** – Evaluates whether the proposed structure strengthens financial sustainability, improves asset management and infrastructure planning, enhances service delivery, and supports more integrated delivery of regional functions such as transport and catchment management.
 - d) ***Maintains local voice*** – Considers how local representation, community decision-making, and opportunities for iwi and Māori participation would be maintained within larger governance arrangements, while balancing regional and local interests.
 - e) ***Deliverability*** – Assesses whether the proposed reorganisation can realistically be implemented before the 2028 local elections, including consideration of transition arrangements, implementation milestones, interactions with other reform programmes, and any government support required.
- 16 If accepted into the Head Start pathway, proposals proceed to a detailed design phase, where councils are expected to develop more detailed governance arrangements, financial analysis, implementation plans, representation models, transition arrangements, community engagement processes, and approaches to Treaty settlement obligations.

Regional Response

- 17 Recognising that any future governance arrangements are likely to have regional implications, Otago councils agreed to coordinate their response through the Otago Mayoral Forum (OMF). This provided a mechanism to assess governance options collectively, develop a shared evidence base and explore whether a regional Head Start proposal could be achieved.
- 18 To support this work, the OMF commissioned Morrison Low to independently assess potential governance arrangements for Otago (Attachment A). The assessment considered a range of governance models against the Government's reform objectives, including governance effectiveness, strategic planning, service delivery, financial sustainability, implementation, and local representation. A region-wide community survey and a series of elected member workshops also informed the assessment.
- 19 Additional to the governance models presented in its initial assessment, Morrison Low also provided an analysis with a fourth governance option (Attachment B).
- 20 Ngāi Tahu and mana whenua participated throughout the regional process and identified the reforms as an opportunity to strengthen collaboration between councils, iwi and communities. Their contribution emphasised governance arrangements based on catchments and takiwā, supported by shared services where these improve capability and efficiency while maintaining strong local decision-making. This perspective provided an additional strategic lens for considering future governance arrangements alongside the structural models assessed through the regional process.

Council Updates

- 21 Councils across Otago continue to consider the Government's reform programme independently.
- 22 Waitaki District Council has resolved to pursue a Head Start proposal with South Canterbury while continuing to explore options for southern Waitaki communities.
- 23 Discussions between DCC and QLDC remain ongoing, and no formal agreement has been reached.
- 24 Central Otago District Council (CODC) resolved to develop a Headstart proposal for a potential unitary authority covering CODC, Clutha District Council, and QLDC, with scope to consider parts of Waitaki and rural Dunedin. They also requested that their proposal considers bespoke legislative arrangements, enables refinement of options before public consultation, and includes review and exit mechanisms to respond to changing circumstances.
- 25 Clutha District Council is continuing discussions regarding potential participation in alternative Head Start arrangements.
- 26 These developments demonstrate that councils are pursuing different strategic directions in response to the Government's reform programme. While opportunities are emerging for collaborative proposals, no single proposal currently reflects the collective position of all Otago councils.

Recent Strategic Developments

- 27 Since preparation of this report commenced, further discussions have occurred between DCC and QLDC regarding the potential development of a joint Outline Proposal through the Government's Head Start pathway.
- 28 While no agreement has yet been reached, there appears to be sufficient strategic alignment to continue exploring a proposal, subject to further discussions and Council decisions.
- 29 Importantly, submission of an Outline Proposal would not determine the final governance model.
- 30 Rather, it would enable participation in the Government's detailed design process, during which governance arrangements, organisational design, local representation, financial implications, implementation, planning and community engagement would be further developed and tested.
- 31 Council is therefore not being asked to approve a final governance model. Rather, it is being asked to determine whether it wishes to continue exploring this opportunity should sufficient regional alignment emerge.

Joint Letter

- 32 While Morrison Low has identified several viable governance options, it has become clear that no single option has secured sufficient regional support to form the basis of a collective Head Start proposal. The assessment instead indicates that further analysis, community engagement and collaboration will be required before a preferred regional governance model could be established. While this remained the position at the conclusion of the regional assessment, subsequent discussions have created the potential for a smaller group of councils to progress an Outline Proposal through the Head Start pathway.
- 33 OMF discussions then shifted towards preparing a joint letter to the Government in place of a regional Head Start proposal. The letter will confirm Otago councils' commitment to the objectives of local government reform while recognising that additional time is required to refine governance options and develop a proposal that appropriately reflects the diverse interests and communities across the region.
- 34 The joint letter will also propose continued collaboration through the OMF, further engagement with mana whenua and communities, and additional evidence gathering to support future decision-making through the Government's ongoing reform process.
- 35 The OMF's proposed joint letter will provide a coordinated regional position while recognising that each council retains responsibility for determining its own response to the Government's reform programme. It will enable councils to indicate their wish for additional time to consider governance options ahead of the March 2027 deadline for final proposals to be submitted (see Attachment C for the timeline).
- 36 Should Council identify a preferred strategic governance direction, that position could be communicated separately while continuing to support the collaborative intent of the regional letter.

DISCUSSION

Strategic Assessment

- 37 The regional work provides the evidence base for Council's decision. The question is no longer whether reform is occurring, but how DCC wishes to participate in that process.
- 38 The work undertaken through the OMF has established a robust evidence base to inform Council's consideration of the Government's reform programme. It has confirmed that the objectives of the reform can be achieved through a range of governance arrangements, but that no single model has emerged as the preferred regional solution.
- 39 The regional process has also clarified an important distinction. The immediate decision before Council is not to determine the detailed design of any future governance model. Rather, Council is being asked to determine its preferred strategic direction for governance reform and how it wishes to participate in the Government's reform process.
- 40 Council is effectively being asked to make two related but separate decisions. The first decision concerns Council's strategic aspirations for local government reform. The second concerns the process through which those aspirations may be pursued.
- 41 This distinction is significant. While the Government has established the Head Start and Backstop pathways, the detailed governance arrangements that may ultimately emerge remain uncertain. Further analysis, community engagement, collaboration between councils and engagement with mana whenua will be required before any preferred strategic direction for governance reform can be developed.
- 42 The regional assessment also demonstrated that future governance arrangements can be considered through different strategic lenses. In addition to evaluating alternative organisational structures, the process highlighted governance principles centred on catchments, takiwā and shared services as an important perspective for future regional discussions. These principles complement the structural analysis undertaken through the regional assessment and reinforce that governance outcomes are influenced by both organisational form and the way decision-making is designed.

Ngāi Tahu and Mana Whenua

- 43 During the regional process, Ngāi Tahu and mana whenua representatives have participated in discussions to ensure iwi perspectives have informed consideration of future governance arrangements. Ngāi Tahu representatives described the reform programme as an opportunity to cooperate between local government, iwi and communities.
- 44 On 15 July 2026, Te Rūnanga o Ngāi Tahu provided a letter to the councils outlining its proposed approach to local government reform across Te Waipounamu (Attachment D). The proposal describes the reforms as an opportunity to establish a "new age of cooperation" between local government, iwi and communities and is underpinned by four key principles:
- a) Takiwā-based governance - Local government boundaries should align with the Ngāi Tahu takiwā (district, area, territory or space), recognising it as a natural and enduring geographic, cultural and social boundary across Te Waipounamu.

- b) Catchment-based unitary authorities - River catchments should be the primary determinant of unitary council boundaries to support integrated management of freshwater, land use, biodiversity, infrastructure and natural hazards.
 - c) Takiwā-wide shared services - Establish a shared entity to deliver back-office and specialist functions on behalf of unitary councils, improving efficiency, reducing duplication, strengthening capability and supporting financially sustainable outcomes while retaining local decision-making.
 - d) Council-iwi partnership - Future governance arrangements should incorporate genuine cooperation between councils and Papatipu Rūnaka (a traditional tribal council, assembly or marae-based community), recognising rangatiratanga and ensuring decisions are informed by local knowledge, long-term stewardship and Te Tiriti-based relationships.
- 45 The proposal also outlines a governance framework comprising:
- a) Local governance responsible for inherently local services such as community facilities, libraries, swimming pools, arts, heritage and other community-facing services.
 - b) Regional or sub-regional unitary councils responsible for the full range of current regional, district and city council functions.
 - c) A takiwā-wide shared services entity delivering specialist and back-office functions where greater scale is beneficial, including data and science, information technology, workforce development and other specialist capabilities.
- 46 Ngāi Tahu notes that the proposal draws on its own governance model, where strong local decision-making by Papatipu Rūnaka is supported by a central organisation that provides shared capability across the takiwā.
- 47 Ngāi Tahu representatives also presented to the OMF during its 3 July meeting and outlined their key principles as described above, focusing on using river catchments as a basis for governance boundaries and exploring shared services and back-office functions where appropriate. They emphasised partnership with Papatipu Rūnaka within future governance arrangements, and an expectation that governance decisions should recognise cultural, social and tribal outcomes alongside financial and organisational considerations.

Strategic Considerations

- 48 The Government's reform programme contemplates future governance arrangements based on unitary authorities, bringing together the statutory responsibilities currently undertaken by territorial authorities and regional councils. Should this approach proceed, future governance arrangements would need to integrate responsibilities for regional planning, natural resource management, public transport, civil defence and emergency management, environmental regulation and other regional functions within a single governance framework. This has important implications for governance capability, organisational design and local representation, regardless of the governance model ultimately adopted.
- 49 **Regional Integration:** Simplifying governance has the potential to improve coordination between land use planning, infrastructure investment, transport, environmental management and economic development. Bringing regional and territorial authority functions within a single governance framework has the potential to reduce duplication, strengthen strategic decision-

making and improve alignment across these interconnected responsibilities while maintaining effective local representation.

- 50 **Local Representation:** Any future governance arrangements will need to maintain effective local representation and democratic accountability. While larger organisations may deliver greater strategic capability and operational efficiency, these benefits need to be balanced against community identity, accessibility of decision-makers and confidence that local priorities continue to influence regional decisions.
- 51 **Deliverability:** The Government has set an ambitious implementation timeframe. Regardless of the governance model ultimately adopted, successful implementation will require legislative change, organisational transition, financial integration, workforce planning and sustained collaboration between participating councils. Deliverability therefore remains a significant consideration alongside the merits of any individual governance model.

Otago Regional Council

- 52 Under the Simplifying Local Government reforms, regional councils would be disestablished, with their core functions incorporated into the new amalgamated councils.
- 53 In this regard, Otago Regional Council's (ORC) core functions will need to be reviewed and incorporated into the new unitary authorities across the region. This assessment will help identify how these functions could be allocated and delivered under different unitary authority configurations.
- 54 A summary of the ORC's core functions, together with a detailed assessment of their potential delivery under the proposed models, is provided in Attachment E.

Dunedin's Strategic Role

- 55 Dunedin performs a unique role within Otago as the region's metropolitan centre. It provides higher-order services, tertiary education, specialist health services, freight infrastructure, cultural institutions and administrative functions that extend well beyond the city's boundaries. Future governance arrangements will need to recognise these regional functions while ensuring Dunedin continues to exercise appropriate influence over decisions affecting both the city and the wider region.
- 56 Future governance arrangements will therefore need to recognise Dunedin's metropolitan role while ensuring governance structures are capable of effectively delivering both territorial authority and regional council functions across Otago, balancing the city's regional responsibilities with the interests and aspirations of communities throughout the region.

Organisational Design Considerations

- 57 While much of the reform discussion has focused on future governance structures, an equally important consideration is the organisational model required to support those structures. Governance, corporate capability and operational service delivery do not necessarily need to operate at the same scale.
- 58 A future unitary authority would be responsible for delivering both territorial authority and regional council functions across a geographically large and diverse region. While regional integration may strengthen strategic planning, reduce duplication and improve organisational

capability, the scale and diversity of Otago means that consideration should also be given to how services are organised and delivered to communities.

- 59 This highlights the importance of distinguishing between governance arrangements, shared organisational capability and local service delivery. A governance model may be supported by regionally delivered corporate services while maintaining locally based operational functions and decision-making. The balance between regional integration and local responsiveness will therefore be an important consideration in the design of any future governance arrangements.

Governance Options

- 60 The Government's assessment framework is based on future unitary governance arrangements that would combine the responsibilities currently undertaken by territorial authorities and regional councils. Morrison Low assessed a range of governance models against that framework. While the models differ in structure, they present a series of strategic trade-offs rather than a clear hierarchy of preferred outcomes.
- 61 In considering future governance models, it's important to recognise that organisational structure and governance structure are not synonymous. Different governance models may be supported by different approaches to corporate capability, shared services and local operational delivery, meaning that similar governance arrangements may be implemented through different organisational designs.
- 62 Morrison Low concluded that no governance model consistently performs better across every assessment criterion. Rather, each option reflects a different balance between regional integration, local representation, organisational scale and implementation complexity.
- 63 Consequently, the regional work has not identified a preferred governance structure for Otago. It instead provides the evidence base from which individual councils may determine whether they wish to identify a preferred strategic direction for local governance reform while regional discussions continue.

Regional Position

- 64 The regional discussions demonstrated broad agreement that reform presents an opportunity to simplify governance and strengthen regional decision-making. While a region-wide proposal involving all Otago councils has not emerged, subsequent discussions indicate opportunities may now exist for smaller groupings of councils to progress proposals through the Head Start pathway while continuing broader regional collaboration.
- 65 The proposed joint letter will reflect this position. Rather than seeking to advance a governance model that has not secured regional agreement, it will confirm the councils' commitment to continued collaboration, further engagement and thorough consideration of governance options before future decisions are made.
- 66 The absence of regional consensus at this stage does not prevent individual councils from identifying a preferred strategic direction for local governance reform. However, any future Head Start proposal affecting multiple territorial authorities would ultimately require sufficient regional collaboration and Government approval before it could proceed. Continued regional engagement therefore remains an important prerequisite to any future proposal.
- 67 Should Council identify a regional governance model as its preferred strategic direction, that position would inform discussions with neighbouring councils regarding a potential Head Start

proposal. It would not predetermine the final governance model or implementation arrangements, both of which would remain subject to the Government's detailed design process and future Council decisions.

Strategic Risks

68 While each implementation pathway provides opportunities to influence future governance arrangements, each also presents strategic risks that Council should consider.

Pathway	Strategic Risks
Regional Response	Delays decisions on future governance arrangements, relies on continued regional collaboration to achieve consensus, and extends uncertainty while governance options continue to evolve.
Head Start	Limited time remains to develop a proposal, regional agreement has not yet been achieved, and any proposal remains subject to Government approval.
Backstop	Provides less opportunity for local influence over governance design, the Government-led process remains uncertain, and future arrangements may reflect less local input than a locally developed proposal.
Preferred Strategic Direction	Identifying a preferred strategic direction before regional consensus is achieved may create differing expectations between Otago councils. This risk can be mitigated by continuing to participate constructively in regional collaboration while recognising that any future proposal would require broader agreement.

Table 1: Strategic risks for each pathway.

Matters for Council

69 Council is being asked to make two distinct decisions. The first is whether it wishes to identify a preferred strategic direction for local government reform in Otago. The second is how it wishes to participate in the Government's reform process while continuing to influence the development of future governance arrangements. These decisions are related but not dependent on one another. In making that decision, Council may wish to consider:

- the opportunity to influence future governance arrangements through continued regional collaboration;
- whether Council wishes to identify a preferred long-term governance outcome while continuing to work collaboratively to build regional consensus;
- the advantages and risks associated with the Government's Head Start and Backstop pathways;
- the strategic importance of maintaining Dunedin's role as Otago's metropolitan centre;
- how the statutory functions currently undertaken by the Otago Regional Council could be integrated within any future unitary authority while maintaining effective regional capability, local representation and service delivery;
- the need to balance regional integration with effective local representation;
- the organisational model required to deliver future unitary authority functions, including the appropriate balance between regional governance, shared organisational capability and locally delivered services; and

- the extent to which identifying a preferred strategic direction for governance reform should influence Council's future regional advocacy and engagement.

70 These considerations are intended to assist Council's decision-making. Through the regional process it has become apparent that identifying a preferred long-term governance outcome and determining how Council wishes to participate in the Government's reform programme are separate governance decisions. For this reason, the options below distinguish between implementation pathways and Council's preferred strategic direction. They do not recommend a preferred strategic direction for governance reform, recognising that determining the future structure of local government is ultimately a matter for elected members.

Emerging strategic opportunity

- 71 The work undertaken through the OMF has progressively shifted the discussion from whether governance reform should occur to how governance can best be designed to maximise long-term public value for Otago. This reflects an evolution in the discussion, from assessing governance options to identifying opportunities to advance governance reform through the Government's implementation pathways.
- 72 Recent discussions suggest there may now be an opportunity to progress that work through the Government's Head Start pathway.
- 73 While this opportunity remains subject to further agreement, it reinforces the importance of distinguishing between identifying a preferred strategic direction and designing the detailed governance model.
- 74 The Head Start pathway provides a mechanism to undertake that design work, including governance structures, organisational arrangements, representation, engagement with mana whenua, financial analysis and implementation planning.
- 75 Identifying a preferred strategic direction does not commit Council to a final governance model. Rather, it provides strategic clarity for future discussions with neighbouring councils and the Government, enabling Council to participate proactively in the ongoing reform process while retaining flexibility as governance design continues to evolve.

OPTIONS

- 76 The options presented below represent the principal implementation pathways available to Council. They are not necessarily mutually exclusive. For example, Council may choose to endorse the regional response while continuing to participate in discussions that could support a future Head Start proposal should sufficient regional consensus emerge.

Option One – Endorse the Regional Response and Continue Collaboration

- 77 Endorse the OMF's joint letter to the MCERT, confirming DCC's commitment to continued regional collaboration while governance options are further developed.
- 78 This option recognises that the regional assessment identified several viable governance models. While no agreed regional Head Start proposal currently exists, recent discussions indicate there may be an opportunity to develop a joint Outline Proposal should sufficient alignment be achieved. This option preserves Council's ability to participate in that work while continuing broader regional collaboration.

Advantages

- Maintains a coordinated regional approach to reform.
- Supports continued collaboration with neighbouring councils, mana whenua and central government.
- Allows governance options to be refined through further analysis and engagement.
- Preserves Dunedin's ability to influence future regional discussions.
- Does not preclude participation in future reform proposals.

Disadvantages

- Defers decisions on future governance arrangements.
- Relies on continued regional collaboration to achieve future consensus.
- Creates some ongoing uncertainty while reform options continue.

Option Two – Participate in the Head Start Pathway

- 79 Participation in the Head Start pathway would enable Council to develop or join an Outline Proposal should sufficient alignment be achieved with neighbouring councils.
- 80 Recent discussions have identified the potential for a joint proposal involving DCC and QLDC. While these discussions remain ongoing, no formal agreement has been reached. Council's decision therefore relates to whether it wishes to continue exploring that opportunity.

Advantages

- Provides the greatest opportunity to influence future governance arrangements.
- Enables governance proposals to reflect local and regional priorities.
- May provide greater certainty regarding future governance arrangements.

Disadvantages

- There is currently no agreed regional proposal.
 - Time available for further analysis and community engagement is limited.
 - Successful implementation depends on agreement between participating councils and subsequent Government approval.
- 81 Option Three - Continues through the Backstop Process Do not participate in the Head Start pathway and continue through the Government's Backstop process.

- 82 The Backstop process provides additional time before structural decisions are required. However, governance arrangements will be developed through a Government-led process and the level of local influence remains uncertain. Should the Government proceed with the Backstop pathway, the detailed approach to integrating regional council functions within future governance arrangements is expected to be determined through the Government-led design process.

Advantages

- Allows additional time for regional discussions and community engagement.
- Avoids committing resources to developing a Head Start proposal that may not achieve regional support.
- Enables governance options to continue evolving before decisions are required.

Disadvantages

- Provides less opportunity to influence the design of future governance arrangements.
 - The operation of the Backstop process remains uncertain.
 - Final governance arrangements may be determined with less local input.
- 83 Option Four - Identify a Preferred Strategic Direction Council identifies its preferred strategic direction for local government reform while continuing to participate in regional collaboration.
- 84 This option enables Council to clearly articulate its preferred future governance direction without requiring immediate submission of a Head Start proposal. Council may identify a preferred strategic direction for governance reform, while recognising that further collaboration with neighbouring councils, mana whenua and the Government would be required before any regional proposal could be developed.
- 85 Should Council identify an **Otago-wide unitary authority** as its preferred strategic direction, this would provide a clear basis for DCC's ongoing participation in regional discussions while acknowledging that significant further work would be required on governance design, organisational arrangements, financial analysis, community engagement and implementation planning.
- 86 Identifying a preferred strategic direction for governance reform would not predetermine the outcome of future regional discussions nor commit other councils to that position. Rather, it would clarify DCC's long-term aspirations while maintaining its commitment to work collaboratively towards a regionally supported outcome.
- 87 Should Council identify a preferred strategic direction for governance reform, that position would guide DCC's future participation in regional discussions but would not limit Council's ability to modify that position should further analysis, regional collaboration or community engagement identify a more appropriate governance outcome.
- 88 A clearly identified governance direction would provide greater certainty for future advocacy, engagement with neighbouring councils and dialogue with central government, while still allowing the detailed governance model to evolve through further regional work.

Advantages

- Clearly articulates Council's preferred long-term direction.
- Provides strategic leadership while continuing regional collaboration.
- Enables DCC to influence future discussions from a clearly stated position.
- Maintains flexibility regarding implementation pathways.

Disadvantages

- Other councils may not share Council's preferred direction.
- A preferred governance outcome cannot be implemented without wider regional collaboration and Government approval.
- Additional work would still be required before any formal proposal could be developed.

NEXT STEPS

89 Following Council's decision, staff will implement the actions necessary to give effect to Council's direction. This may include:

- communicating Council's preferred strategic direction for local governance reform (if identified) to the Ministry for Cities, Environment, Regions and Transport and neighbouring councils;
- advising the Ministry for Cities, Environment, Regions and Transport of Council's preferred implementation pathway under the Government's Simplifying Local Government reform programme;
- progressing the Otago Mayoral Forum's agreed regional response, where applicable;
- continuing engagement with neighbouring councils, mana whenua, communities and central government to further develop governance options and build regional consensus;
- undertaking further analysis of governance models, organisational design, service delivery arrangements, financial implications and implementation pathways as additional information becomes available; and
- reporting back to Council as the Government's reform programme progresses and further decisions are required.

Signatories

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Authoriser:	Nicola Morand - Manahautū (General Manager Community and Strategy)

Attachments

	Title	Page
↓A	Attachment A - Morrison Low Head Start Options for Councils of Otago Region Mayoral Forum, 3 July 2026	33
↓B	Attachment B - Morrison Low Head Start Option 4 Supplementary for Councils of Otago Region, 22 July 2026	94
↓C	Attachment C - Simplifying Local Government - Head Start Pathway Timeline	103
↓D	Attachment D - Headstart Correspondence with Te Rūnanga o Ngāi Tahu	104
↓E	Attachment E - Summary of ORC Core Functions and Analysis	107

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities. This decision promotes the social, economic, cultural and environmental well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓	☐	☐
Economic Development Strategy	✓	☐	☐
Environment Strategy	✓	☐	☐
Arts and Culture Strategy	✓	☐	☐
3 Waters Strategy	✓	☐	☐
Future Development Strategy	✓	☐	☐
Integrated Transport Strategy	✓	☐	☐
Parks and Recreation Strategy	✓	☐	☐
Other strategic projects/policies/plans	✓	☐	☐

Te Taki Haruru, the DCC's Māori Strategic Framework, and the Zero Carbon Policy.

Māori Impact Statement

As discussed in this report, Ngāi Tahu and mana whenua have participated in discussions to ensure iwi perspectives informed consideration of future governance arrangements. Te Taki Haruru, the DCC's Māori Strategic Framework, includes the principle of Autūroa, whereby Māori will participate and demonstrate leadership in the community.

Sustainability

There are sustainability-related implications that will need to be assessed more fully once the preferred option is identified.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

There are no known implications yet related to the DCC's long-term planning process, but this is dependent on the final timeframes of the reform implementation.

Financial considerations

There are potential financial implications, dependent on the terms of the new governance model.

Significance

Council's Significance and Engagement Policy.

Engagement – external

There has been engagement with the Otago Mayoral Forum, Ngāi Tahu representatives, and mana whenua representatives.

Engagement – internal

This report had been prepared by the Corporate Policy team.

SUMMARY OF CONSIDERATIONS

Risks: Legal / Health and Safety etc.

There may be potential future implications depending on the direction of Council.

Conflict of Interest

There is no conflict of interest.

Community Boards

There are potential future implications for Community Boards depending on the structure of the future governance model.



Head Start Options Councils of Otago Region

Mayoral Forum, 3 July 2026

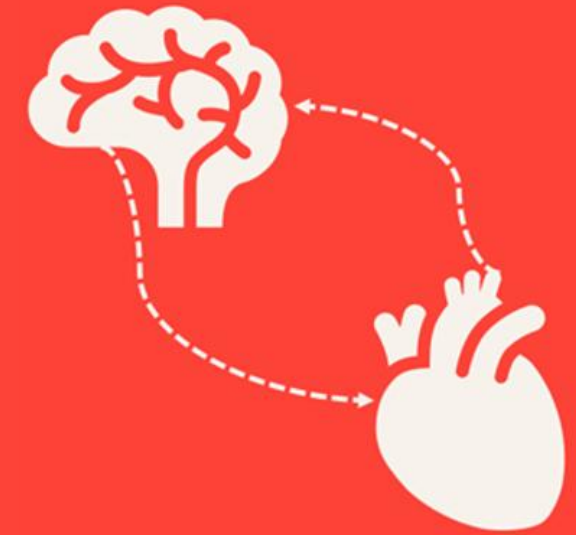


Prepared for:

Job #	Version	Written	Reviewed	Approved	Report Date
3143	2	A. Grace	S. Cross	S. Cross	3 July 2026

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Content



1. Introduction

2. Planning assessment

3. Communities of interest

4. Representation & structures

5. Financial benchmarks

6. Assessment against government criteria

Objective:

To support LG amalgamation decisions in Otago, whether or not a Head Start proposal is submitted

Workstreams:

Workstream	Outcomes
Community outcomes, what matters	Understanding what matters most to the community. What should be protected? What do we want the district to become?
Community voice, early engagement	An engagement approach focused on understanding priorities and readiness for change. Test community appetite to help inform the Head Start pathway.
Process	Focus on how elected members would navigate and manage the 95-day process. Clear governance, decision making pathways, and programme structure.
Head and heart	Understand communities of interest and key partnerships. Consider factors such as debt levels, relationships with mana whenua, growth pressures, regional alignment. Council building profile and becoming self-aware of where council sits within wider landscape.

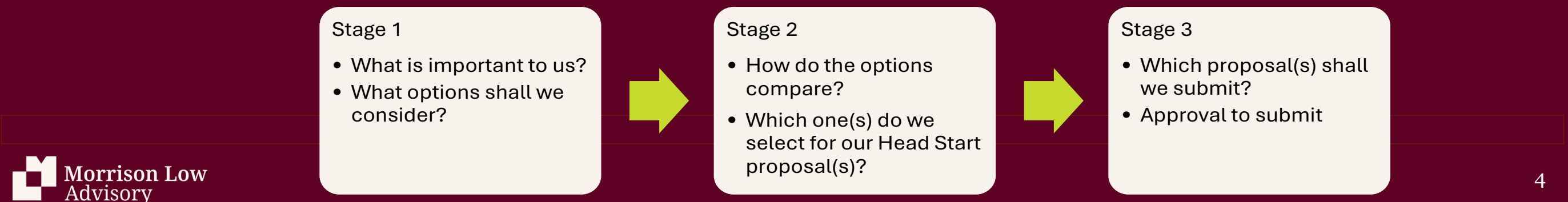
Scope:

Head and heart workstream (Morrison Low Advisory):

Body of evidence to support decision making:

- Communities of interest
- Council organisation and services
- Financial modelling and benchmarking
- Representation options
- Planning system alignment
- Commentary on alignment with government criteria

Process:



Options

Option 1: One region-wide Otago unitary councils

Option 2: Two unitary councils, inland & coastal

- QLDC + CODC
- DCC, CDC, WDC

Option 3: Three unitary councils, urban & rural

- QLDC
- DCC
- CODC + CDC + WDC

Sub-options:

- Waitaki (in part or full) joins Canterbury
- Extending Option 3 to consider Gore & wider Southland
- Extending Option 3 to consider Waimate & Mackenzie



Support for the new planning system

- Catchments
- Environmental limits
- Growth and infrastructure

Planning system alignment

Catchment management:

Does the option split catchments making it harder to manage water quality, freshwater allocation, flooding, and environmental limits?

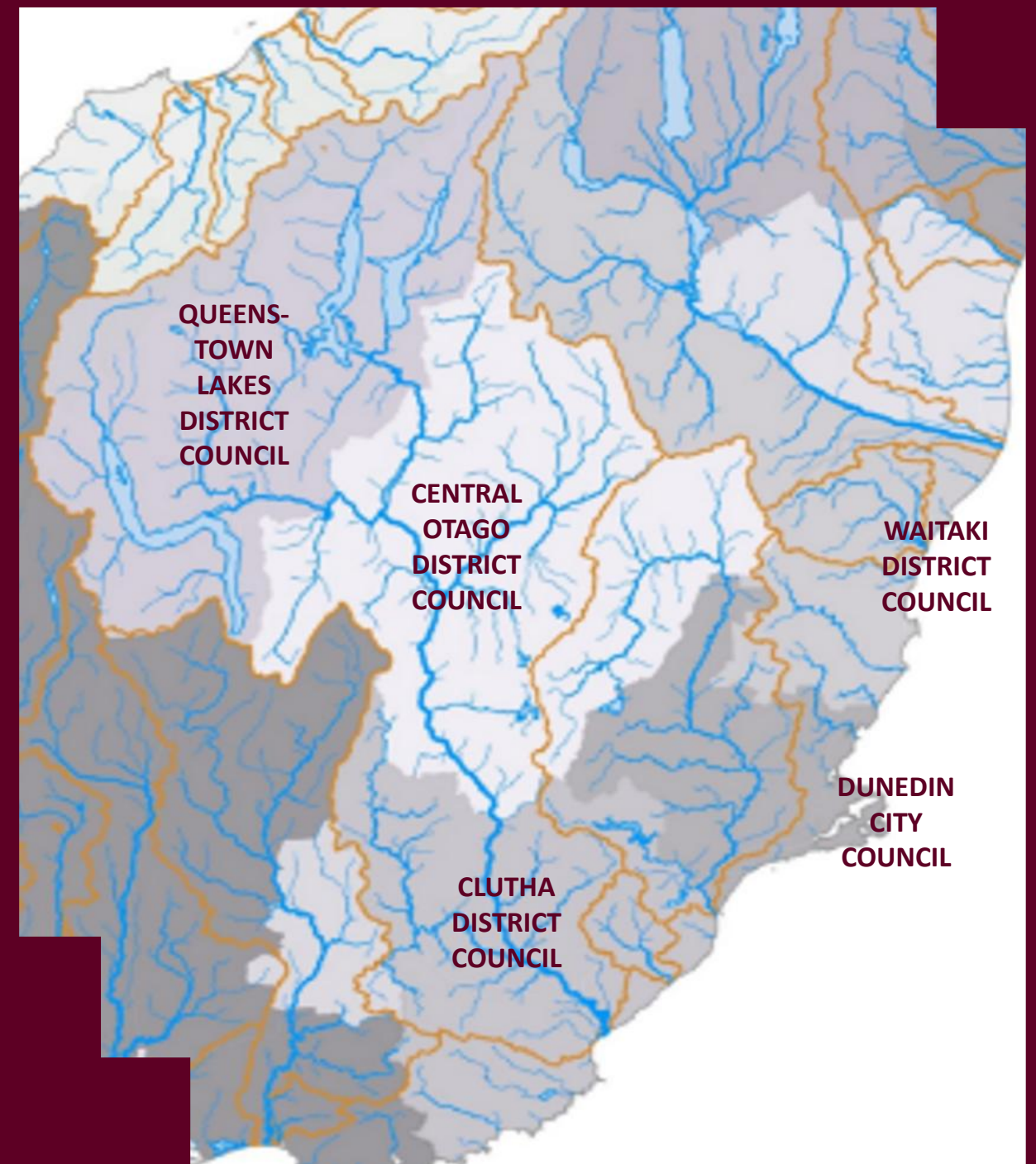
Management of environmental limits:

Does the option support management of land use and environmental limits?

Settlement and infrastructure:

Does the option support more effective and/or efficient planning of transport corridors, infrastructure servicing linked to growth and demand?

Catchment alignment with district boundaries: The ability to set environmental limits and make catchment level decisions

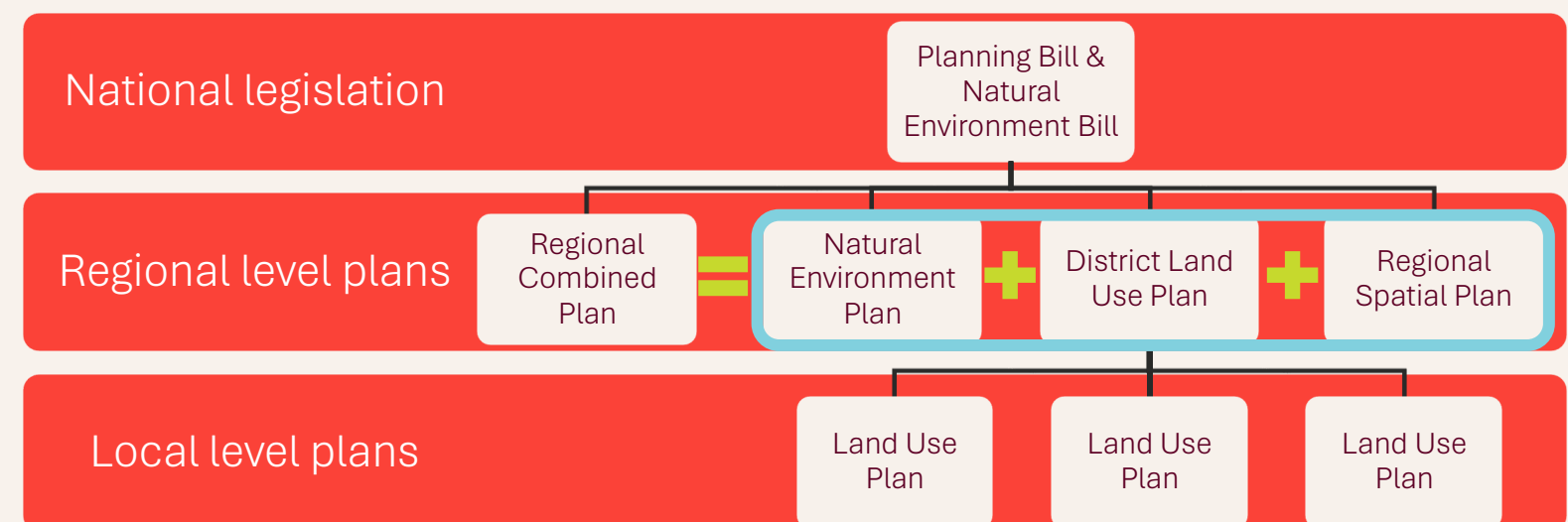


New planning framework – Plans hierarchy

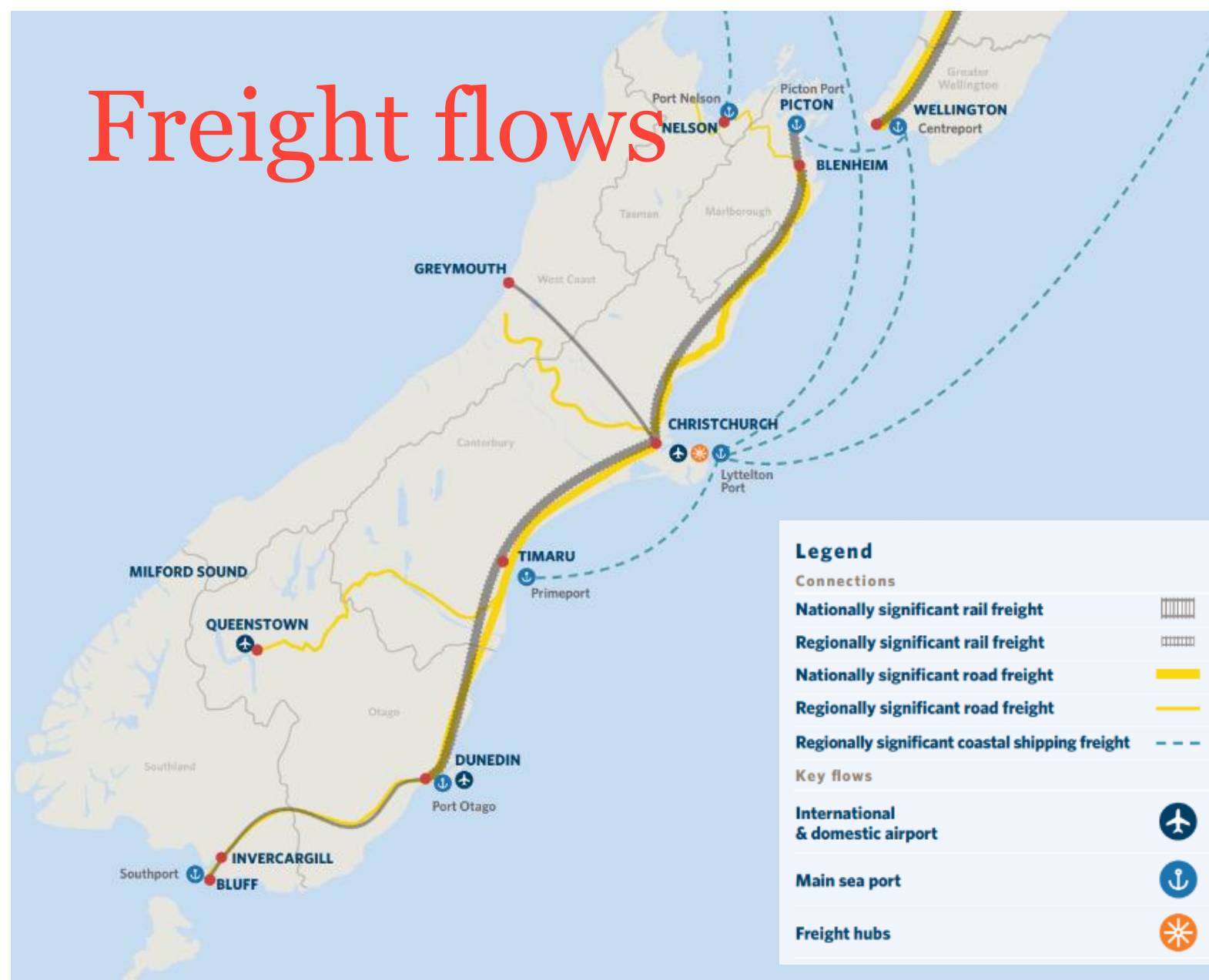
The new planning system has both regional and local plans depending on the local government structure.

The plan hierarchy alongside represents a region with a single Regional Authority and Local Authorities (status quo).

Under a Unitary Authority there would be no local Land Use Plans, only a District Land Use Plan.



Freight flows



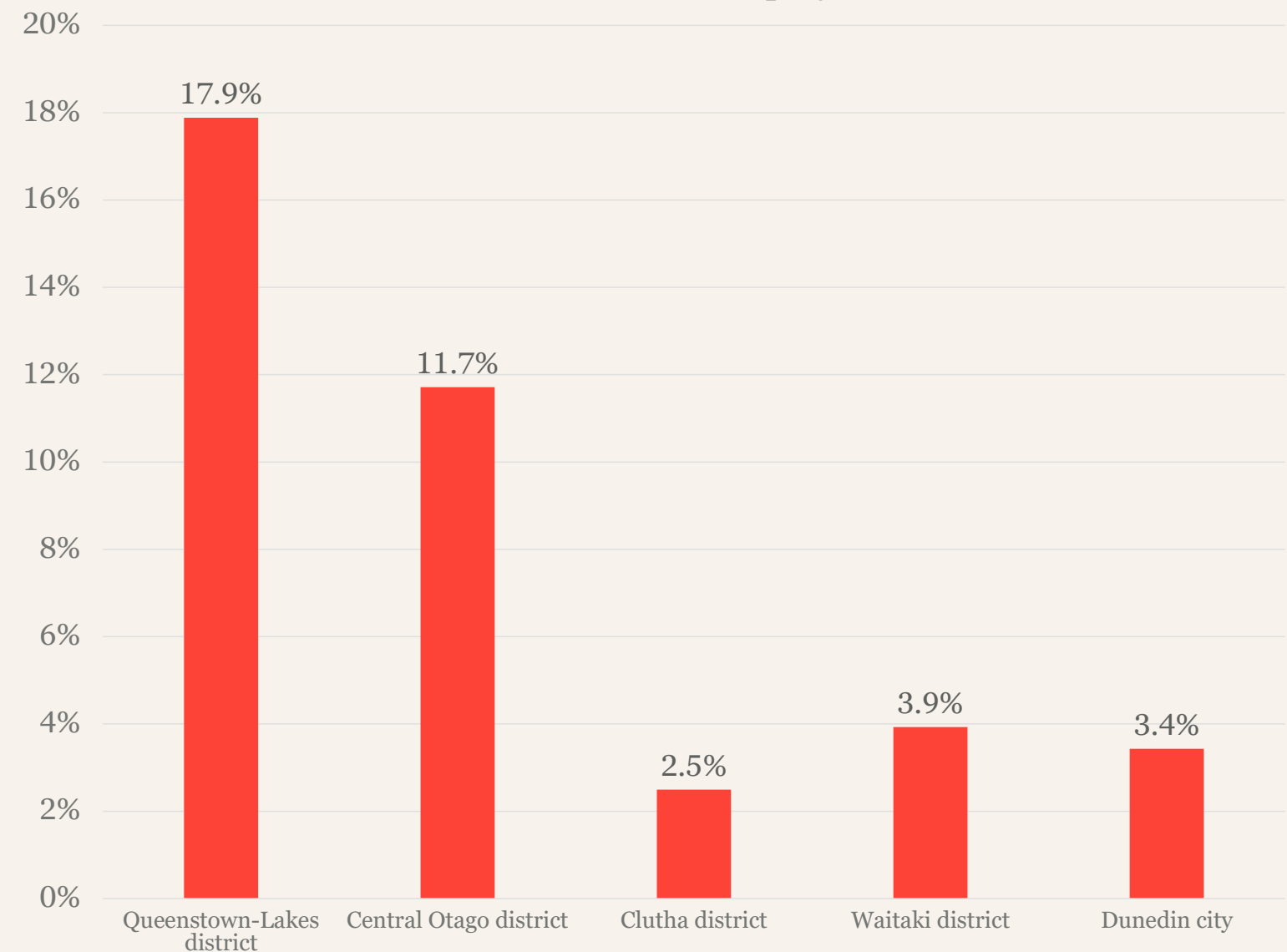
Example of regional infrastructure co-ordination that crosses district boundaries

Growth pressures

Growth in one district can spill over into neighbouring districts. Land use planning and infrastructure provision needs to cross boundaries too

e.g. Queenstown and Central Otago

Projected population growth
(2023 to 2048, medium projection)



Planning assessment

Option	Option 1: One region-wide Otago unitary	Option 2: Two unitary councils, inland & coastal	Option 3: Three unitary councils, urban & rural
Advantages	• Most complete catchment management. • Coordinated spatial planning. • Consistent environmental limits across region. • Reduces duplication and inconsistency. • Strong management of cumulative effects across catchments and communities. • Less plans overall.	• Strong alignment inland catchments. • Coherent growth and infrastructure planning for inland growth corridor. • Coordinated planning for Dunedin and coastal settlements, e.g. transport • Simpler integration existing planning frameworks. • Improved consistency across participating districts relative to status quo	• Simplest integration existing planning frameworks. • Well suited to metropolitan planning, meeting different needs of Dunedin and Queenstown. • Focused governance for fast-growing, tourism-focused Queenstown. • Rural authority has strong focus rural land use, primary production and natural resources. • Rural authority covers significant portions of major catchments.
Disadvantages	• Large geographic area • Complex integration existing planning frameworks. • May initially slow implementation of planning reforms.	• Splits catchment systems into upper and lower. • Requires significant coordination between authorities e.g. freshwater management. • Infrastructure planning disconnect between inland and coastal areas, e.g. transport. • May transfer rather than eliminate planning boundary issues. • Less effective in managing cumulative effects across catchments and communities.	• Weakest alignment catchment-based planning. • Narrow geographic scope for urban unitaries • Disconnect urban and rural unitaries limits strategic planning for growth and infrastructure. • Requires extensive coordination between authorities e.g. freshwater management. • Fragmented spatial and environmental planning. • May struggle to align rural management with urban growth pressures and downstream effects.
Overall	Strongest catchment and region-wide planning with least duplication, but its large scale creates competing priorities.	Enables focus on specific inland and coastal needs, but splits catchments and relies on strong coordination between the two councils.	Enables focus on specific urban and rural needs, but weakest catchment alignment and most fragmented, coordination-heavy planning.

Communities of interest

- Community expectations and connections

Communities of interest

Alignment of needs and expectations of council

Does the option group together communities with aligned needs and expectations of council?

Can people agree on what council should do?

Community connections

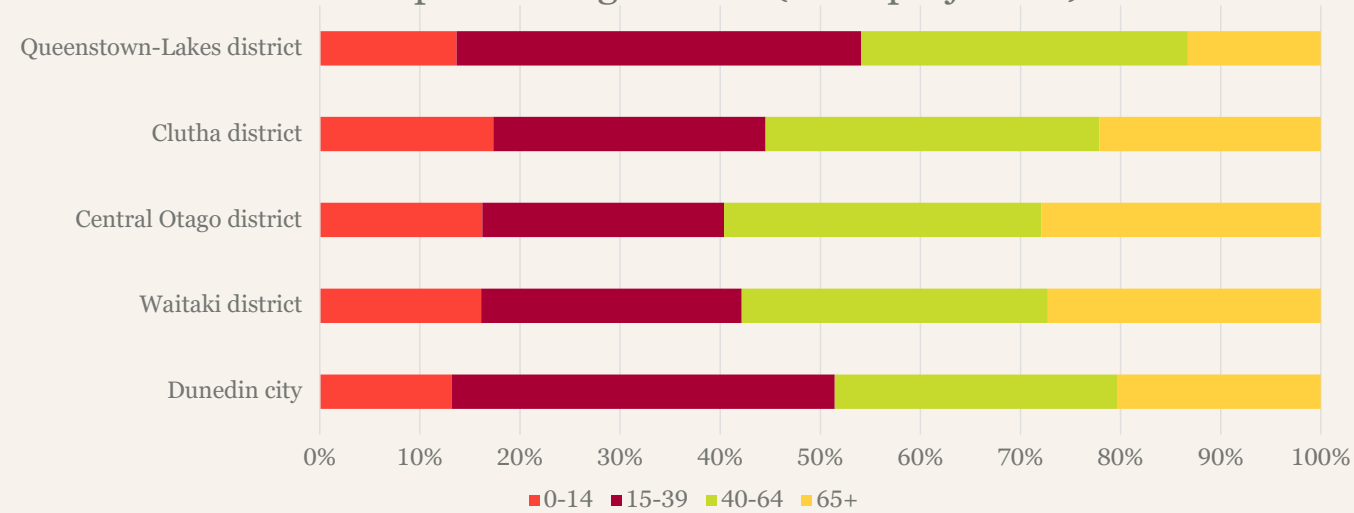
Will this council make sense economically and functionally?

Do these areas complement each other?

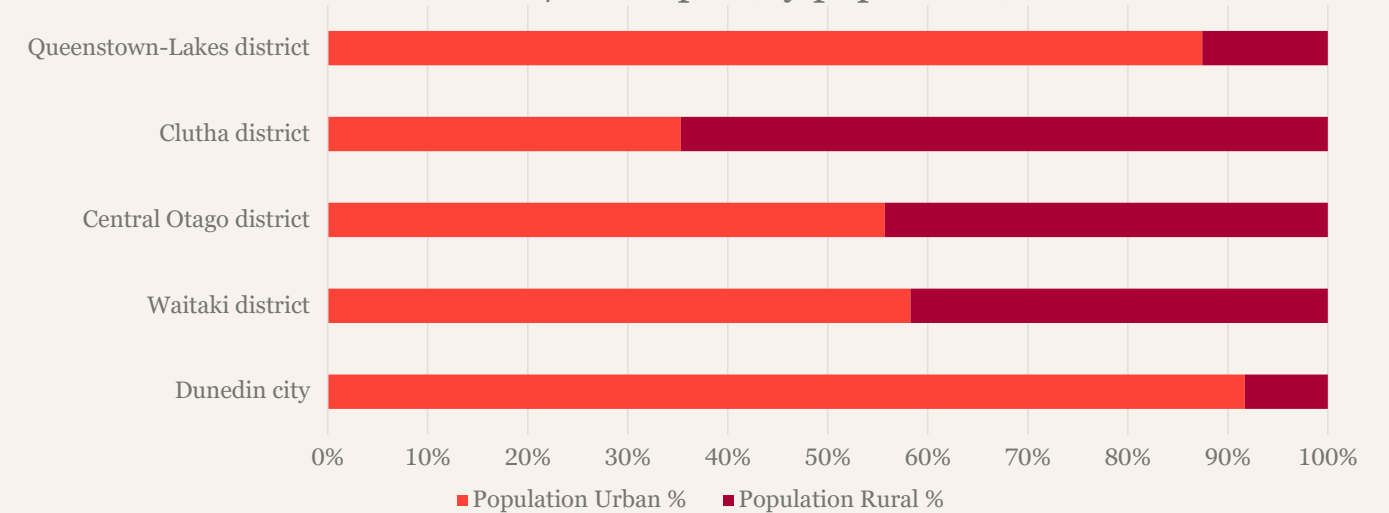
Are we connecting where people live and work? Significant industries with their supply and delivery chains? Housing markets with employment opportunities?

Population profile

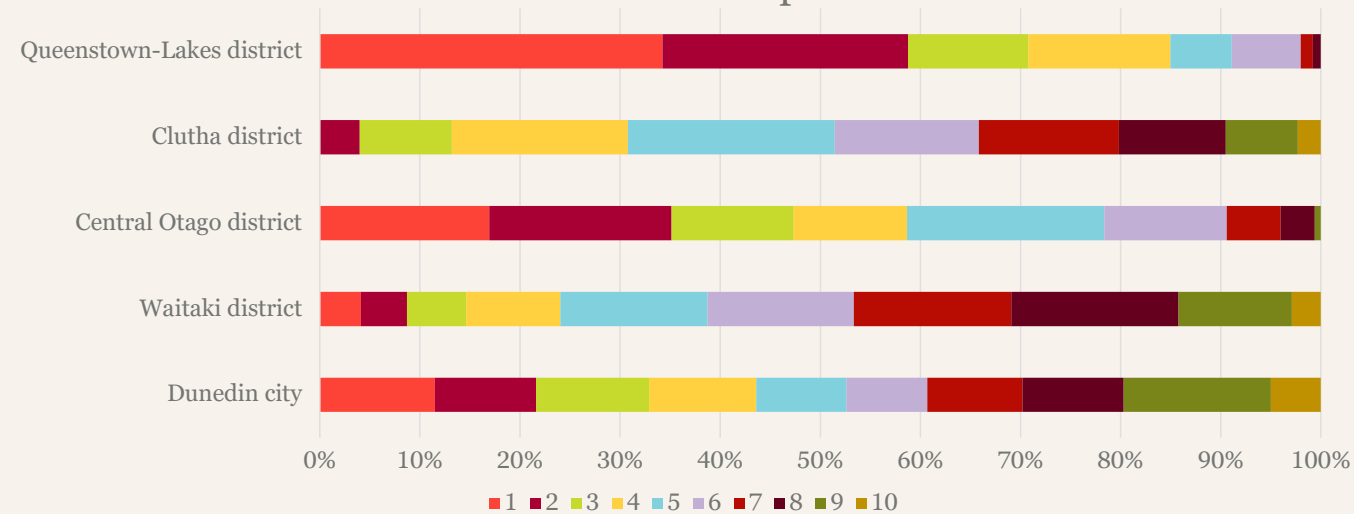
Population Age Profile (2028 projection)



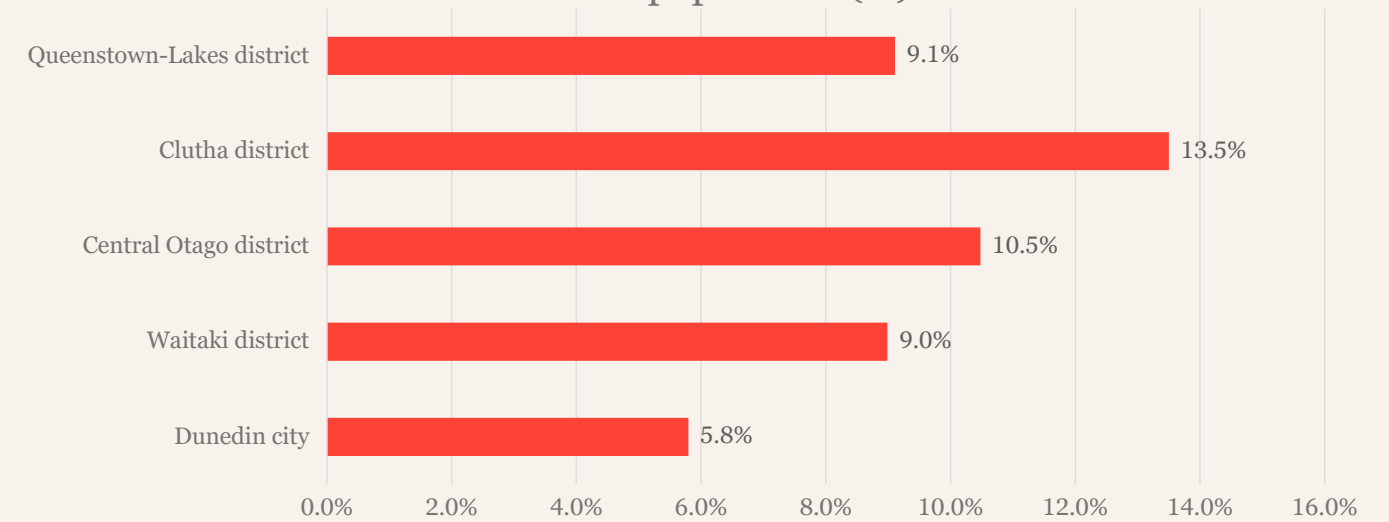
Urban/rural split (by population)



Socioeconomic and Deprivation Profile

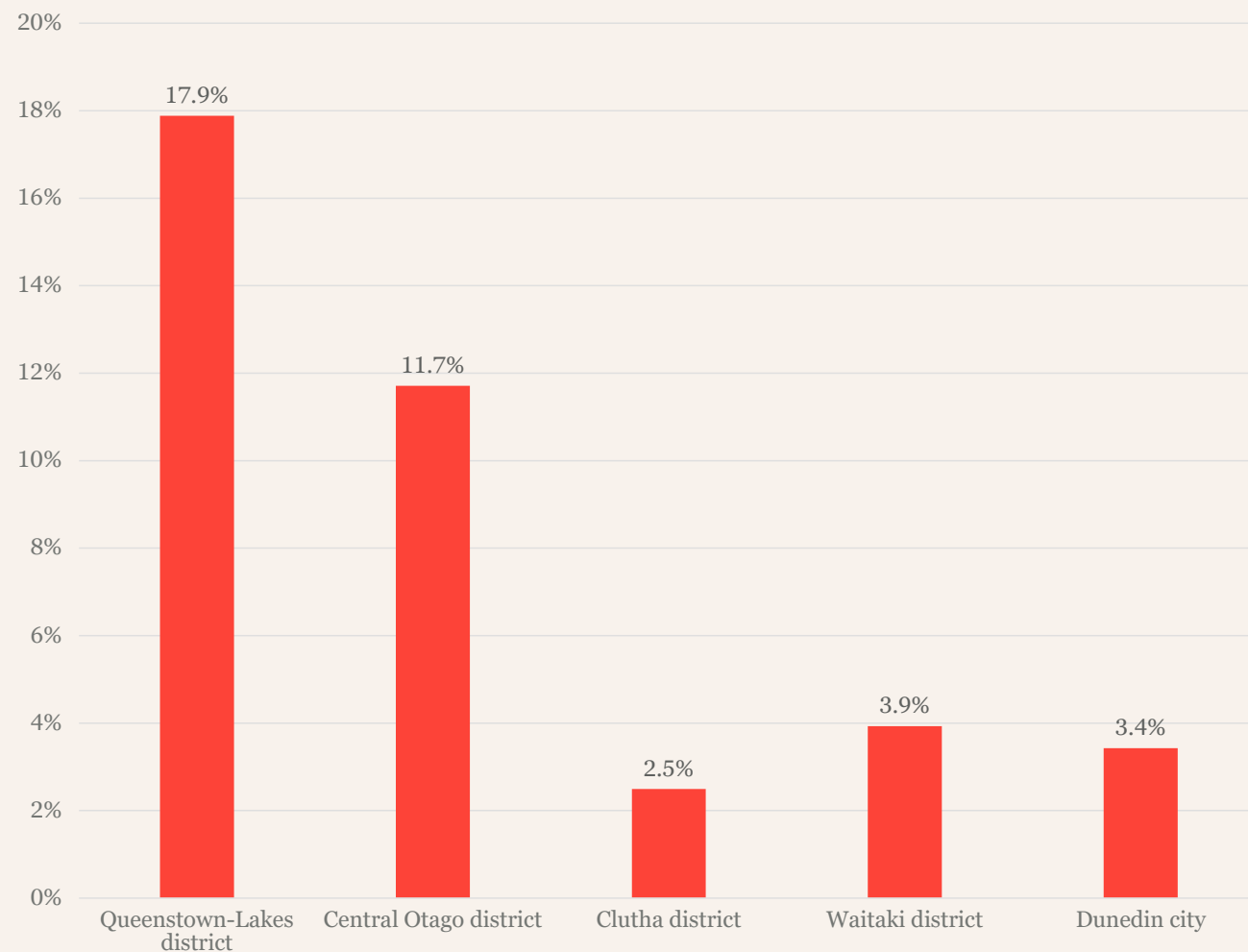


Māori population (%)



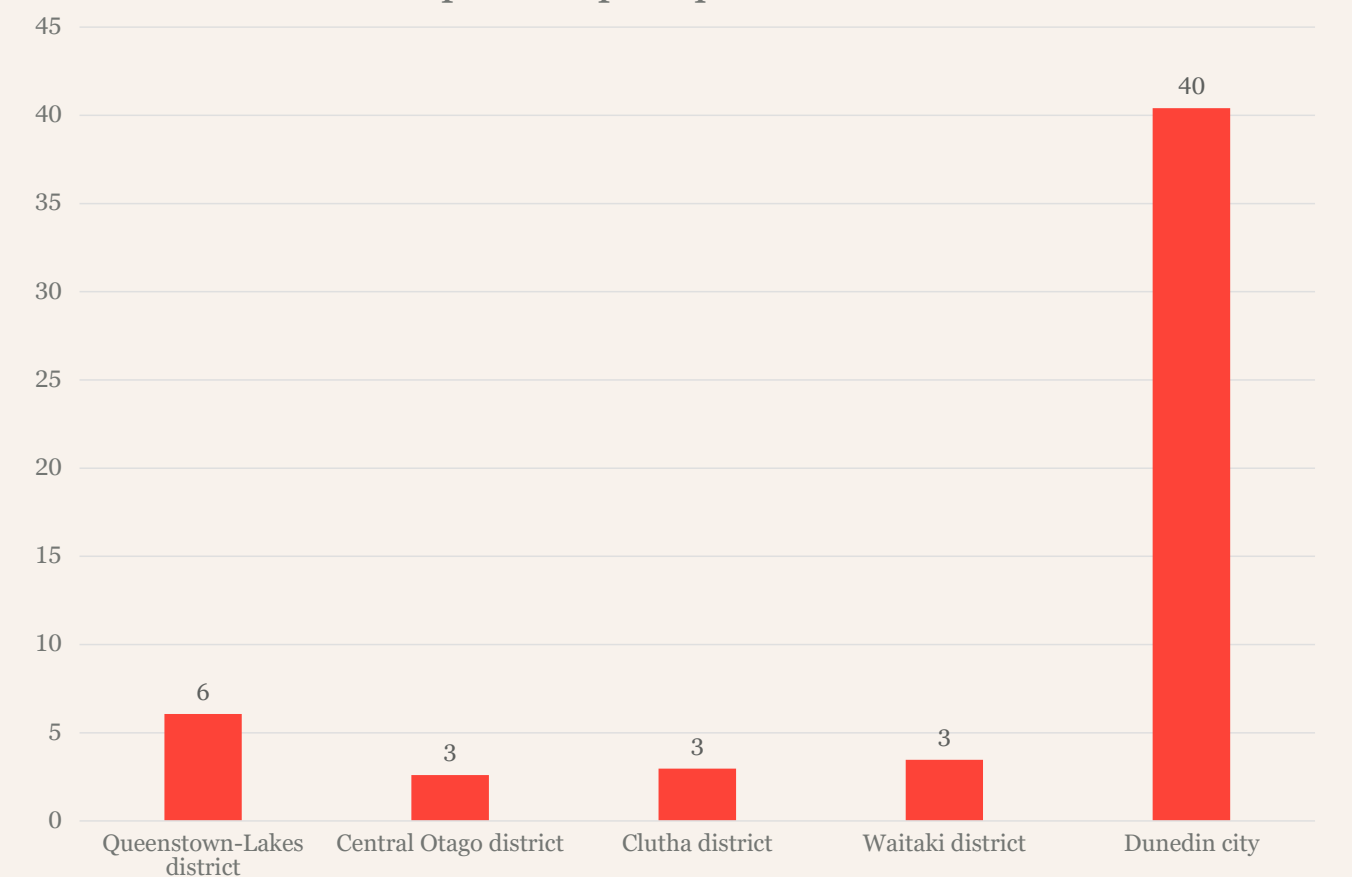
Population and growth

Projected population growth
(2023 to 2048, medium projection)

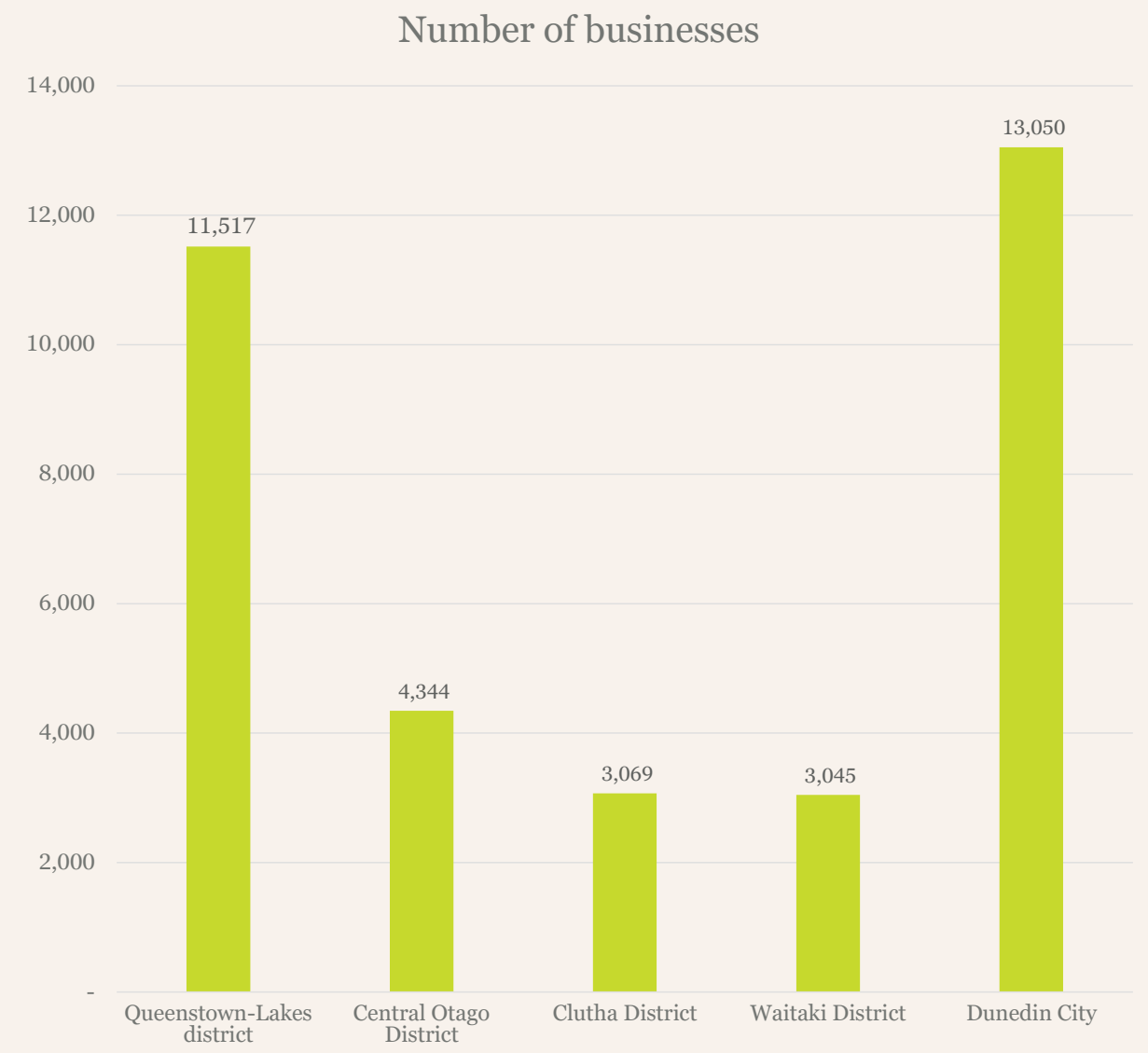
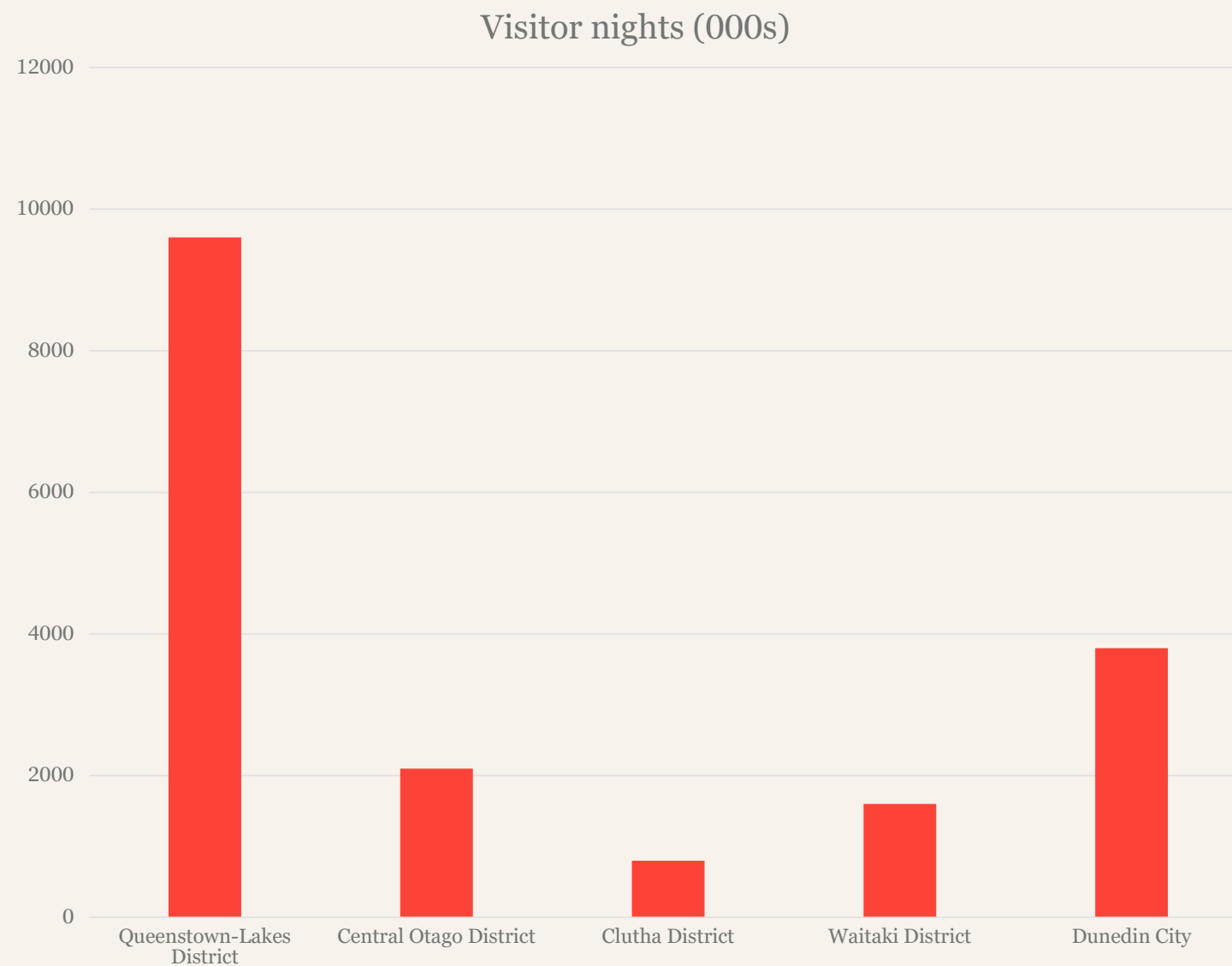


Council	Land Area (sq. km)	Population	Urban Pop.	Rural Pop.
Queenstown-Lakes District	8,700	52,800	48,600	4,200
Central Otago District	9,900	25,800	14,500	11,300
Clutha District	6,300	18,800	6,600	12,200
Waitaki District	7,100	24,600	14,300	10,300
Dunedin City	3,300	132,800	122,200	10,600

Population per square kilometre

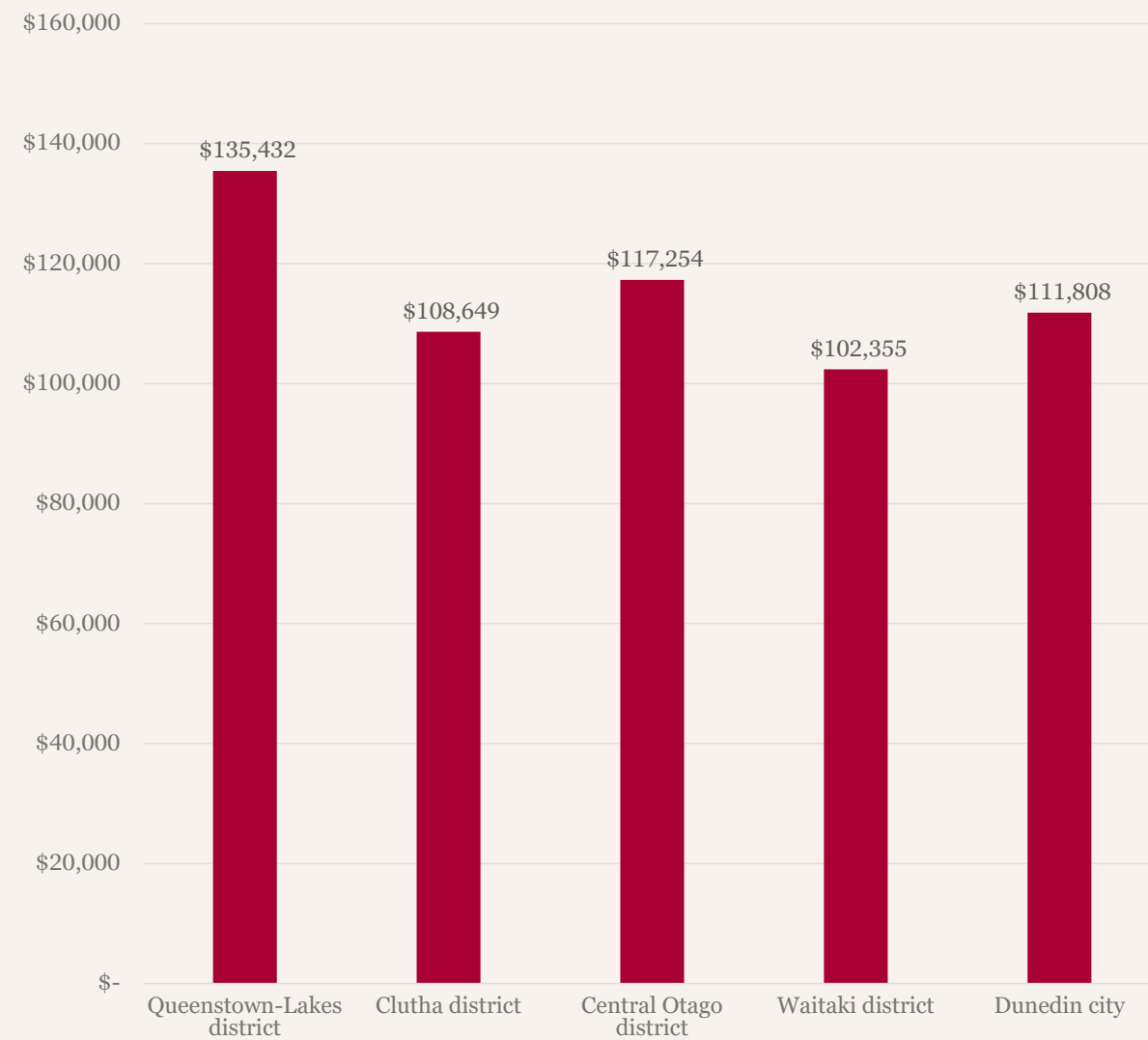


Businesses and Visitor nights

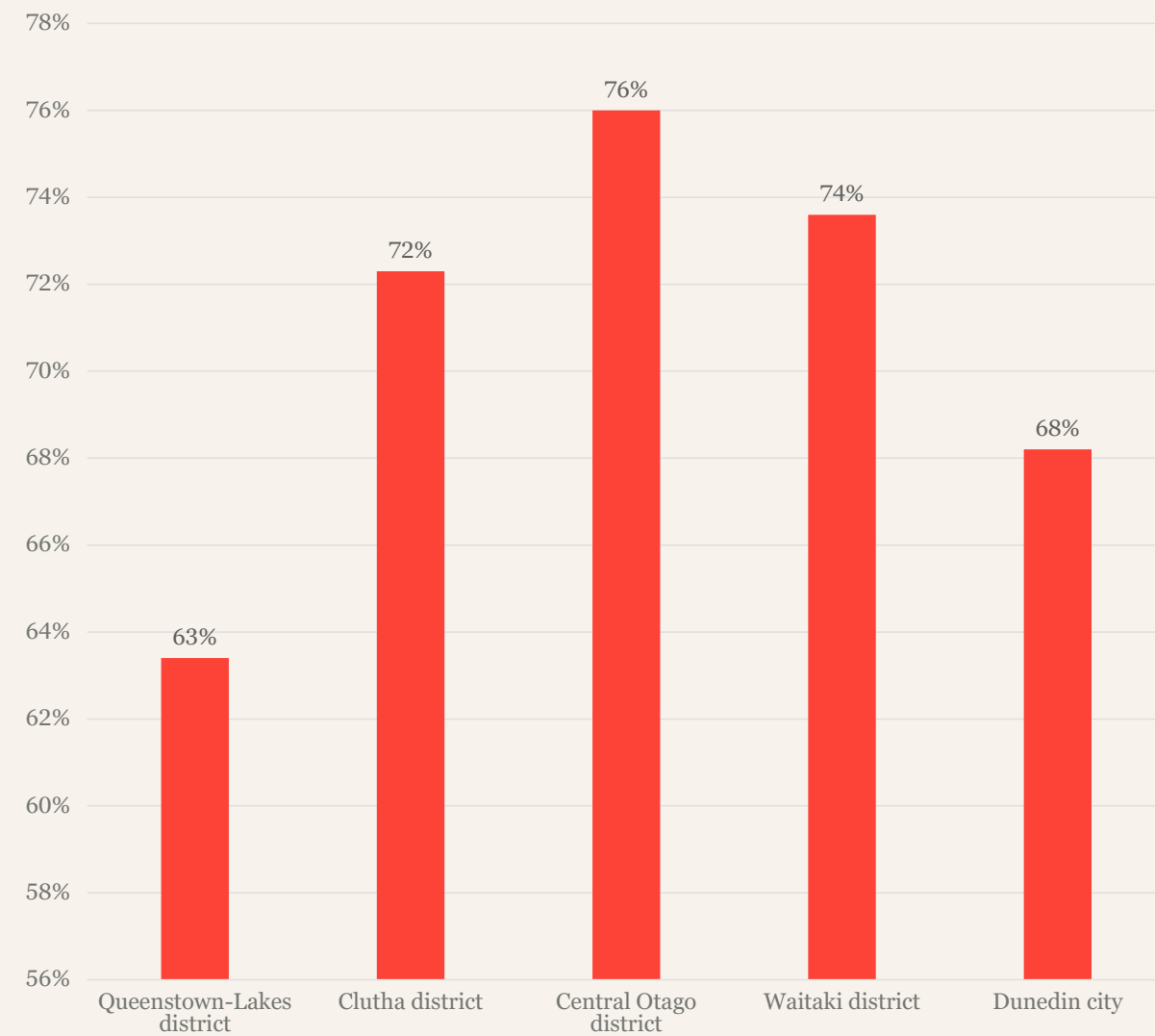


Household income and home ownership

Average household income

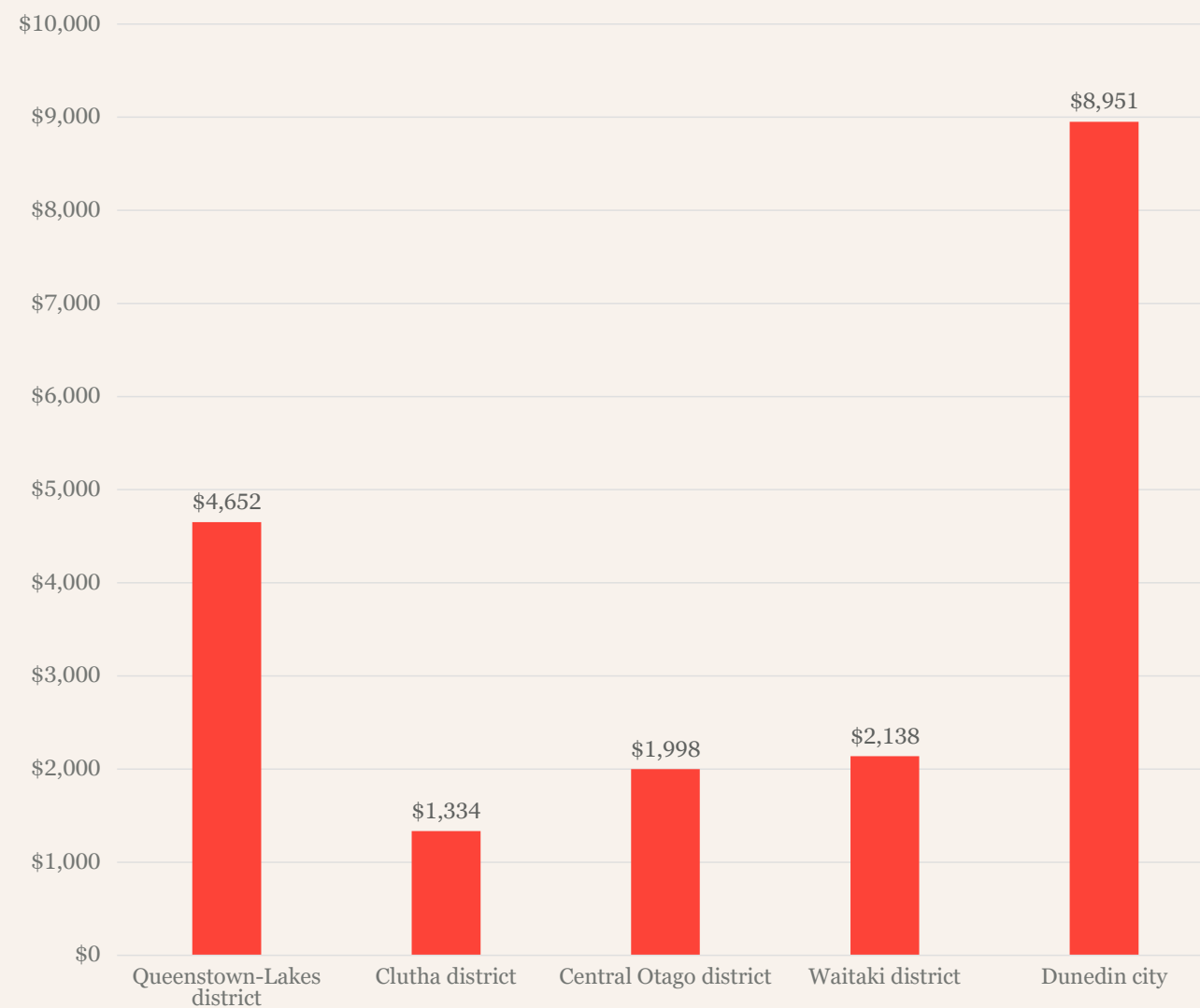


Homeownership (%)

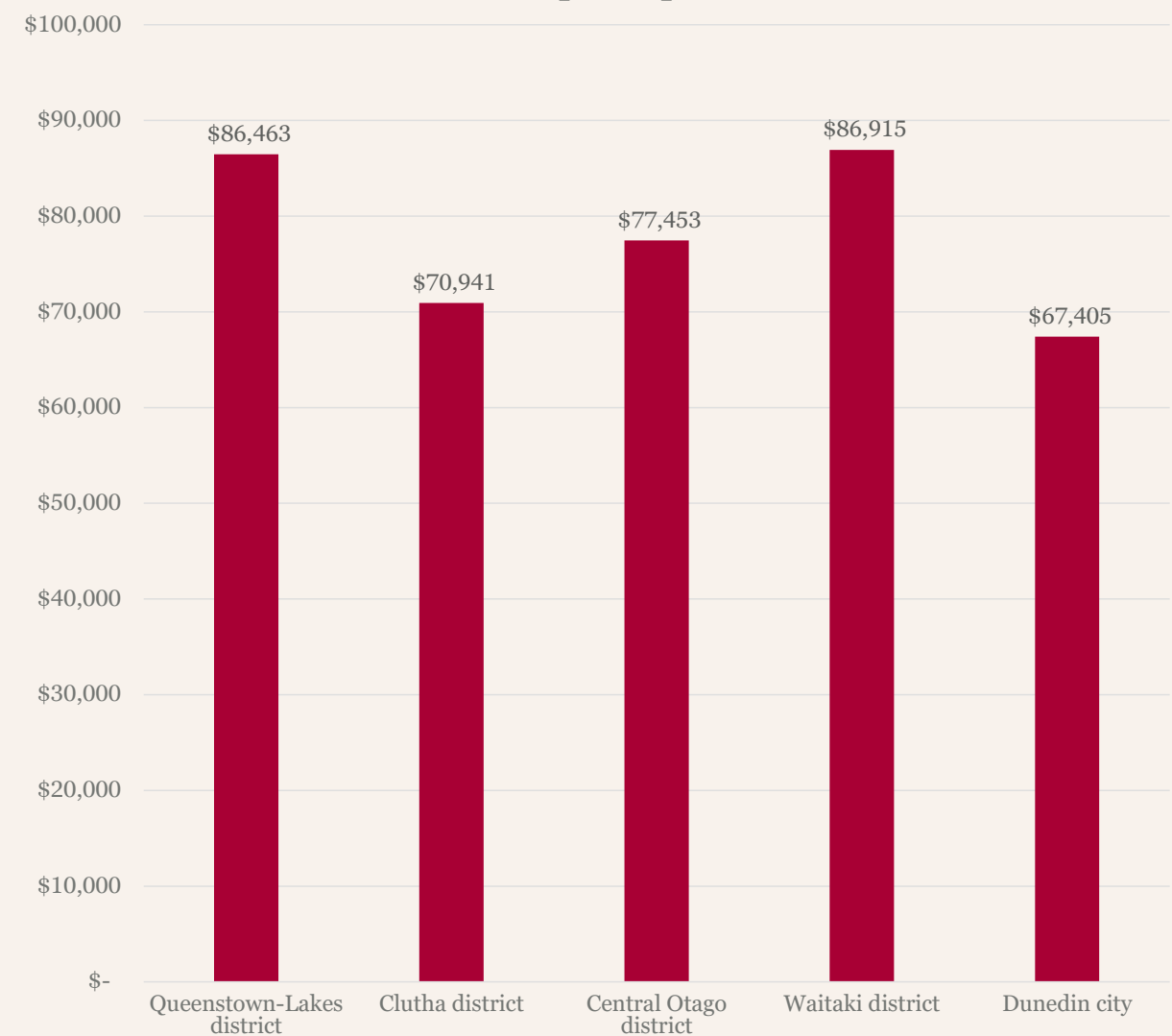


GDP

Total GDP (\$M)

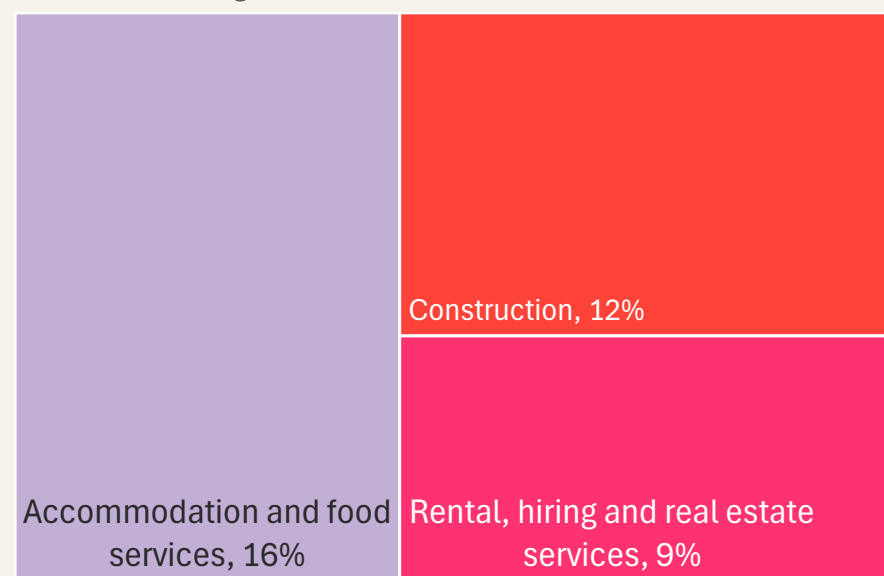


GDP per capita



Top three industries by GDP

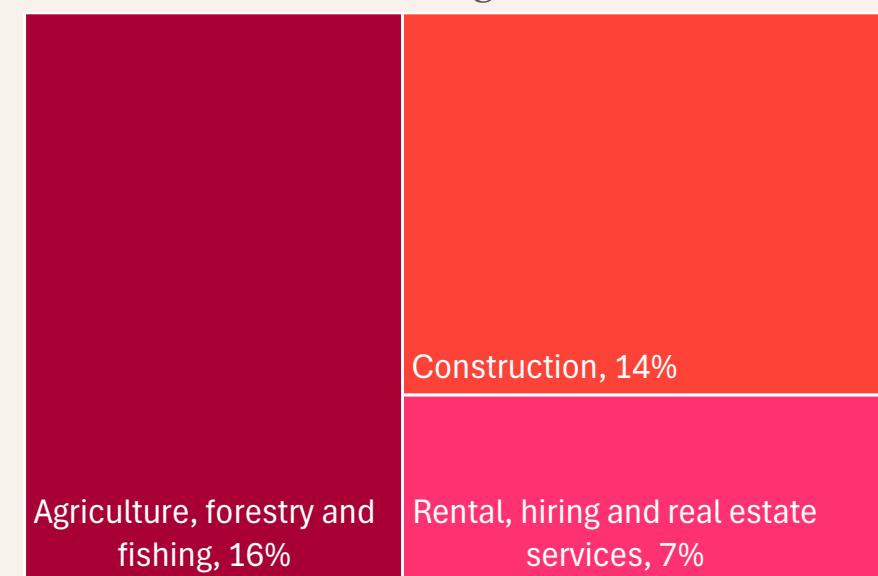
Queenstown Lakes District



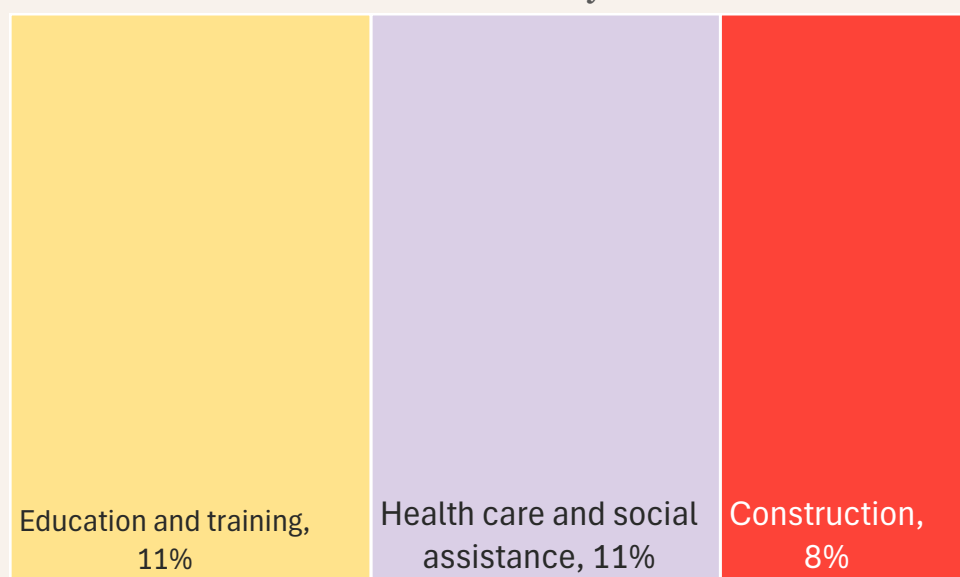
Clutha District



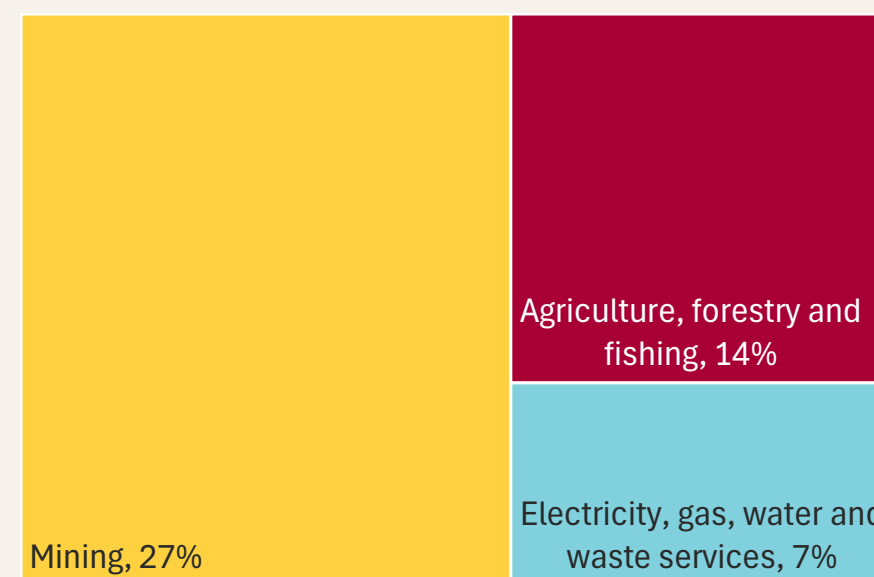
Central Otago District



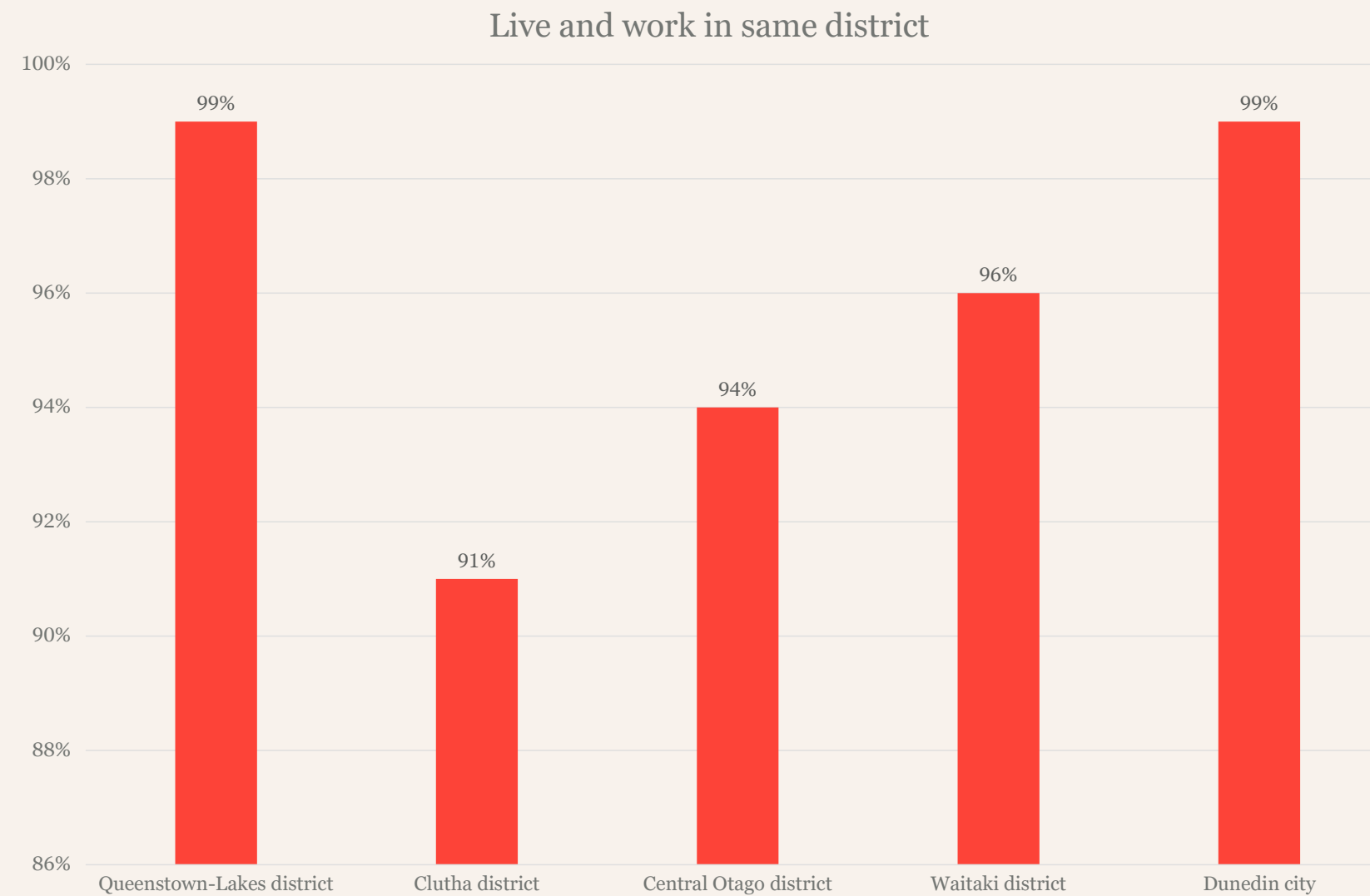
Dunedin City



Waitaki District

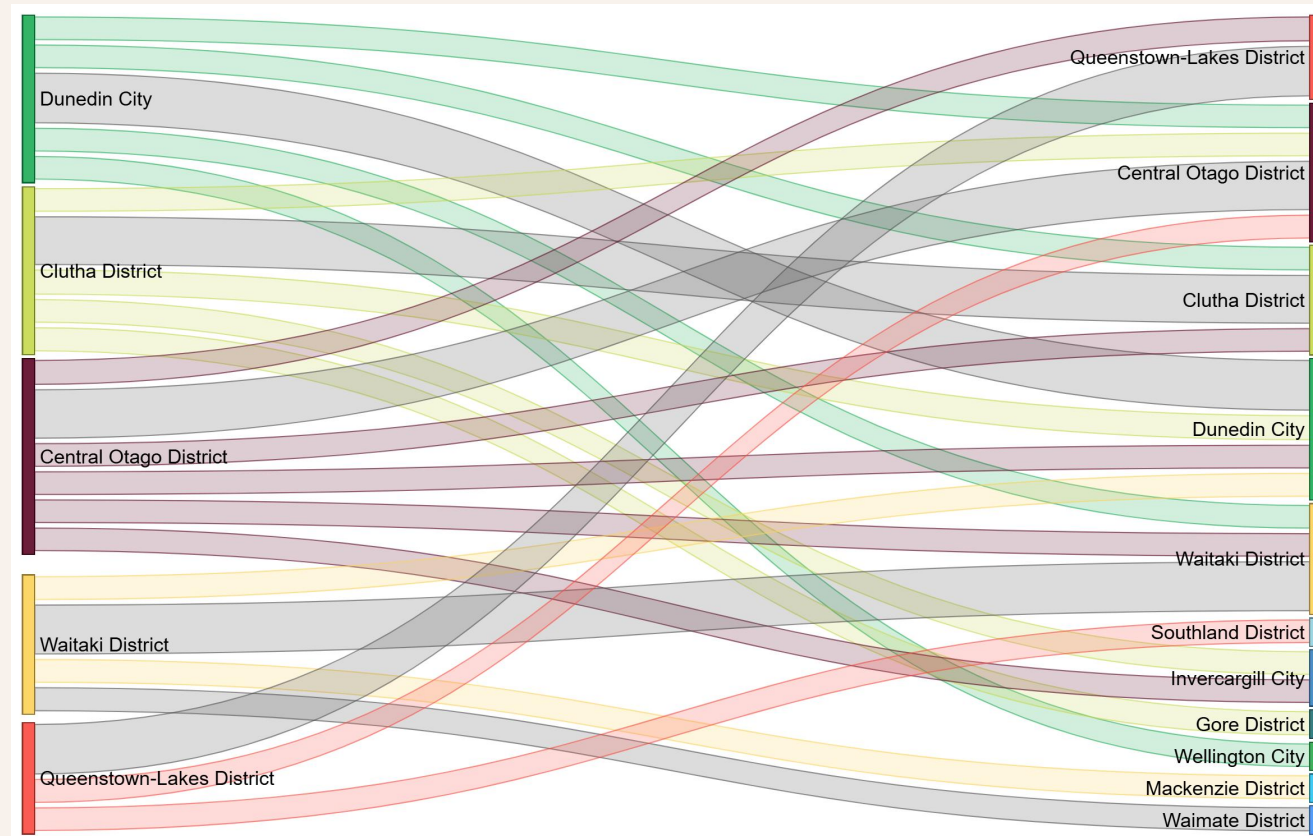


Commuter movements

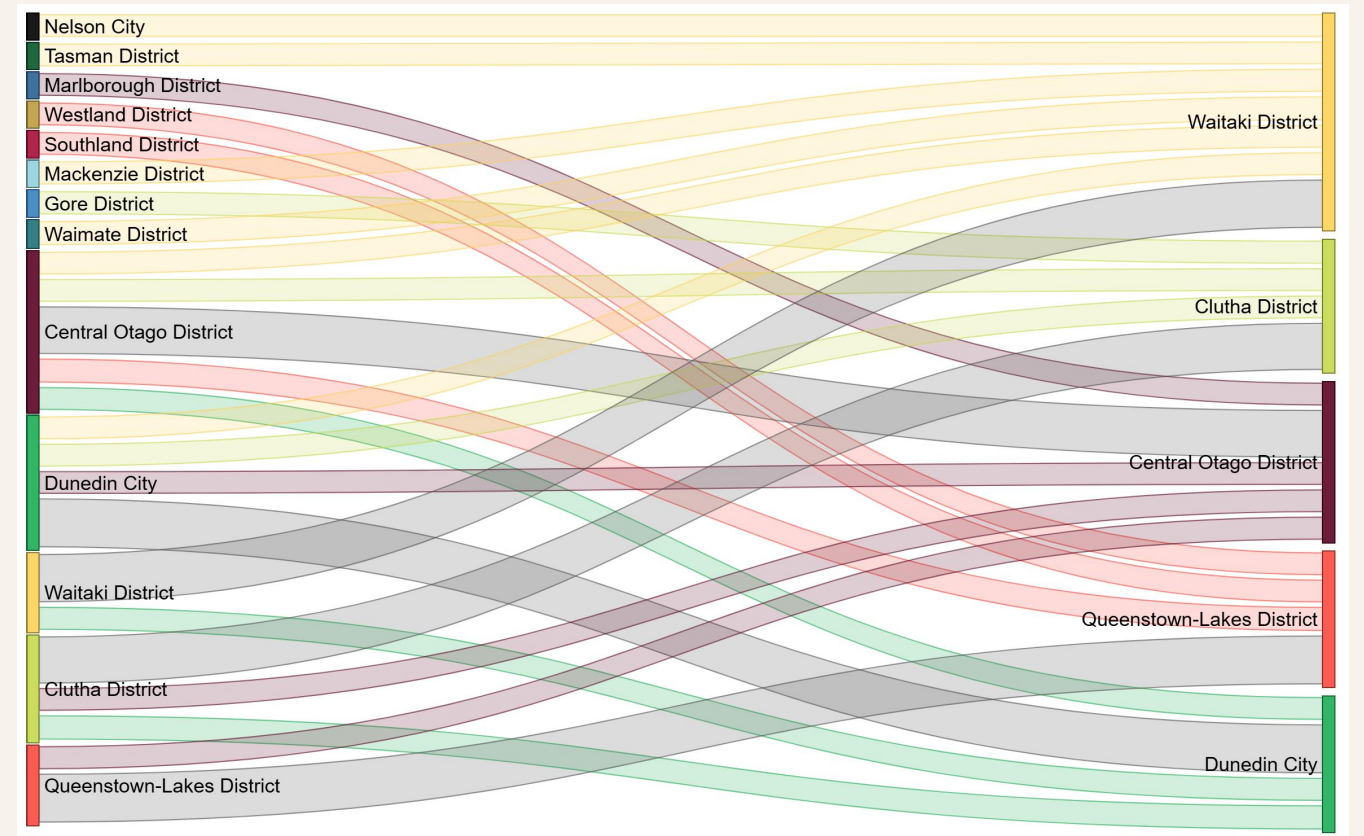


Labour movements

Labour movements out



Labour movements in



Communities of interest

Option	Option 1: One region-wide Otago unitary	Option 2: Two unitary councils, inland & coastal	Option 3: Three unitary councils, urban & rural
Advantages	Connected communities remain together	- Keeps connection between Queenstown and the parts of Central Otago that are similar to it - Separates Queenstown from Dunedin, two distinctly different towns	- Rural communities that are similar remain together e.g. size of their economies are similar - Queenstown and Dunedin, while both urban, are different and remain separated
Disadvantages	- Two urban centres, Dunedin and Queenstown, under one authority, but they are distinctly different - Interests of smaller, different communities (e.g. urban, rural) struggle to be heard in region-wide decisions	Splits inland rural communities from coastal ones, diluting the rural voice	- Splits Central Otago from its connection to Queenstown - Rural communities that are part of Dunedin or Queenstown are disconnected from similar rural communities in Clutha, Waitaki and Central Otago.
Overall	Reduces influence of different communities when combined unitary tries to meet all needs.	Recognises differences between the two urban centres and their surrounds, but rural voice is diluted.	A stronger rural voice and a recognition of differences Dunedin and Queenstown, but a loss of connection between rural communities and urban centres they use.

Representation, governance and delivery

- Will representation feel fair?
- How similar are current approaches?
- Alignment with current arrangements

Optimisation challenge

Centralisation supports:

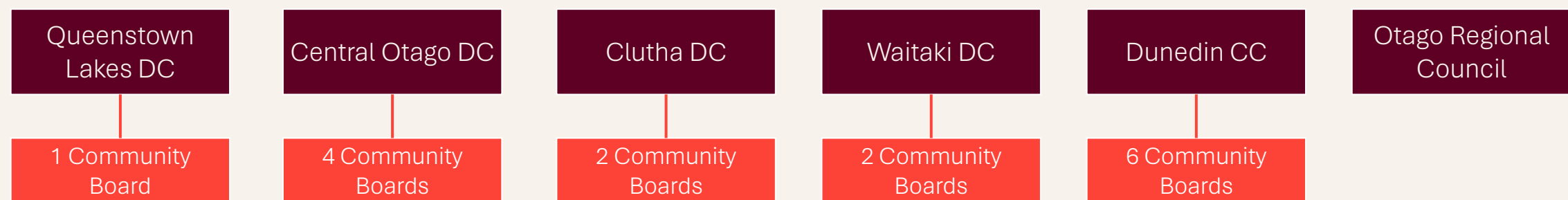
- Resource efficiency and maximised outputs

Decentralisation supports:

- Meeting customer needs and enabling local influence over levels of service and costs



Current representation



	QLDC	CODC	CDC	WDC	DCC	ORC
General Wards	Yes (3)	Yes (4)	Yes (8)	Yes (4)	No (at large)	Yes (4)
Māori Wards	No	No	No	No	No	No
Community Boards	Yes (1)	Yes (4)	Yes (2)	Yes (2)	Yes (6)	No
Committees	9	5	3	4	2	0
No. of Councillors	11	10	9	10	14	12
Population / Councillor	4,900	2,600	2,100	2,500	9,500	21,300

- Compared to other parts of the country, similar governance arrangements across the region

Comparison of representation

Option	Option 1: region-wide	Option 2: inland	Option 2: coastal	Option 3: QLDC	Option 3: DCC	Option 3: rural	Existing unitary authorities	Existing TAs pop >100,000	Auckland Council
Population	256,000	79,000	176,000	53,800	132,800	69,200	50,000-60,000	110,000-420,000	1,800,000
Current wards	19	7	12	4	At large	16	1-5	2-16	12
Current councillors	54	21	33	11	14	29	12-14	9-16	20
Current population per councillor (av.)	4,700	3,800	5,300	4,900	9,500	2,400	3,600-4,400	9,000-26,000	140,000
Current community boards	15	5	10	1	6	8	0-2	0-6	21 (local boards)
Changes as a result of amalgamation	Likely to see a reduction in wards, councillors and community boards, based on similar sized authorities	Less reduction in wards, councillors and community boards than Option 1. Coastal likely to have more consolidation than inland, based on similar sized authorities		QLDC and DCC remain unchanged. Rural authority likely to see a reduction in wards, councillors and community boards (based on similar sized authorities)					

- A reduction in wards and councillors could be offset by having a more empowered second tier of governance like Auckland Council's local boards or something new.

Community boards vs Local boards

- Both are governance only, neither set rates and neither have dedicated delivery organisations
- Community boards = Authority delegated by council of the day (variable)
- Local boards = Authority defined in legislation, not by council (fixed)

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
Asset ownership / control	None	Not directly, but can influence local asset use
Staff / contracting authority	None	None directly (via council systems)

Local representation is not limited to formal boards

Alternatives:

1. Targeted engagement with affected groups

- Iwi and hapū engagement
- Industry, sector, and community group input
- Advisory committees and working groups

Provides issue-specific expertise and representation

2. Statutory consultation processes

- Long-Term Plan, Annual Plan, bylaw consultations
- Resource management and plan processes

Provides formal, open public input at key decision points

3. Deliberative democracy approaches (emerging)

- Citizens' panels, juries, and assemblies
- Representative residents engaged in informed, structured deliberation

Provides deep but narrow insight into community values and trade-offs

Local representation options

Deliberative
democracy

Community
Boards

Local Boards

Something New
(local body)

- *Could be a hybrid between community board and local board*
- *Could have more responsibility than local boards*
- **Could* have delivery responsibility*

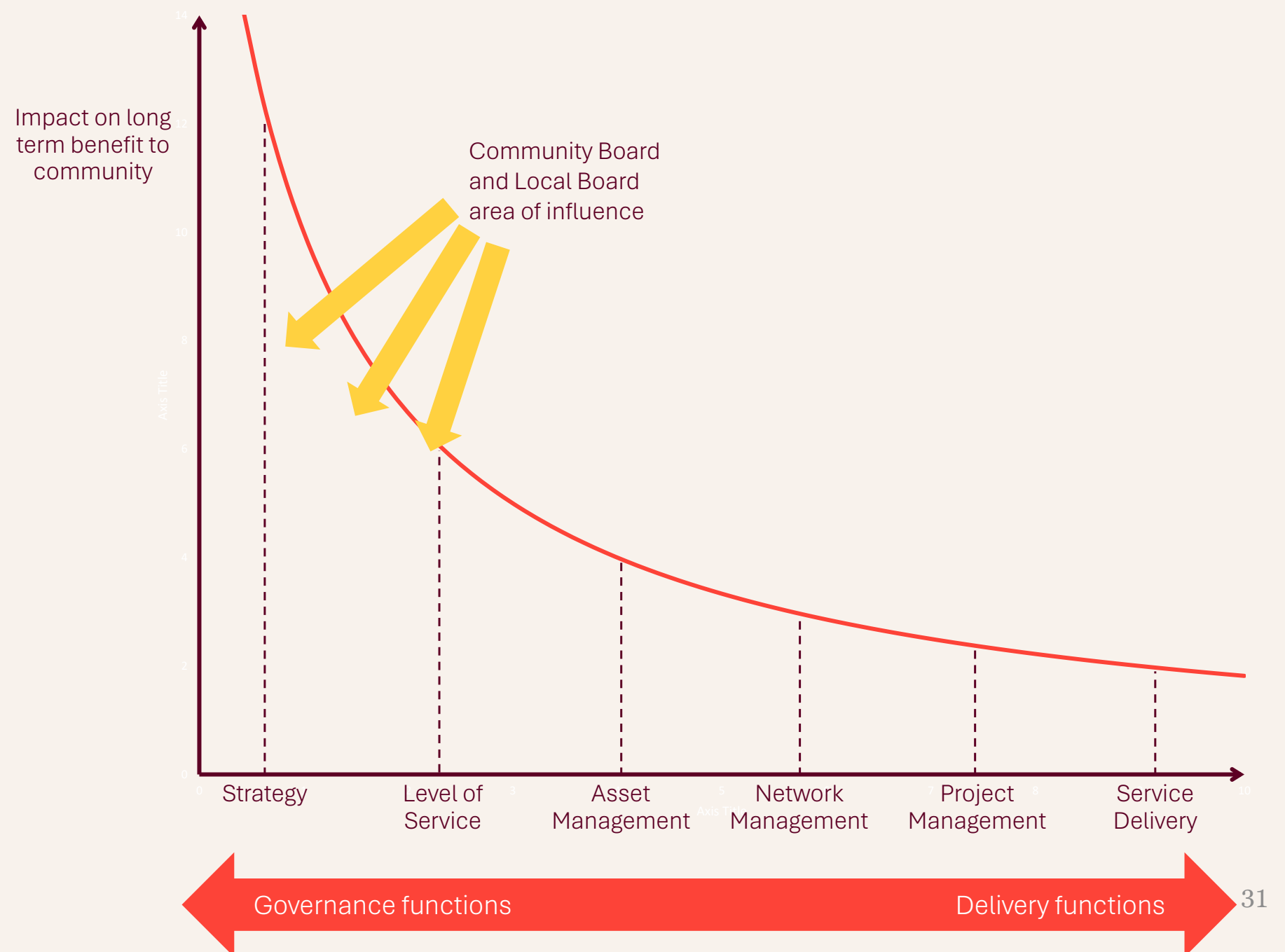
Local body delegation should be effective

The decisions on the LHS of the graph have a much larger impact on the community.

- They set direction
- They decide what shapes the community
- They are the 'What' questions

Decisions on the RHS of the graph

- Deliver the outcomes
- They are the 'How' questions



Delegation to local bodies

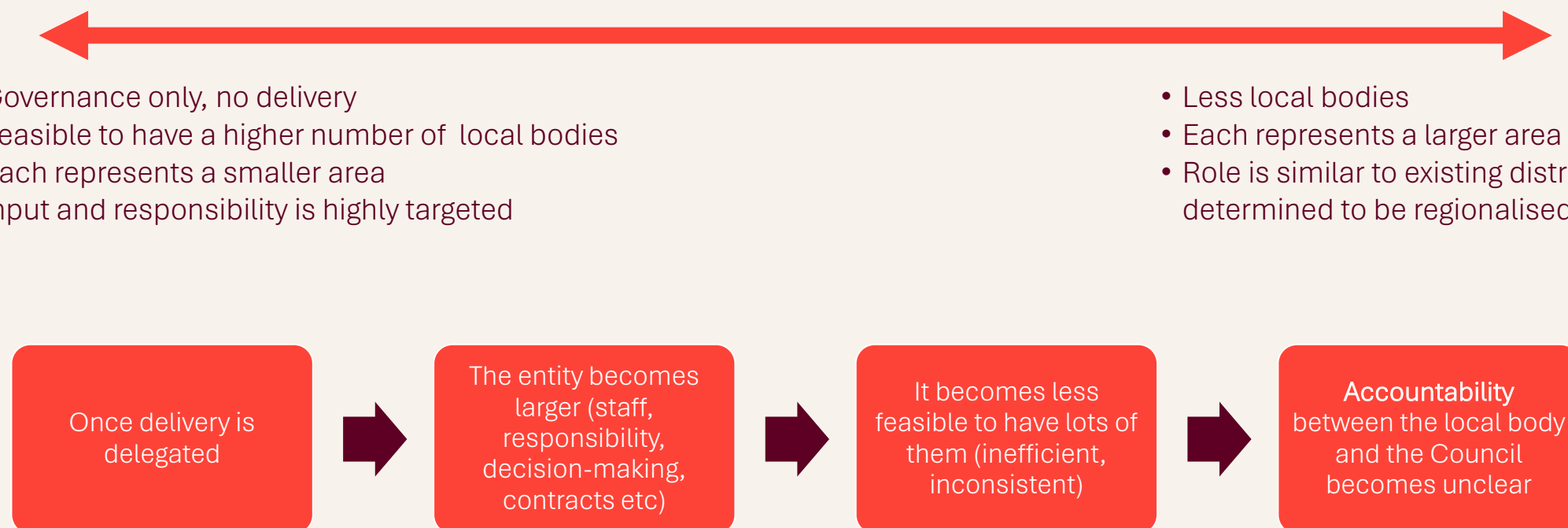
Governance only

Current community boards
and local boards sit here

- Governance only, no delivery
- Feasible to have a higher number of local bodies
- Each represents a smaller area
- Input and responsibility is highly targeted

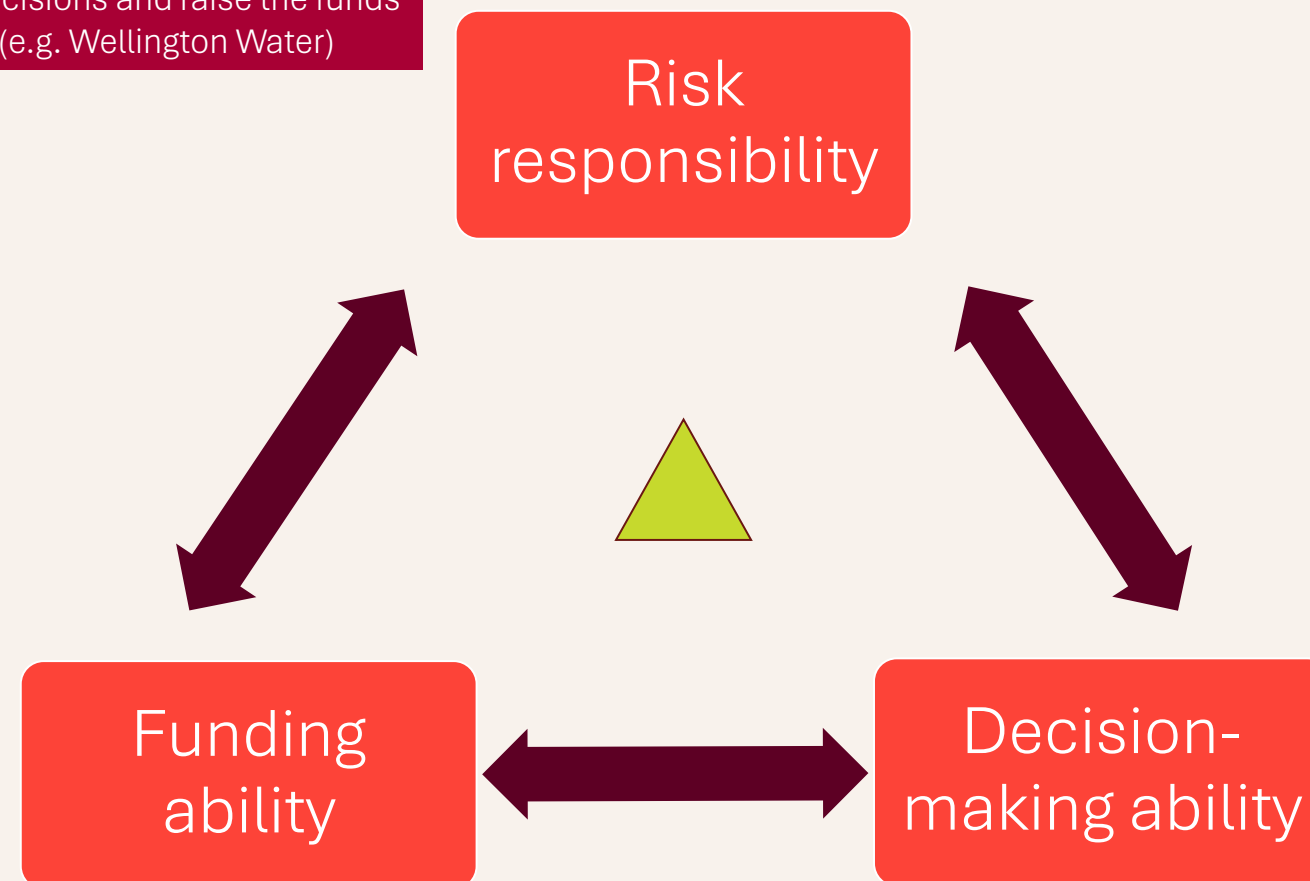
Governance + Service Delivery Responsibility

- Less local bodies
- Each represents a larger area (e.g. existing district)
- Role is similar to existing district council, less anything determined to be regionalised



Creating clear accountability

You cannot manage risk without having the ability to make decisions and raise the funds to address it (e.g. Wellington Water)



When these three things do not sit in one organisation, you create unclear accountability.

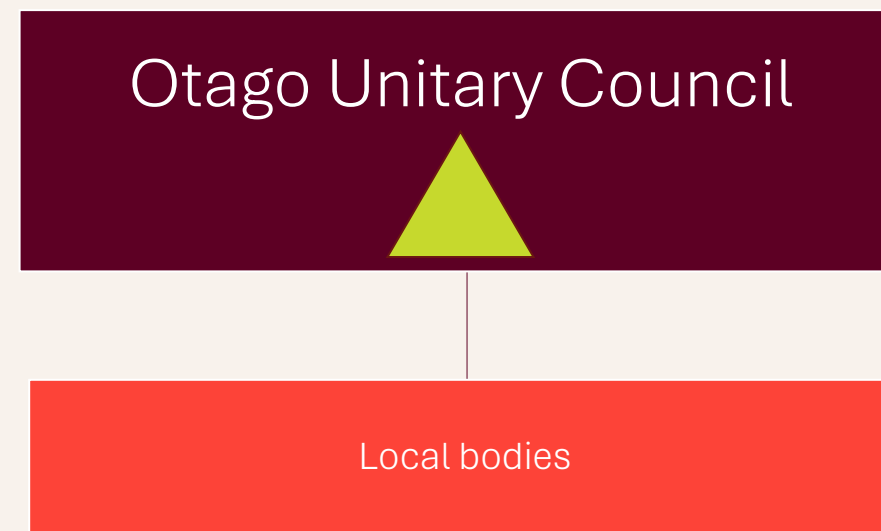
Relevant when considering:

- What is delegated to local body level
- The arrangement between a unitary council and any external entity
- How the regional functions are delivered

A funding entity without responsibility has no incentive to fund risk reduction

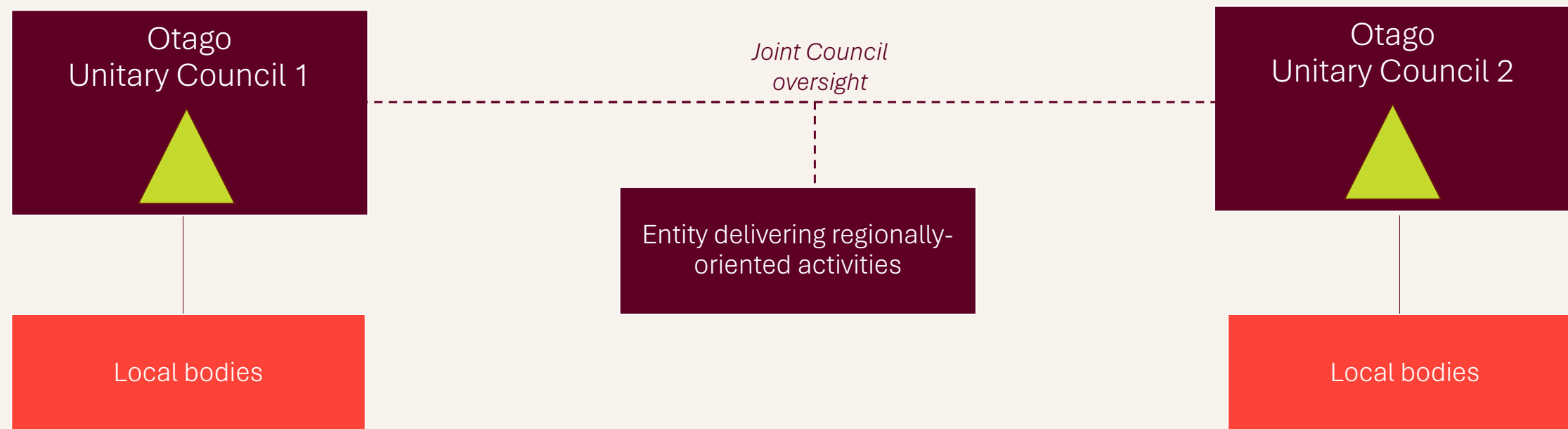
A decision-making entity without responsibility may prioritise spending according to 'want' not 'need'

One unitary council with local bodies involved in governance only (Option 1)



- Local bodies could be community boards, local boards or something new

Two or three Unitaries (Option 2, Option 3)

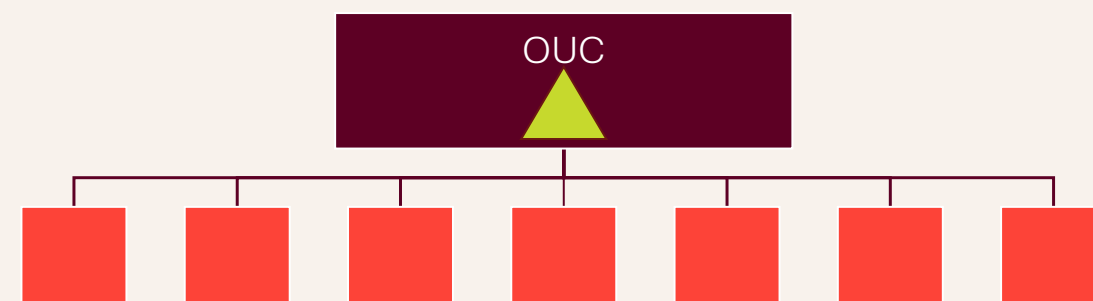


An entity delivering regionally-oriented activities is recommended when there are two or more unitary authorities to:

- *Avoid duplication of effort and resourcing capability gaps*
- *Enable efficient spatial planning and cohesive catchment management*

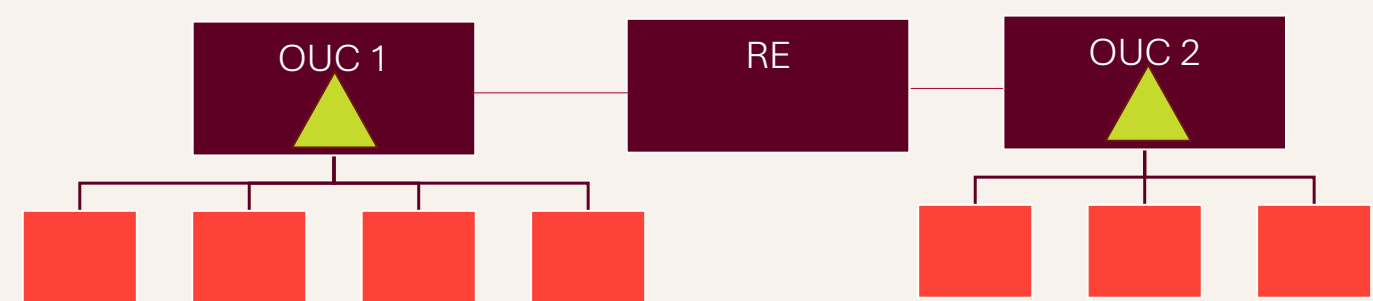
Representation

Single Unitary



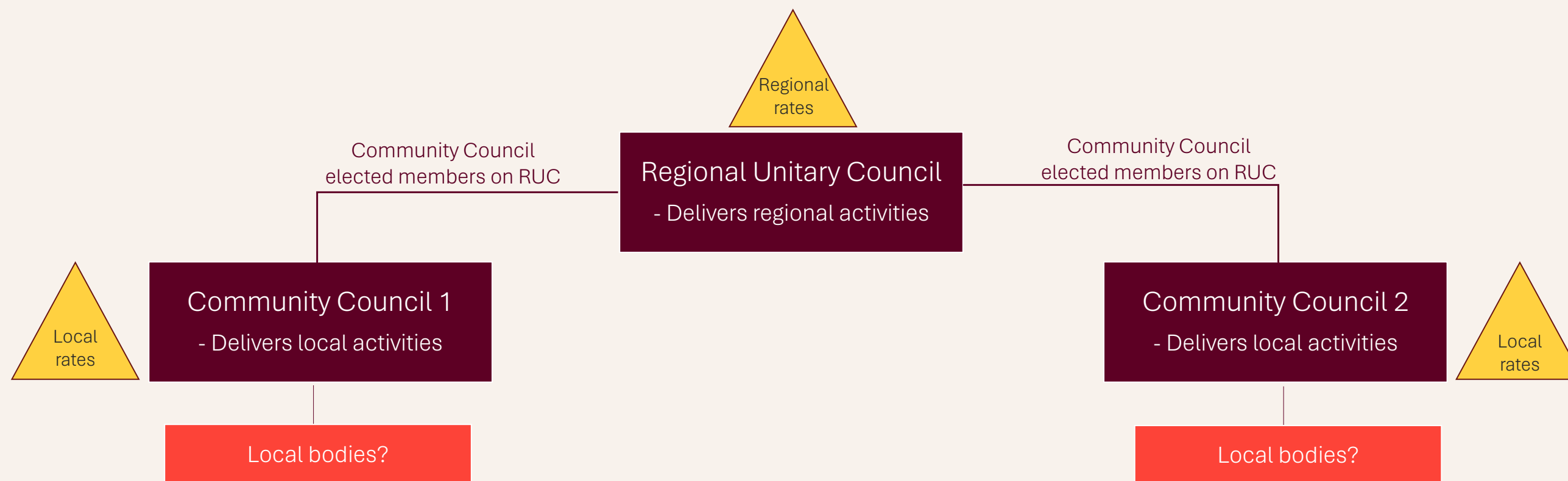
- Simpler governance structure, but less flexibility in local design
- Determined **once** at the unitary council level:
 - Whether local bodies exist or not
 - The population each local body represents
 - Level and scope of delegation
 - Function defined in legislation or determined by unitary council
 - Governance only or governance plus service delivery
- Potentially, room to explore setting at the local body level:
 - Iwi involvement and/or representation on local bodies

Two or Three Unitaries



- Local bodies have targeted influence over regional entity and their respective unity councils
- Determined **by each** unitary council:
 - Whether local bodies exist or not
 - The population each local body represents
 - Iwi involvement and/or representation on local bodies
 - Level and scope of delegation
 - Function defined in legislation or determined by respective OUC
 - Governance only or governance plus service delivery

Hybrid model



- Orange triangle instead of green to demonstrate accountability potentially unclear
- RUC may have separately elected Mayor/Chair, other RUC members selected from elected members of CCs
- RUC also has a delivery organisation for regional functions
- Each CC can decide whether to have further local governance layer

Regional council functions

Example (from ORC):

- *Flood protection is a chain of interdependent functions:*
 - *monitoring tells you what the river is doing now;*
 - *science tells you what it will do next;*
 - *engineering translates that understanding into physical infrastructure;*
 - *maintenance keeps the system working over decades.*
- *If that sequence is disrupted across multiple administrations, the links stop informing each other.*
- *Decisions about stopbank height and pump station capacity*
 - *Depend on understanding how water moves through the whole catchment; and*
 - *That knowledge cannot be disaggregated to a district level without losing the coherence that makes it useful.*

Activity Areas	Scope of work
Governance & Community Engagement	Council meetings, organisational strategy, iwi partnership, public communications, financial planning, legal services, and risk management. (no specific explainer on this as it is similar to TLA functions)
Regional Planning	Regional Policy Statement, regional plans for air, coast, and water, spatial planning support for territorial authorities, and RMA implementation.
Regulatory / Environmental Regulation	Resource consenting, compliance monitoring, enforcement, 24/7 pollution response, harbourmaster services, and public education on environmental rules.
Environmental Monitoring and Science	Environmental monitoring (350+ sites), freshwater, groundwater, soil, air and marine science, air quality monitoring, catchment management, community engagement and education, and supporting territorial authorities with environmental data and information.
Biodiversity & Biosecurity	Pest management (51 pest species), biodiversity monitoring, community conservation funding, and marine biosecurity programmes.
Natural Hazards & Climate Adaptation	Hazard mapping, flood forecasting and warnings, LiDAR surveys, climate adaptation planning, and technical support to territorial authorities.
Flood Protection, Drainage & River Management	Operation and maintenance of flood schemes (218km flood banks, 14 pump stations, 535km drains), river management, and post-flood repairs.
Emergency Management	Leading the Otago CDEM Group, coordinating emergency response across territorial authorities, 24/7 emergency capability, and community preparedness.
Transport	Orbus bus and ferry services (5.3 million trips per year), regional transport planning, fleet management, and Total Mobility scheme.

Existing Council Controlled Organisations

Otago Regional Council

Port Otago Limited

Queenstown Lakes DC

Queenstown Airport Corporation Ltd
(75% share)

Queenstown Events Centre Trust
(dormant)

Dunedin City Holdings Ltd

City Forests

City Treasury

Aurora Energy

Delta Utilities

Dunedin Ventures Management

Dunedin Stadium Property

Dunedin Railways

Dunedin International Airport Ltd
(50% share)

Waitaki DC

Tourism Waitaki

Waitaki District Council Services Ltd

Whitestone Contracting

Waitaki Whitestone Geopark Trust

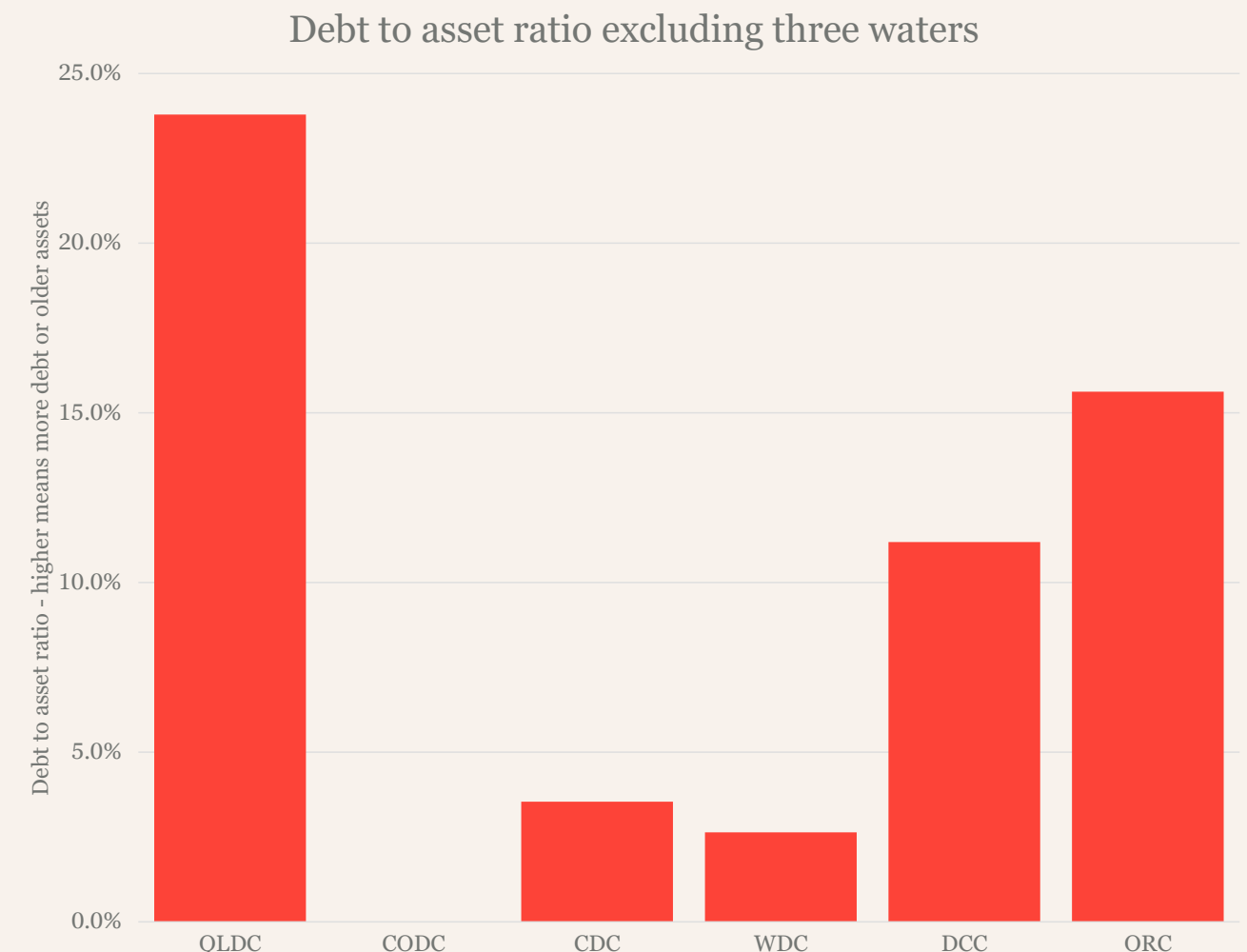
Omarama Airfield (50% share)

- Options for how these are combined under unitary models can be decided during transition
- The benefits of some CCOs can be ringfenced to particular communities

Financial benchmarking

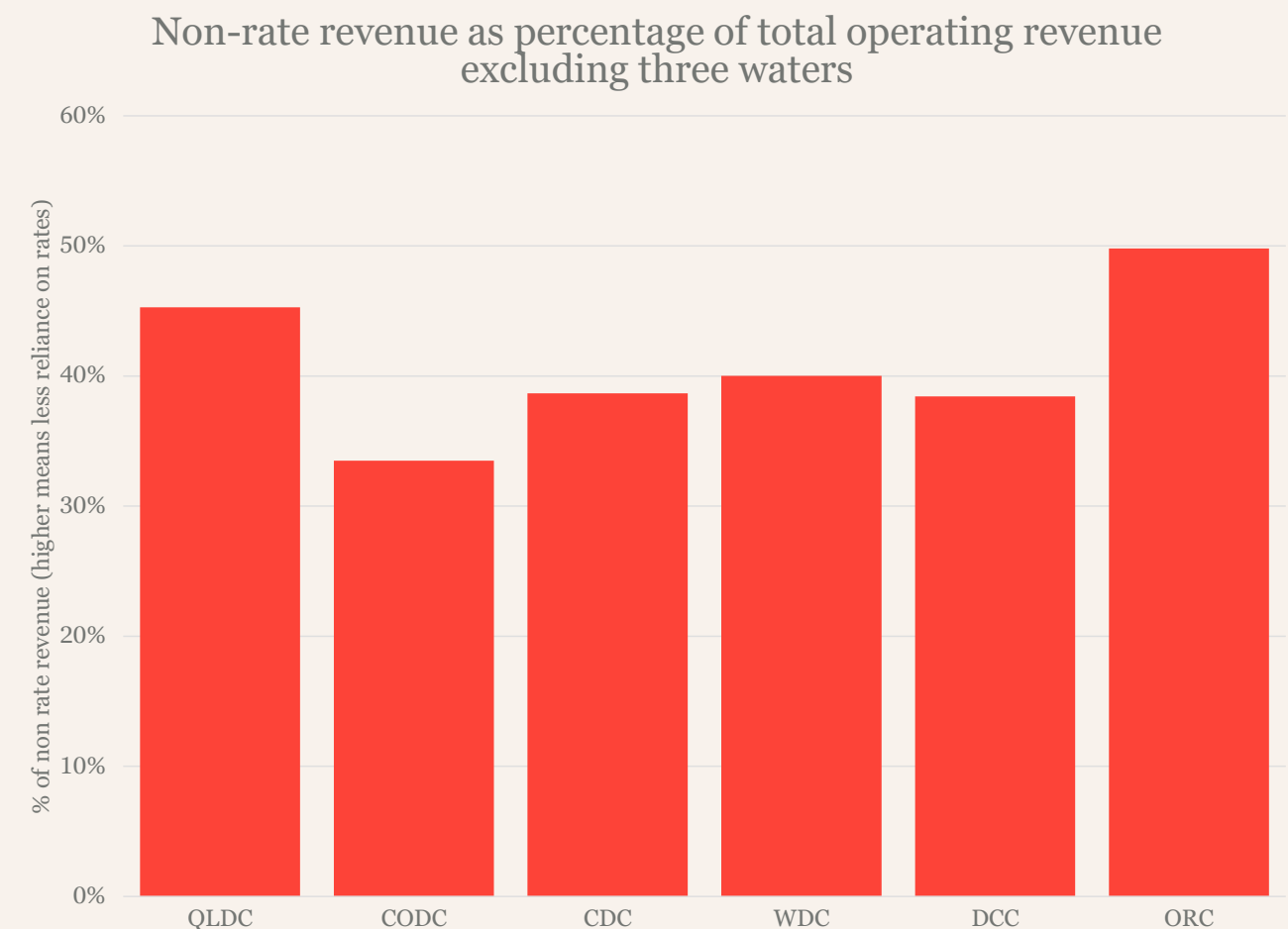
Current state comparisons - debt

- Compares net debt to book value of non-current assets.
- A higher debt to asset ratio could mean:
 - The council has relied more heavily on debt to fund asset investment than other councils (for example this may be due to not funding depreciation in the past)
 - The council has older or fewer assets than the other councils
 - The council has used debt to fund costs that are not related to asset investment
- Structurally, will not change following amalgamation. However debt servicing costs can be ringfenced through targeted rates if future council agrees to do so.



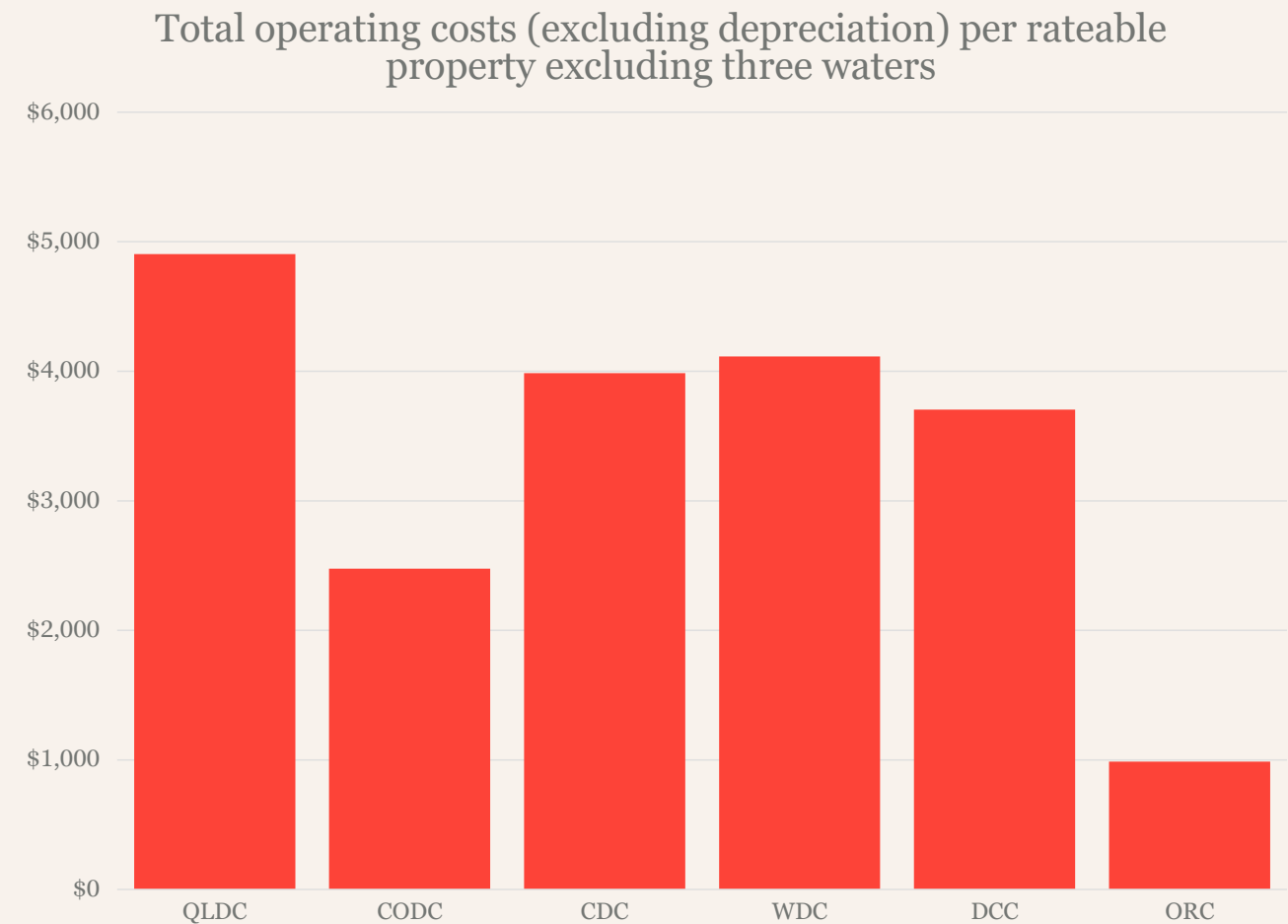
Current state comparisons – non rates revenue

- Compares the extent to which each council relies on rates as a source of revenue
- A higher ratio means that the council relies less on rates revenue to cover its costs. This could relate to income from investments such as Ports of Otago or Queenstown Airport.
- Could change post amalgamation as revenue and financing policies are reviewed.
- Investment income would be expected to stay “where it lies”
- Port ownership is a matter that would need to be resolved.



Current state comparisons – operating costs

- Shows differences in existing cost of services across councils
- Highlights that there are existing differences among the councils which may impact on the future share of costs under amalgamation options.
- QLDC has the highest operating cost per rateable property (reflective of high growth and visitor nights), while CODC has the lowest.
- There should be no expectation that these costs would be spread evenly under an amalgamation proposal. We would expect liberal use of targeted rates in the early years.



Approach to estimating economies of scale

Based on national benchmarking, and actual costs from each of the councils. Actual costs at a subregional level are based on high level allocations provided by ORC

Considers what a reasonable cost base would be for a council with equivalent attributes as the new unitary authority

Determined at a functional level based on statistically significant relationships using regression analysis

Assumes “baseline” operating costs are the equivalent of the largest territorial authority in the group and then adjusts for additional scale

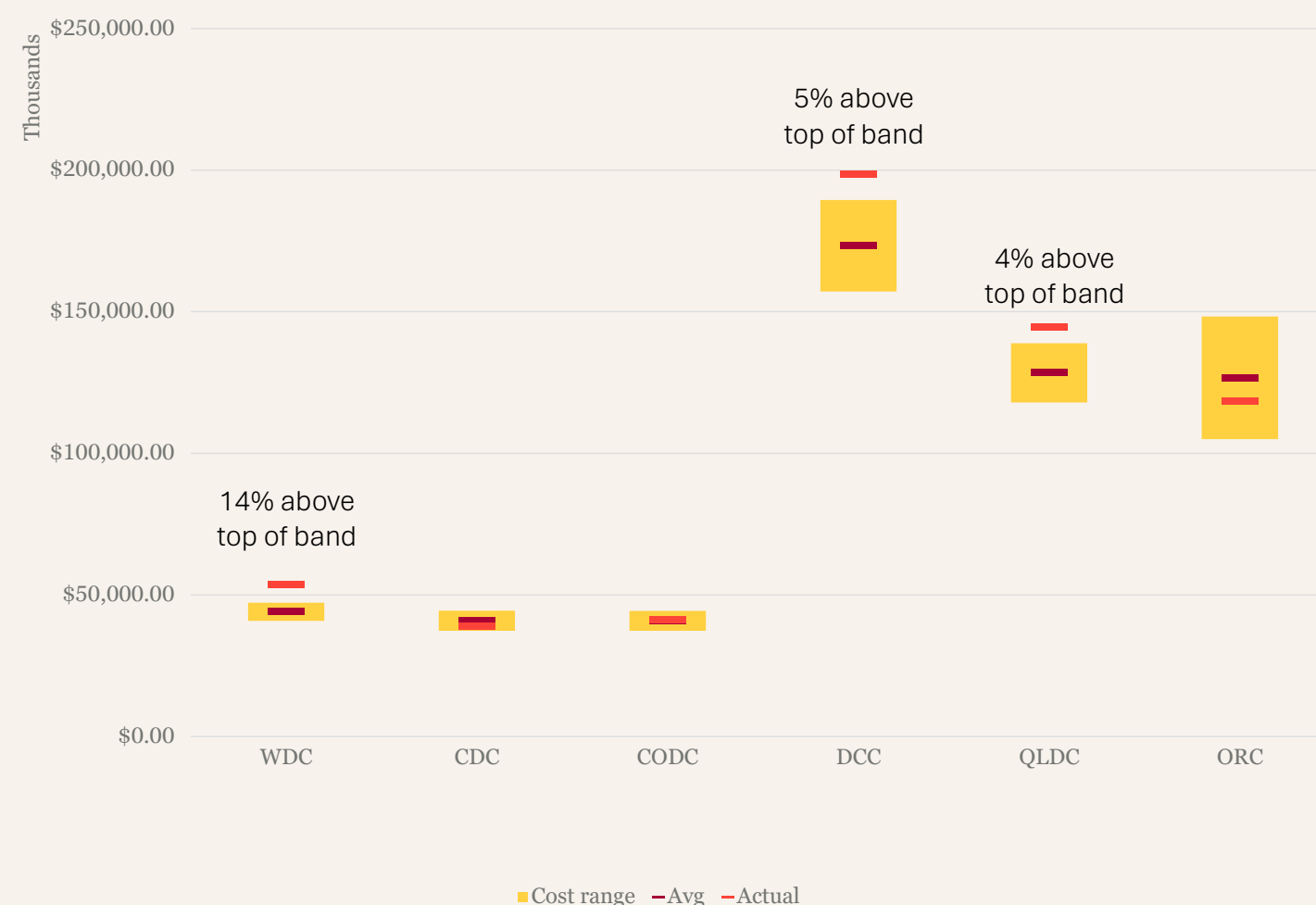
Interpreting the data

- The costs and potential efficiencies presented here are at an organisational total or average level
- Actual distribution of these costs or benefits may differ between regions
- This will be determined by future elected members
- We would expect liberal use of targeted rates, aligned to differences in levels of service for at least the first few years
- All costs exclude public transport

Considering model fit

- Compares costs produced from benchmarking exercise with actual costs for each council to test fit of the model.
- QLDC, DCC and WDC had actual costs exceeding the top of our estimated band, all other councils were within the cost band.
- At a combined level (not shown due to impacts on chart scale) combined costs were 3% lower than the top of our price band.
- This may indicate that either:
 - Service delivery in QLDC, DCC and WDC is inherently more expensive than elsewhere in the country and any future model including these councils will likely cost closer to the top end of our bands.
 - There is additional scope for efficiencies within those councils.
- Based on review of literature and for conservatism our view is that the former is more likely to be correct.

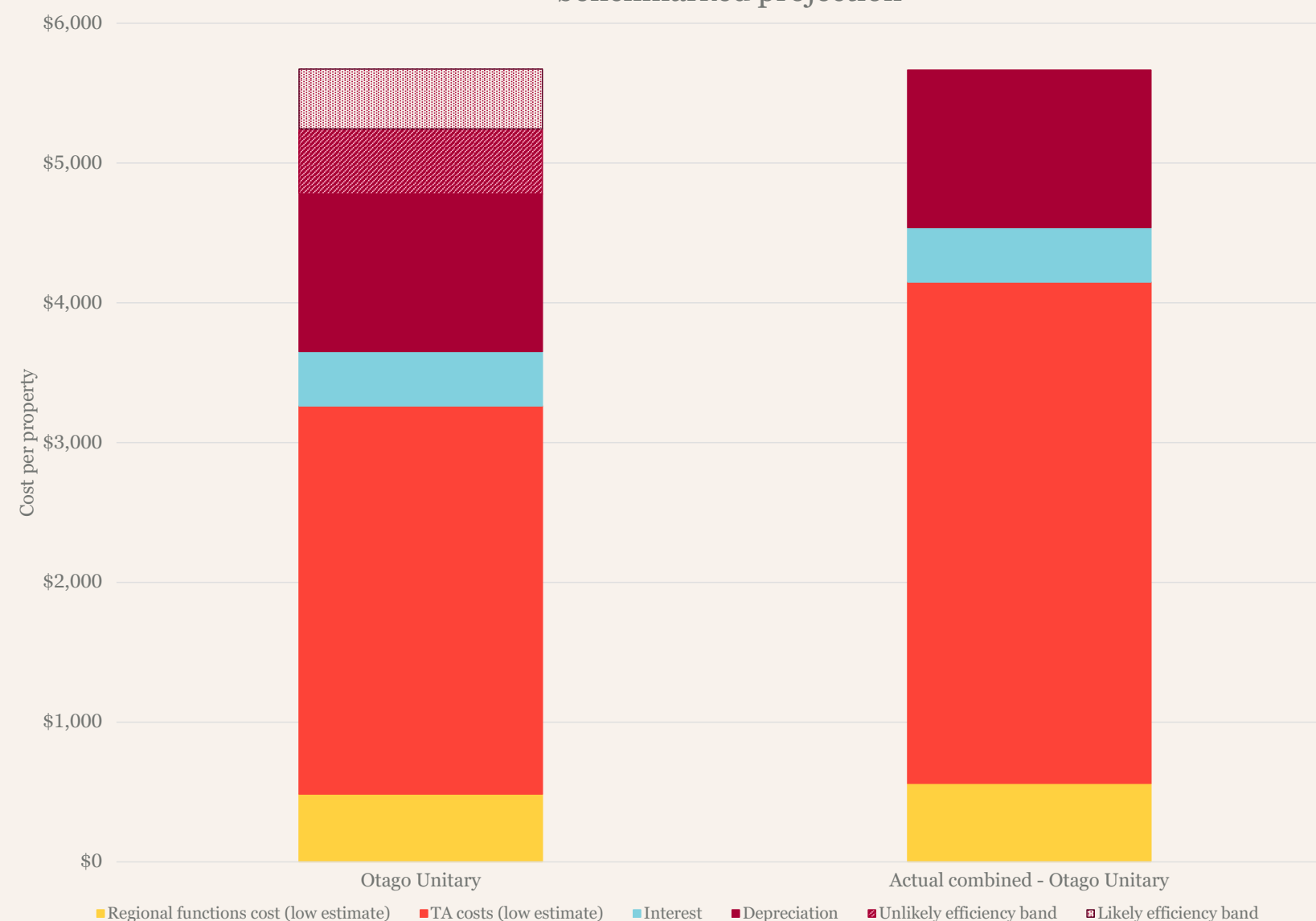
Testing fit – benchmarked costs versus actual costs for included councils



Option 1

- Efficiencies between 0% – 7% compared to actual combined costs
- Assumes no efficiencies on DCC's existing costs, and costs increased only for additional scale
- The lowest cost range
- Costs would not be likely to be spread evenly
- Benchmarked costs are between 0 – 16% lower than actual costs, but efficiencies beyond 7% are considered unlikely

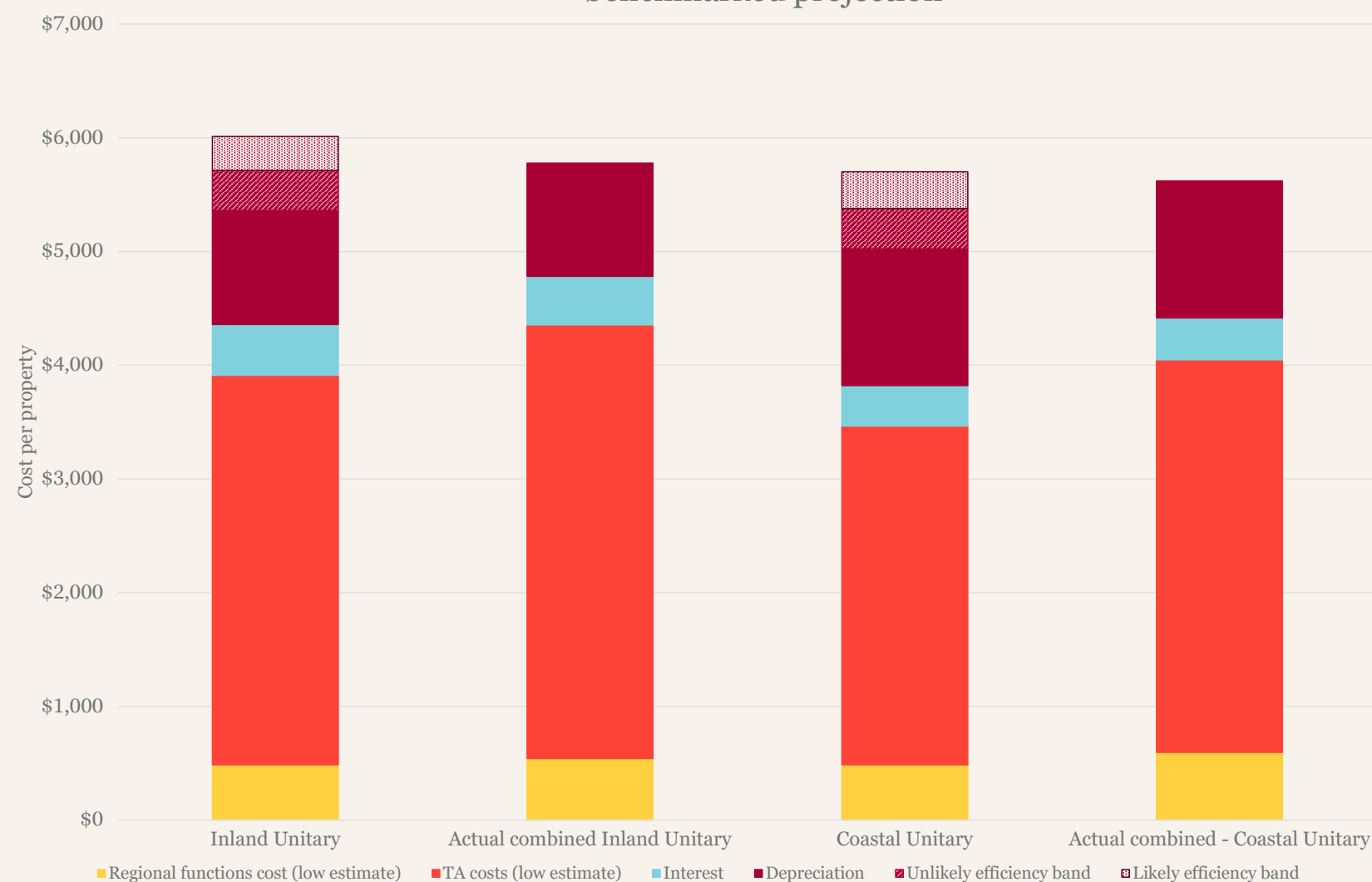
Option 1 comparison of existing cost per rateable property versus benchmarked projection



Option 2

- Between 4% more expensive and 1% more efficient compared to actual combined costs for Inland unitary
- Between 1% more expensive and 4% more efficient compared to actual combined costs for Coastal unitary
- Assumes no efficiencies on DCC's or QLDC's existing costs, and costs increased only for additional scale
- Assumes a shared regional entity for delivery
- Benchmarked costs are between 4% higher and 7% lower for an Inland Unitary, and 1% higher to 11% lower for a Coastal Unitary

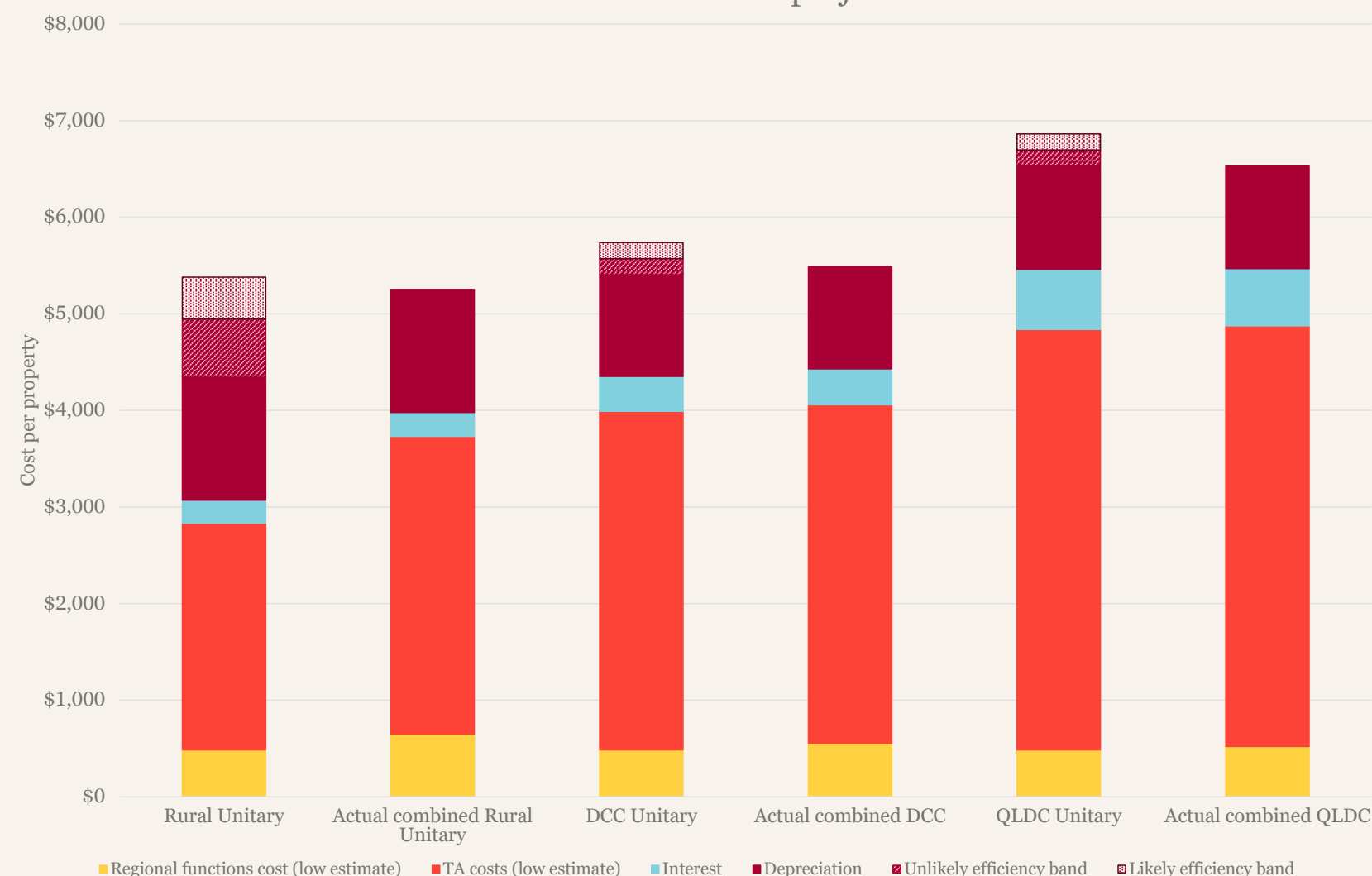
Option 2 comparison of existing cost per rateable property versus benchmarked projection



Option 3

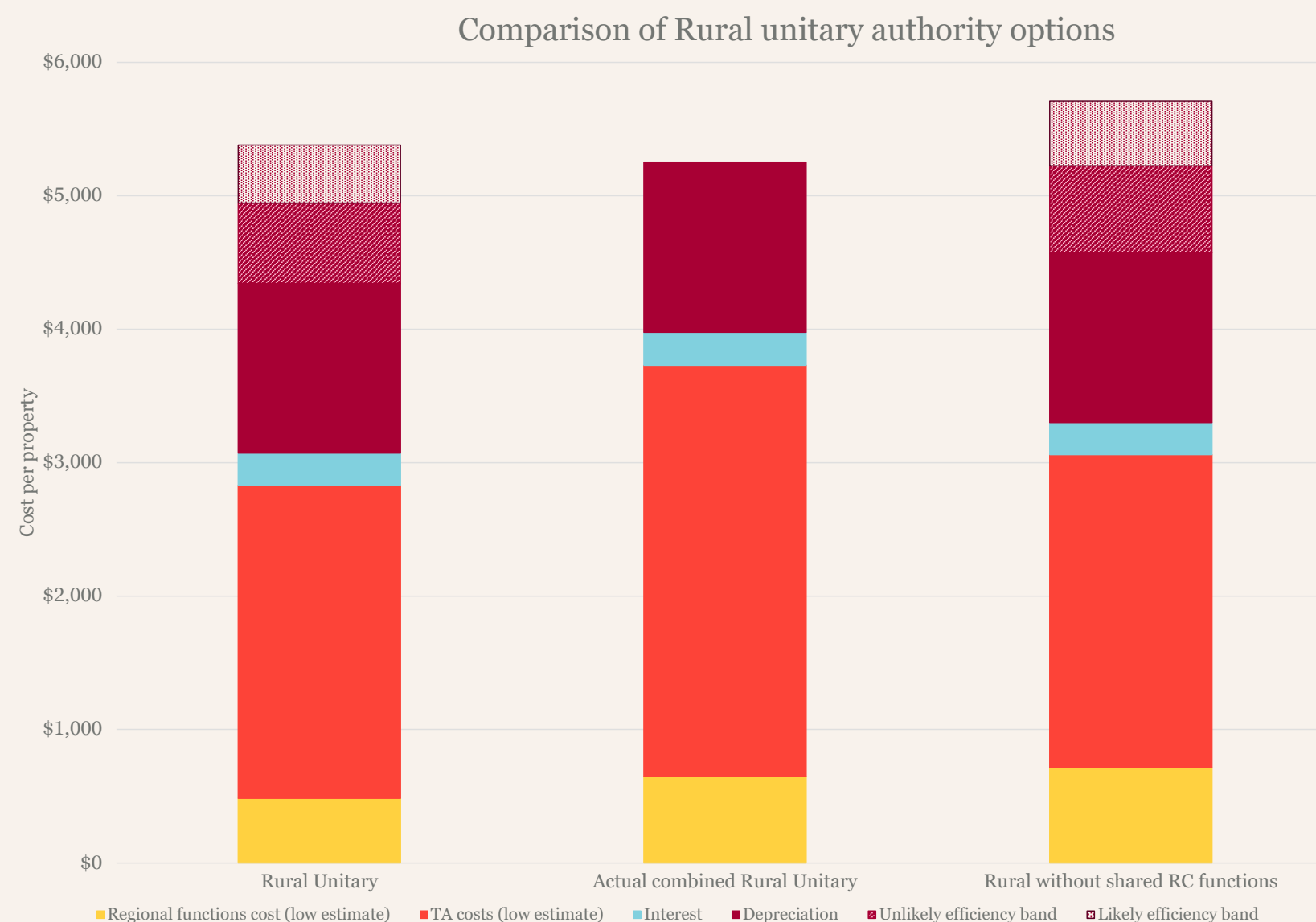
- Costs for a Rural Unitary are between 2% higher and 6% lower than the actual combined costs.
- Costs for DCC and QLDC Unitary authorities are essentially the same as the status quo, with some uncertainty regarding the regional council functions
- Assumes no efficiencies on WDC's, DCC's or QLDC's existing costs, and costs increased only for additional scale
- Assumes a shared regional entity for delivery
- Benchmarked costs for a rural unitary are between 2% higher and 17% lower than actual costs, but efficiencies beyond 6% are considered unlikely

Option 3 comparison of existing cost per rateable property versus benchmarked projection



Rural unitary without shared regional functions

- Without shared regional functions, costs for a rural unitary authority could be between 9% greater or 1% lower than actual current costs per rateable property
- Costs would be 5% -6% higher than with a regional shared entity.
- Difference may also reflect differences in cost of delivering local services – even with a regional entity, a rural unitary may pick up a greater share of the costs.

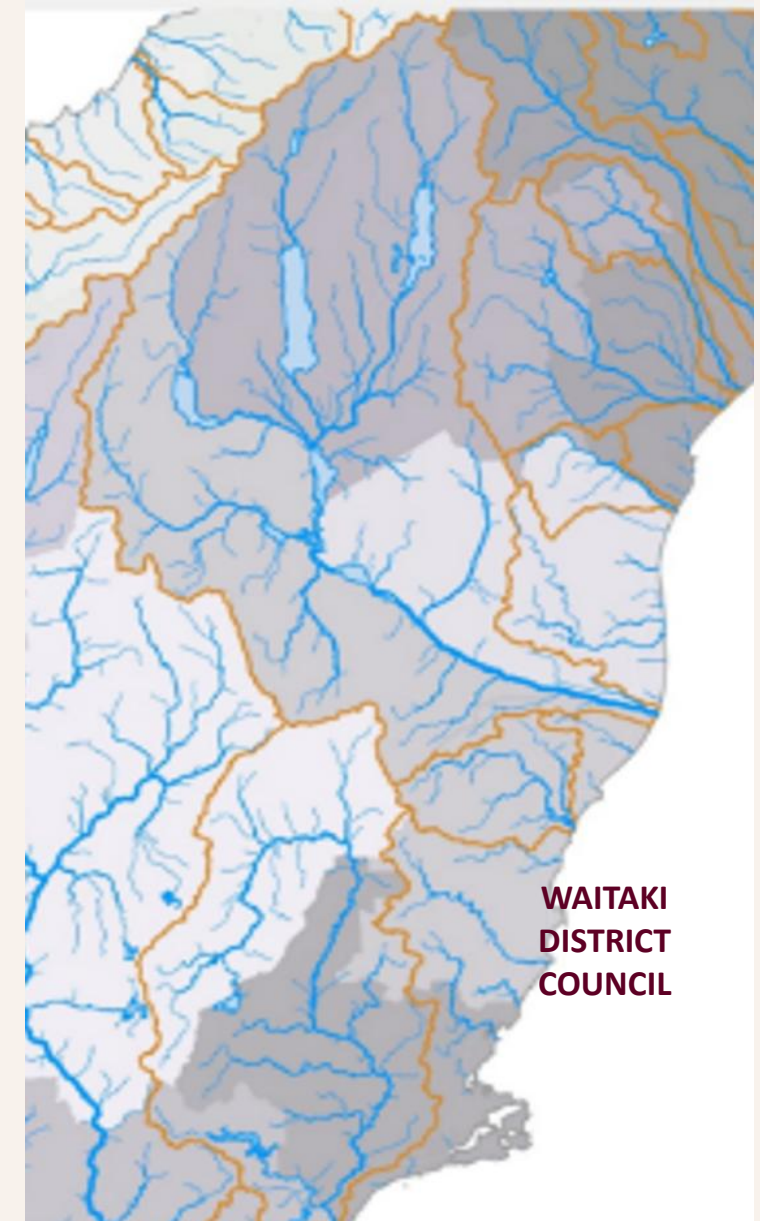


All options compared

	Mid point efficiency	Range
Otago Unitary	7.4% reduction	0% - (16%)
Coastal Unitary	4.3% reduction	1% - (11%)
Inland Unitary	1.1% reduction	4% - (7%)
Rural Unitary	5.8% reduction	2% - (17%)
DCC Unitary	No material change	No material change
QLDC Unitary	No material change	No material change

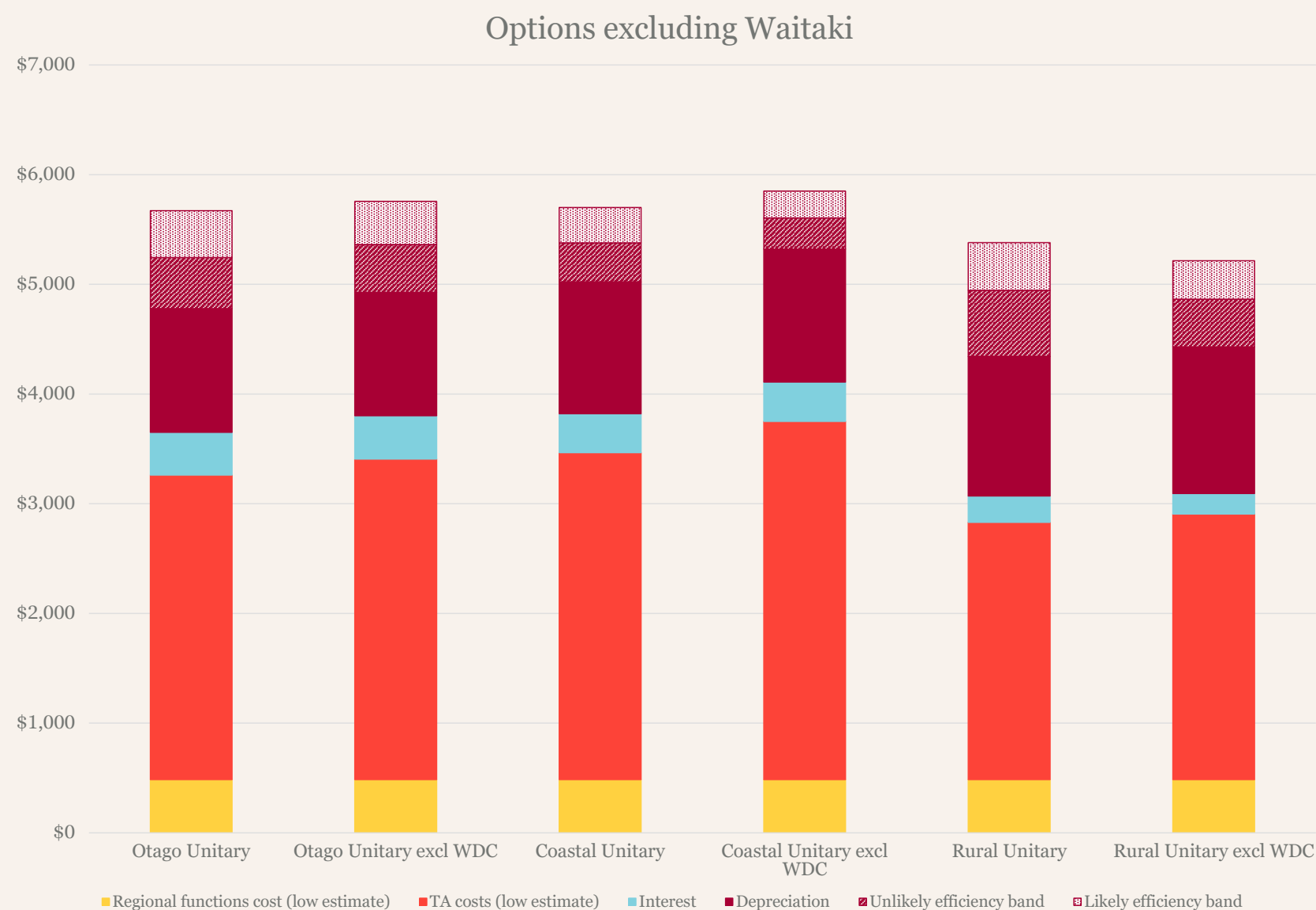
Waitaki considerations

- Waitaki River catchment straddles Waitaki, Waimate and Mackenzie districts
- Env. Canterbury delivers catchment management functions for the river
- The Waitaki catchment portion of the district is a separate ward
- Southern parts of Waitaki affiliate with North Otago



Options excluding Waitaki

- Exclusion of Waitaki results in costs per rateable property that are:
 - between 1% - 3% higher than an Otago unitary that includes Waitaki.
 - between 3% - 6% higher than a Coastal unitary that includes Waitaki.
 - between 2% higher - 3% lower than a Rural unitary that includes Waitaki.
- The difference in costs between options may not be evenly distributed.
- Assumes a shared regional entity for delivery



Assessment against government criteria

- These are not Morrison Low Advisory criteria nor those of the Otago mayors or councils.
- Rather, this assessment seeks to demonstrate how aligned the options are with what the government has said they see as important.
- Aligning with the government's criteria does not necessarily mean the option is recommended.

Government Criteria	Option 1: one region-wide Otago unitary	Option 2: two unitary authorities, inland and coastal	Option 3: three unitary authorities, urban and rural
Supports the new planning system	- One regional combined plan. - Fewer plans overall. - One council making planning decisions. - Catchment management mostly contained within the region's boundary. - Waitaki catchment in Canterbury region would require special catchment management arrangements (like occurs now) or a boundary change.	- One regional combined plan, but covering two councils. - Increased number of steps to make regional planning decisions amongst two councils. - More plans overall. - This options connects Queenstown Lakes with supporting growth areas in Central Otago. - Catchment management crosses council boundaries, requiring decisions amongst two councils. - While catchment centred around upper Clutha possible with some boundary changes, downstream effects would require decisions amongst two councils. - Waitaki catchment boundary issue remains.	- Same as option two but further complexity with coordination between three councils instead of two. - Cuts off Queenstown from supporting growth areas in Central Otago. - While the upper Clutha catchment aligns reasonably well with the Queenstown boundary, defining a boundary for the Dunedin council that aligns with catchment boundaries is difficult. - Waitaki catchment boundary issue remains.

Government Criteria	Option 1: one region-wide Otago unitary	Option 2: two unitary authorities, inland and coastal	Option 3: three unitary authorities, urban and rural
Simpler local governance	• Simpler overall with fewer councils. • Less duplication and clearer accountability. • Simpler for customers with one organisation to transact with and receive communications from.	• Two councils instead of one, requires coordination between them. • Introduces regional entity to deliver regional functions, that requires joint governance by two councils, reducing simplicity. • Duplication of effort by each unitary, but focused on the issues in that area. • Only one organisation to transact with for most customers, but some commercial customers (e.g. developers working across the two areas) will transact with two councils.	• Same as option 2 but with three councils instead of two the complexity is at least doubled.

Government Criteria	Option 1: one region-wide Otago unitary	Option 2: two unitary authorities, inland and coastal	Option 3: three unitary authorities, urban and rural
Economies of scale	• Greatest opportunity for efficiency and effectiveness with scale. • More likely to have sufficient resources to cover both day to day operations and strategic functions and cover when there are resourcing gaps / vacancies. • Strategic decisions affecting wide areas more likely to be progressed e.g. freight corridors. • Includes two large population centres, which likely require equal servicing, reducing scale efficiencies e.g. two distinct public transport networks, two airports, two event centres. • Level of service generally increases to the urban level, reducing cost-efficiencies from scale.	• Scale efficiencies possible but the extent of efficiencies differs between the two unitary authorities. • Each unitary has a large population centre to service the unitary. • Again, likely to have sufficient resources to cover both day to day operations and strategic functions, although not quite at the same level as one unitary. • Strategic decisions likely to be progressed and no tension between Queenstown-centred decisions and Dunedin-centred decisions. • Like one unitary, level of service generally increases to the urban level.	• Queenstown and Dunedin remain relatively unchanged. • Rural councils benefit from aggregation, but not to the same extent as one unitary. • Requires a joint entity to deliver regional functions to achieve efficiencies • Capability resilience decreases with more councils, existing capability challenges continue in Queenstown and Dunedin.

Government Criteria	Option 1: one region-wide Otago unitary	Option 2: two unitary authorities, inland and coastal	Option 3: three unitary authorities, urban and rural
Maintains a strong local voice	- Disparate communities forced to come together and be represented collectively. - Possible to address some of the variation in communities of interest through representation at governing body (wards) and lower tier (local or community boards) but the model is set up to fairly represent the whole region as opposed to tailored arrangements at a sub-regional level in the multi-unitary models.	- Addresses the large differences between Queenstown (tourism and growth focus) and Dunedin (and the coastal communities connected to Dunedin) - Rural voice and differences in rural voice in different parts of the region are still not well represented. - The two unitary authorities can establish representation arrangements and delegations to second tier governance tailored to their needs.	- Addresses the large differences between Queenstown and Dunedin, whilst also establishing a unitary that has a strong rural voice. - The three unitary authorities have even greater control in establishing representation arrangements and delegations to second tier governance tailored to their needs.

Government Criteria	Option 1: one region-wide Otago unitary	Option 2: two unitary authorities, inland and coastal	Option 3: three unitary authorities, urban and rural
Deliverability	- Not as complex as other options to establish but still requires significant change (six councils into one). - Not aligned with community sentiment (from the community surveys), risking the arrangement being challenged during establishment.	- Requires establishment of separate regional entity in addition to transitioning six councils into two. - Aligns more closely with community sentiment (from the community surveys), reducing the risk the arrangement will be challenged during establishment. - Aligns with inland Regional Deal	- Similar complexity to establish as option 2. - Most aligned to community sentiment, least risk establishment will be challenged.

Assessment against government criteria

Government Criteria	Option 1: one region-wide Otago unitary	Option 2: two unitary authorities, inland and coastal	Option 3: three unitary authorities, urban and rural
Supports the new planning system	Simpler planning system, cohesive catchment management.	Increased complexity in planning decision, disjointed catchment management.	Further complexity in planning and disjointed catchments.
Simpler local governance	Less duplication and clearer accountability.	Introduces regional entity to deliver regional functions, less clear accountability and some duplication introduced.	Same as option 2 but with three councils instead of two the complexity is at least doubled.
Economies of scale	Higher capability in resourcing improves decision making, but increased level of service reduces cost efficiencies.	- Scale efficiencies possible, but not as pronounced as single unitary. - Different efficiency outcomes for Inland and Coastal.	- Queenstown and Dunedin remain relatively unchanged. - Rural councils benefit from aggregation.
Maintains a strong local voice	Disparate communities represented collectively and representation model requires equity across the region.	- Differences inland and coastal recognised but rural voice not as clear. - Each unitary establishes representation reflecting their community.	- Recognises different voices the most. - Each unitary establishes representation reflecting their community.
Deliverability	Simpler to establish, but not aligned with community sentiment, risking challenge during establishment.	Aligns more closely with community sentiment, but requires separate regional entity establishment.	Similar complexity to establish as option 2.

Thank you

If you have any enquiries or need more information about the services we provide, don't hesitate to contact us. We look forward to helping you succeed.



Head Start Option 4 Supplementary Councils of Otago Region

22 July 2026



Prepared for:

Job #	Version	Written	Reviewed	Approved	Report Date
314302	1	A. Grace	S. Cross	S. Cross	22 July 2026

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Purpose of this report

This report should be read alongside Morrison Low Advisory's earlier report dated 3 July 2026.

This report contains supplementary analysis regarding a fourth potential option for a unitary authority, being a combination of:

- Central Otago District Council
- Clutha District Council
- Queenstown Lakes District Council

For consistency, Option 4 also assumes a joint entity for the delivery of regional functions.

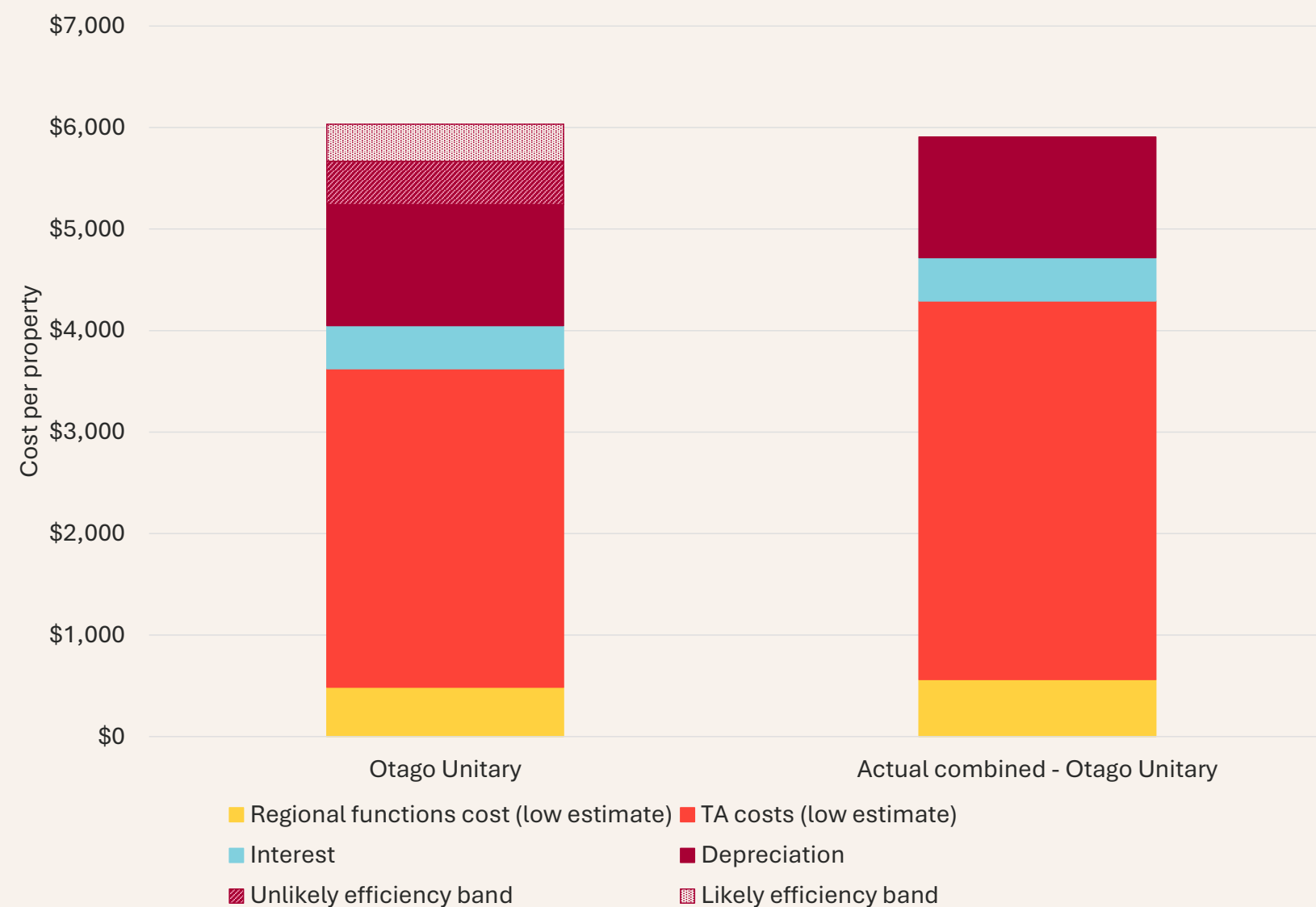
The full analysis presented in our earlier report is not repeated within this report, but remains relevant to the extent that it relates to the communities included within this grouping, or for comparative purposes.



Option 4

- Efficiencies of around 4% compared to actual combined costs
- Assumes no efficiencies on QLDC's existing costs, and costs increased only for additional scale
- Costs would not be likely to be spread evenly
- Benchmarked costs are between 2% higher and 11% lower than actual costs, but efficiencies beyond 4% are considered unlikely

Option 4 comparison of existing cost per rateable properties versus benchmarked projection



All options compared

	Mid point efficiency	Range
Option 4	4% reduction	2% - (11%)
Otago Unitary	7.4% reduction	0% - (16%)
Coastal Unitary	4.3% reduction	1% - (11%)
Inland Unitary	1.1% reduction	4% - (7%)
Rural Unitary	5.8% reduction	2% - (17%)
DCC Unitary	No material change	No material change
QLDC Unitary	No material change	No material change

Assessment against government criteria

- These are not Morrison Low Advisory criteria nor those of the Otago mayors or councils.
- Rather, this assessment seeks to demonstrate how aligned the options are with what the government has said they see as important.
- Aligning with the government's criteria does not necessarily mean the option is recommended.

Government Criteria	Option 4: two unitary authorities, QLDC+CODC+CDC, DCC
Supports the new planning system	• Simplifies catchment management for the large Clutha River, with other areas possibly being simplified through boundary adjustments. • One regional combined plan, but covering two councils. Dunedin and Queenstown require separate chapters regardless of model. • Increased number of steps to make regional planning decisions amongst two councils, and more plans overall. • This option connects Queenstown Lakes with supporting growth areas in Central Otago.
Simpler local governance	• Two councils instead of one, requires coordination between them. • Introduces regional entity (or in-house business unit) to deliver regional functions, that requires joint governance by two councils, reducing simplicity, but less coordination than in Option 2 or 3. • Duplication of some effort by each unitary, but less than Option 2 or 3. • Only one organisation to transact with for most customers.
Economies of scale	• Minor scale efficiencies possible for joint entity, while cost for DCC likely to be similar to status quo. • Regional functions require a joint entity or an in-house business unit servicing both unitary authorities. • Strategic decisions affecting broad Otago area likely to be progressed e.g. freight corridors, but less connected to Port in Dunedin. • Capability resilience improved over status quo, but not as strong as a single unitary. • Level of service specific to Wakatipu could be established separate from the remaining rural townships and rural areas.
Maintains a strong local voice	• A strong rural voice. • Address large differences between the city of Dunedin and the rural areas and towns across most of the second unitary authority. • Requires representation arrangements to address large differences specific to Wakatipu part of QLDC. • Disparate communities forced to come together and be represented collectively.
Deliverability	• Regional functions may require separate regional entity or DCC unitary could receive services from an in-house business unit of the other unitary. • Aligns more closely with community sentiment than a single unitary. • Aligns with the inland Regional Deal.

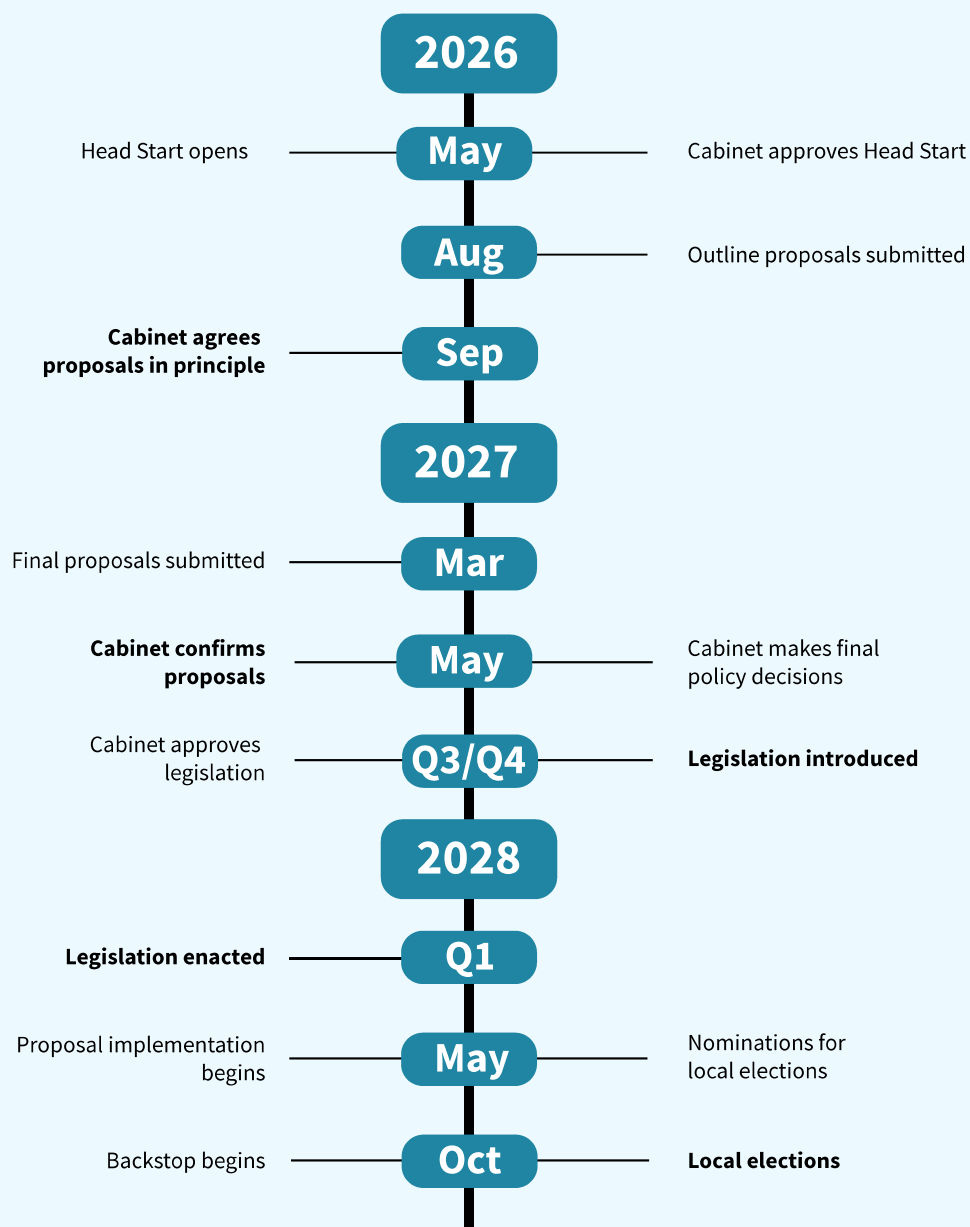
Assessment against government criteria

Government Criteria	Option 1: one region-wide Otago unitary	Option 2: two unitary authorities, inland and coastal	Option 3: three unitary authorities, urban and rural	Option 4: two unitary authorities, QLDC+CODC+CDC, DCC
Supports the new planning system	Simpler planning system, cohesive catchment management.	Increased complexity in planning decision, disjointed catchment management.	Further complexity in planning and disjointed catchments.	One authority to manage most catchments, less planning complexity than Option 2 or 3.
Simpler local governance	Less duplication and clearer accountability.	Introduces regional entity to deliver regional functions, less clear accountability and some duplication introduced.	Same as option 2 but with three councils instead of two the complexity is at least doubled.	Regional entity for regional functions, but could be less complex than Option 2 or 3.
Economies of scale	Higher capability in resourcing improves decision making, but increased level of service reduces cost efficiencies.	- Scale efficiencies possible, but not as pronounced as single unitary. - Different efficiency outcomes for Inland and Coastal.	- Queenstown and Dunedin remain relatively unchanged. - Rural councils benefit from aggregation.	- Scale efficiencies possible, but not as pronounced as single unitary. - Level of service differences for Queenstown to be managed.
Maintains a strong local voice	Disparate communities represented collectively and representation model requires equity across the region.	- Differences inland and coastal recognised but rural voice not as clear. - Each unitary establishes representation reflecting their community.	- Recognises different voices the most. - Each unitary establishes representation reflecting their community.	- Rural voice clearer. - Require representation to recognise Queenstown difference. - Dunedin representation unchanged from status quo.
Deliverability	Simpler to establish, but not aligned with community sentiment, risking challenge during establishment.	Aligns more closely with community sentiment, but requires separate regional entity establishment.	Similar complexity to establish as option 2.	Slightly less complex to establish than Option 2 or 3.

Thank you

If you have any enquiries or need more information about the services we provide, don't hesitate to contact us. We look forward to helping you succeed.

Timeline





Te Rūnanga o NGĀI TAHU

15 July 2026

Her Worship Sophie Barker
Mayor of Dunedin City Council
PO Box 5045
Dunedin 9054

Sent via email: Sophie.Barker@dcc.govt.nz

E te Koromatua, tēnā koe,

Local Government Reform – Opportunities for Te Waipounamu

I am writing regarding the Government's Head Start reform programme for local government and the opportunities it creates for the future of local governance across Te Waipounamu.

The reforms provide a once-in-a-generation opportunity to modernise our 1989 system and design local governance and service delivery arrangements that are genuinely fit for the future of South Island communities. Ngāi Tahu strongly supports all regions within our Takiwā submitting a compliant Head Start proposal by 9 August. We acknowledge the tight timeframe and appreciate the considerable work already undertaken to engage with communities and with one another.

Given the scale of the change being contemplated, it is vital that we collectively consider how new arrangements can best reflect the aspirations and needs of our communities. The decisions made now will shape community wellbeing, economic development, infrastructure delivery, environmental stewardship, and democratic representation for decades ahead. Our view is that incremental change is not enough. Simply converting existing boundaries into unitary councils will fall short of what is needed to meet the challenges before us.

As an iwi we have been reflecting carefully on what these reforms mean for Ngāi Tahu and for the communities across our Takiwā. While our thinking will continue to evolve as proposals develop, four key principles underpin our approach:

1. **Local government boundaries should align with the Ngāi Tahu takiwā boundary.** The Ngāi Tahu takiwā is a natural and enduring contour in the physical and social landscape of Te Waipounamu. Aligning local government boundaries with the Ngāi Tahu takiwā would be an appropriate acknowledgement of the "new age of cooperation" promised in our Settlement.

Te Rūnanga o Ngāi Tahu
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Website: www.ngaitahu.iwi.nz

Te Rūnanga o Ngāi Tahu

2. **River catchments should be the primary determinant of unitary council boundaries within the Ngāi Tahu takiwā.** Catchment-based governance offers the opportunity for more integrated and effective management of freshwater, land use, biodiversity, infrastructure and hazard resilience, recognising that natural systems do not conform to current administrative boundaries.
3. **A joint takiwā-wide entity should be established to provide shared back-office and specialist functions on behalf of new unitary councils.** A shared services model could improve efficiency, reduce duplication, strengthen capability and support financially sustainable outcomes while allowing councils to maintain strong local connections and decision-making.
4. **Future arrangements should incorporate genuine cooperation between councils and Papatipu Rūnanga.** Strong council-iwi cooperation built on our enduring and legislatively anchored rangatiratanga will help ensure decisions are informed by local knowledge, long-term stewardship considerations and te Tiriti-based relationships.

We are confident that governance arrangements developed in accordance with these principles will produce an outcome that meets the Government's expectations for Head Start while delivering lasting benefits for communities across Te Waipounamu.

In our view, a future system should include three components:

1. Strong, visible, on the ground governance for inherently local matters like halls and community centres, pools, libraries, arts, heritage and other community facing services.
2. Regional or sub regional unitary councils responsible for the full suite of current regional, district and city functions.
3. A Takiwā-wide shared services entity delivering functions where scale is essential, for example data, science, IT, workforce development and other specialist capabilities.

Ngāi Tahu has significant experience operating a governance model in which strong local decision-making and authority (Papatipu Rūnanga) co-exist with a larger, more centralised entity that leverages scale for collective benefit (Te Rūnanga o Ngāi Tahu). Our hope is that communities across our takiwā come to see that such a model is both achievable and desirable within the new local government system.

I have asked the Office of Te Rūnanga to engage with councils on these ideas and explore how they may be reflected in the Head Start proposals currently under development. This engagement will be framed and informed by existing relationships and discussions between Papatipu Rūnanga and councils, as well as by the takiwā boundaries of Papatipu Rūnanga, which are independent of the reforms.

Page 2

Te Rūnanga o Ngāi Tahu

As reform proposals take shape, we look forward to continuing these conversations and working alongside councils to help shape a stronger, more resilient and more effective system of local governance for Te Waipounamu.

Nāku noa, nā



Justin Tipa
Kaiwhakahaere
Te Rūnanga o Ngāi Tahu

Functions of the Otago Regional Council

New Zealand has 11 regional and six unitary authorities responsible for managing the natural environment at a scale that crosses territorial boundaries. This guide¹ describes the nine activity areas that reflect our statutory responsibilities assigned by Parliament and community's expectation for environmental stewardship, alongside an overview of how we operationalise these through our core functions.

The Otago Regional Council (ORC) covers one of New Zealand's most geographically diverse regions, from alpine lakes and Central Otago's dryland environments to coastal forests and the Otago Harbour. It manages natural resources on behalf of the Otago community through 12 elected councillors representing four constituencies: Dunedin, Moeraki, Dunstan, and Molyneux.

ORC has approximately 350 staff working across offices in Dunedin, Queenstown, and Alexandra, with seven operational depots throughout the region. It manages 134,000 rateable properties and operates a fleet of over 100 vehicles supporting its field operations.

ORC's vision is:

Our environment and communities are healthy and connected ki uta ki tai - from the mountains to the sea.

The following document outlines the core functions undertaken by ORC. In addition to these functions are a set of corporate and finance functions which supports the operation of the Council. These corporate and finance functions will be similar to those within TLA organisations.

¹ This guide is based on ORC's Annual Plan 2026-27, published plans and strategies, and the independent Castalia report on regional functions commissioned by Te Uru Kahika (October 2025).

1. Overview of ORC Functions

ORC's work is organised into nine activity areas that reflect our statutory responsibilities assigned by Parliament and community's expectation for environmental stewardship.

Activity Areas	Scope of work
Governance & Community Engagement	Council meetings, organisational strategy, iwi partnership, public communications, financial planning, legal services, and risk management. (no specific explainer on this as it is similar to TLA functions)
Regional Planning	Regional Policy Statement, regional plans for air, coast, and water, spatial planning support for territorial authorities, and RMA implementation.
Regulatory / Environmental Regulation	Resource consenting, compliance monitoring, enforcement, 24/7 pollution response, harbourmaster services, and public education on environmental rules.
Environmental Monitoring and Science	Environmental monitoring (350+ sites), freshwater, groundwater, soil, air and marine science, air quality monitoring, catchment management, community engagement and education, and supporting territorial authorities with environmental data and information.
Biodiversity & Biosecurity	Pest management (51 pest species), biodiversity monitoring, community conservation funding, and marine biosecurity programmes.
Natural Hazards & Climate Adaptation	Hazard mapping, flood forecasting and warnings, LiDAR surveys, climate adaptation planning, and technical support to territorial authorities.
Flood Protection, Drainage & River Management	Operation and maintenance of flood schemes (218km flood banks, 14 pump stations, 535km drains), river management, and post-flood repairs.
Emergency Management	Leading the Otago CDEM Group, coordinating emergency response across territorial authorities, 24/7 emergency capability, and community preparedness.
Transport	Orbus bus and ferry services (5.3 million trips per year), regional transport planning, fleet management, and Total Mobility scheme.

2. Core Functions - Regional Planning

Regional planning sets the policy framework that shapes how Otago's natural resources are used. ORC's regional plans and Regional Policy Statement provide the overarching direction that territorial authority district plans must give effect to. This is one of the most significant intersections between regional and territorial planning systems.

Regional Policy Statement

The RPS is the top-tier planning document for the region. It sets objectives and policies for managing natural resources, identifies significant resource management issues, and provides direction to all other plans in the region - both ORC's regional plans and territorial authority district plans. The current RPS is partially operative, with housing bottom lines recently inserted following central government direction. All appeals have been settled, and it is due to be made Operative.

Regional plans

ORC prepares and maintains regional plans for specific resource management domains:

- Regional Plan: Coast - manages activities in the coastal marine area.
- Land and Water Plan - in development but paused in 2025-26 following government directive pending RMA reform.
- Air Plan - similarly paused pending new legislation.

These plans contain rules that apply directly to landowners and resource users. They set environmental standards, define permitted and controlled activities, and establish the framework for resource consenting. Territorial authorities rely on these regional rules when processing district plan applications that involve water takes, discharges, air emissions, or coastal structures.

Spatial planning and urban development

ORC is actively supporting the development and review of Future Development Strategies in Queenstown and Dunedin - working with both councils on long-term growth planning. This includes enabling the transition to spatial planning under proposed legislation. ORC provides input into territorial authority district planning processes and responds to central government policy proposals that affect regional resource management.

Context: RMA reform and planning pause

Most of ORC's planning work has been paused in 2025-26 following a central government directive to hold plan development while RMA reform legislation progresses. ORC continues to provide statutory planning as required but has not filled vacancies in the planning team and has redeployed staff to other areas while awaiting policy direction. Planning work is expected to ramp up in 2026-27 once legislation has progressed. ORC planning staff are actively working with TLA staff to develop a plan to deliver the new Spatial Plan.

3. Core Functions - Environmental Regulation

ORC is the primary environmental regulator for Otago. It grants resource consents for activities affecting the region's natural resources, monitors compliance with consent conditions, enforces environmental rules, and operates a 24/7 pollution response service. This is the operational face of regional environmental management.

Resource consenting

ORC processes approximately 900 resource consent applications per year for activities including water takes, discharges to water and air, structures in the coastal marine area, riverbed disturbance, and certain land use activities. Consent processing involves technical assessment by ORC scientists and planners, public notification where required, and decision-making by either staff under delegated authority or by independent commissioners. The consent function is primarily funded through user-pays fees, reflecting the principle that those who use the environment for private benefit pay for the cost of assessment and monitoring.

Compliance and enforcement

ORC's compliance team investigates complaints, monitors approximately 3,000 active resource consents annually to check compliance with conditions, and takes enforcement action when needed. Enforcement tools range from informal warnings through to abatement notices, infringement fees, and prosecution. ORC takes formal enforcement action where environmental harm is serious or where consent holders repeatedly breach conditions. The team works alongside the consents team to close the loop - ensuring that the conditions imposed on consents are actually followed in practice.

Pollution hotline

ORC operates a 24-hour, 7-day-a-week pollution hotline (0800 800 033) for the public to report environmental incidents across air, water, and land. This service reflects ORC's role as the environmental watchdog - community members who observe pollution can trigger an immediate ORC response regardless of the time or day.

Public education

ORC provides workshops and information sessions on environmental rules and best practice alongside its regulatory work. Topics include dairy effluent management, winter grazing rules, consent processes, earthworks requirements, and contaminated land. The goal is to support compliance through education and understanding rather than relying solely on enforcement.

Harbourmaster

Under the Maritime Transport Act 1994, ORC appoints a Harbourmaster responsible for navigation safety in Otago's harbours and coastal waters. The Harbourmaster oversees commercial vessel movements in Otago Harbour (including cargo ships, cruise liners, and fishing boats), manages visitor moorings, issues event permits for on-water activities, monitors bar crossing conditions at river mouths, and maintains navigation aids. The harbourmaster service operates 24/7 for major incidents and undertakes more than 150 safety interactions with recreational boaters each season.

4. Core Functions - Environmental Monitoring & Science

ORC holds Otago's environmental data infrastructure - the monitoring networks, scientific expertise, and long-term datasets that underpin all regional environmental decision-making. This capability supports not just ORC's own work but also provides the evidence base that territorial authorities, government agencies, and the public rely on to understand Otago's environment.

Scale of the monitoring network

ORC operates more than 350 environmental monitoring sites across Otago, covering:

- River flows, levels, and flood forecasting - more than 250 fixed sites for water quantity.
- Water quality - more than 100 river and lake monitoring sites, plus 25 summer swimming spots tested weekly for recreational safety.
- Groundwater - bores monitoring aquifer levels and quality.
- Air quality - 13 sites monitoring particulate matter (PM10 and PM2.5) to track compliance with the National Environmental Standards for Air Quality.
- Coastal - monitoring for sea level, coastal change, and estuarine water quality.

This network generates more than 2,500 science tests per year and feeds directly into ORC's Environmental Data Portal, which provides real-time and historical environmental information to the public.

Science capability

ORC employs scientists across hydrology, freshwater ecology, marine science, soil science, air quality, and related disciplines. This in-house expertise provides the technical foundation for consenting decisions, policy development, compliance assessments, and state of environment reporting. ORC scientists advise on complex technical questions - such as setting environmental flow limits for rivers, assessing the cumulative effects of discharges, or determining appropriate consent conditions for major projects. The science team also produces state of environment reports that track long-term trends in Otago's environmental health. These reports provide the evidence that both ORC and territorial authorities use to identify emerging issues and set priorities for future work.

Integrated catchment management

ORC's Integrated Catchment Management programme translates science into community action. Catchment advisors work directly with landowners and community groups to develop Catchment Action Plans - collaborative frameworks for improving water quality and biodiversity at a catchment scale. This on-the-groundwork bridges the gap between regional environmental standards and individual land management decisions. ORC also provides funding to Otago Catchment Communities to support community-led environmental projects.

Supporting territorial authorities

Territorial authorities utilise ORC's monitoring data and scientific expertise for their own decision-making. Examples include water quality data for wastewater discharge consents, hazard information for district plan provisions, and air quality data for assessing subdivision applications in areas with existing air quality problems.

5. Core Functions - Biodiversity & Biosecurity

Otago's biodiversity ranges from alpine ecosystems and dryland environments to coastal forests and internationally recognised wildlife on the Otago Peninsula. ORC manages pest plants and animals under the Biosecurity Act 1993, monitors indigenous biodiversity, and supports community conservation through funding and technical advice.

Regional Pest Management Plan

ORC's Regional Pest Management Plan identifies 51 species of plants and animals as pests in Otago due to their economic, social, cultural, or environmental impacts. The plan sets objectives for each pest species - ranging from eradication to containment to sustained control - and establishes rules that landowners must follow. ORC undertakes more than 3,000 pest inspections or monitoring visits per year to track pest distribution and support compliance with landowner obligations. The RPMP is currently under review.

Active pest programmes

Key pest management programmes include:

- Wallabies: Bennett's wallabies are spreading from Canterbury into Otago and pose a major threat to agriculture and indigenous ecosystems. ORC undertakes control operations and works with landowners to prevent further spread.
- Wilding conifers: self-seeding pines and other conifers are transforming Central Otago's tussock landscapes. ORC works within the National Wilding Conifer Management Programme to control spread and remove established trees.
- Rabbits: community-led management approach with ORC providing technical support and coordination.
- Aquatic pests: Check, Clean, Dry programme (co-funded with MPI) aims to prevent the spread of didymo and other freshwater pests between water bodies.
- Marine biosecurity: emerging programme responding to the threat of invasive marine species in Otago's harbours and coastal waters.

Biodiversity monitoring and strategy

ORC monitors indigenous biodiversity across the region, including threatened species assessments, ecosystem health monitoring, and tracking of indigenous vascular plants, bats, birds, and reptiles. The Otago Biodiversity Forum brings together agencies and community groups working on conservation. ORC is also developing a Biodiversity Strategy to guide its future work and investment in this area.

Community funding

ORC provides three funding streams for community environmental work: the ECO Fund for smaller projects, incentive funding for biodiversity enhancement on private land, and a large-scale Environmental Fund for significant multi-year projects. Recent examples include wetland restoration, riparian planting, and pest control programmes led by community trusts and catchment groups.

6. Core Functions - Natural Hazards & Climate Adaptation

ORC holds Otago's natural hazard knowledge base - decades of mapping, investigation, and modelling across earthquake, flood, landslide, tsunami, and coastal hazard risk. This technical capability supports both ORC's own infrastructure planning and provides the evidence territorial authorities rely on for their district plan provisions and infrastructure decisions.

Hazard mapping and assessment

ORC identifies and maps natural hazards across Otago through a combination of field investigation, remote sensing, and computer modelling. Current work includes flood hazard modelling for Lindsay Creek, the Water of Leith, Alexandra, and Middelmarsh; debris flow hazard assessment in Teviot Valley and Roxburgh; coastal hazard mapping using LiDAR; and lake tsunami risk analysis. In 2025, ORC published the Otago Region Natural Hazards Exposure Analysis, a comprehensive assessment of community-level exposure to natural hazards across the region, available through an online map viewer.

This hazard information is used by territorial authorities when preparing district plans, assessing resource consent applications in hazard-prone areas, and planning infrastructure. ORC provides technical support to territorial authorities as an explicit output of this activity. The regional hazard knowledge base is a shared resource that prevents duplication and ensures consistency across council boundaries.

Flood forecasting and warning

ORC operates a 24/7 flood forecasting and warning service using data from its 350+ monitoring sites, weather radar, and rainfall forecasts. During flood events, ORC issues public warnings, provides real-time information to emergency services and infrastructure operators, and coordinates with territorial authorities on response. The October 2024 flood event demonstrated the value of this service as ORC's flood intelligence allowed pre-opening of river mouths, activation of pumps, and targeted warnings to at-risk communities.

LiDAR programme

ORC is undertaking a multi-year LiDAR (aerial survey) programme to capture high-resolution topographic data across the region. LiDAR provides the foundation for flood modelling, coastal change detection, landslide mapping, and infrastructure planning. The work is partly grant-funded and has been accelerated following the receipt of central government funding in 2025. The resulting data will be available to territorial authorities, infrastructure operators, and the public.

Climate adaptation programmes

ORC leads or supports long-term adaptation planning for communities facing compound climate and hazard risk:

- South Dunedin Future: multi-agency programme addressing low-lying land, shallow groundwater, and increasing coastal flood risk in South Dunedin. ORC's groundwater monitoring and technical investigations provide the scientific foundation for this work.
- Clutha delta: adaptation planning for communities at the delta, where sea level rise interacts with river flooding.
- Head of Lake Whakatipu: hazard and adaptation planning for Queenstown's lakefront communities.
- Roxburgh and Teviot Valley: debris flow and flood risk management in Central Otago.

7. Core Functions - Flood Protection & River Management

ORC provides flood protection and land drainage for approximately 43,000 hectares of rural and urban land across Otago. This function involves owning and operating substantial physical infrastructure such as floodbanks, pump stations, drainage networks, and river control structures built up over more than 80 years and managed for the benefit of protected communities.

Scheme infrastructure

ORC manages seven major flood protection and drainage schemes across the region:

- Lower Clutha scheme: protecting rural and urban land around Balclutha, with 110 km of flood banks, five pumping stations, four bridges, 153 km of drains, and 189 culverts.
- Lower Taieri scheme: protecting the Taieri Plains with 110 km of flood banks and associated infrastructure.
- West Taieri and East Taieri schemes: managing drainage across the Taieri catchment with pumping stations, drains, and bridges.
- Leith scheme: managing flood risk in Dunedin's urban area through concrete weirs, rock structures, and channelisation along the Water of Leith.
- Alexandra scheme: protecting the town from Clutha River flooding.
- Tokomairiro scheme: drainage infrastructure south of Dunedin.
- Shared operation of the Lower Waitaki schemes: protecting the Lower Waitaki Plain through river works including groynes, cross-banks, and riparian plantings, alongside three floodways.

In total, ORC manages more than 218 km of flood banks, 535 km of drains, 14 pumping stations, 42 bridges, and 369 culverts, plus weirs, walls, channel works, and erosion protection.

River management

Beyond the named schemes, ORC undertakes river management across Otago's waterways to maintain channel capacity, control erosion, and reduce flood risk. This includes vegetation management, gravel extraction, bank protection works, and channel maintenance.

Response and recovery

When floods occur, ORC mobilises response crews to operate pumps, close stop banks, monitor water levels, and coordinate with Civil Defence. After events, ORC assesses damage to flood scheme infrastructure and undertakes repairs.

Community engagement

ORC is establishing community liaison groups for each major flood scheme, starting with the Lower Taieri and Lower Clutha. These groups give communities a formal voice in how schemes are planned and maintained. The liaison group model reflects the long-term nature of flood protection, schemes-built decades ago must be maintained and adapted for changing conditions, and the communities protected by those schemes have a direct interest in how ORC manages that work. ORC also works with Environment Canterbury and the community via a Lower Waitaki River Management Group.

8. Core Functions - Emergency Management

ORC leads the Otago Civil Defence Emergency Management (CDEM) Group, which coordinates emergency management across all territorial authorities in the region. This function provides the organisational structure and capability for regional-scale emergency response, ensuring that when disasters occur, there is a coordinated approach across council boundaries.

CDEM Group structure

The Otago CDEM Group operates under the Civil Defence Emergency Management Act 2002. It is governed by a Joint Committee with membership from ORC and all Otago territorial authorities, and overseen by a Coordinating Executive Group of chief executives. ORC provides the administrative lead, staff the Emergency Coordination Centre, and employ the trained personnel who activate during emergencies.

Emergency Management Otago maintains staff in each territorial authority area, ensuring local relationships and knowledge alongside regional coordination capacity. During declared emergencies, a Group Controller coordinates the regional response and has powers to direct evacuations and resource deployment across territorial boundaries.

The four Rs

The CDEM Group Plan covers all four phases of emergency management:

- **Reduction:** working with territorial authorities and other agencies to identify and reduce risk through land use planning, hazard mitigation, and infrastructure investment.
- **Readiness:** preparing communities and agencies through training, exercises, public information campaigns, and maintaining response capability.
- **Response:** coordinating regional response during declared emergencies, operating the Emergency Coordination Centre, and supporting territorial authorities with incident management.
- **Recovery:** supporting communities to recover after events, coordinating welfare services, and managing the transition back to business-as-usual.

Regional coordination value

The regional CDEM model recognises that major emergencies rarely respect territorial boundaries. The October 2024 flood event affected Dunedin, Clutha, and inland areas simultaneously requiring coordinated response across multiple councils. The Group Controller role allows prioritisation of limited resources (such as portable pumps) across the region based on real-time assessment of need. Emergency Management Otago also maintains relationships with neighbouring CDEM groups, central government agencies, and emergency services that would be difficult for individual territorial authorities to replicate.

Current work

Active projects include an Otago-wide tsunami hazard study, upgrading the deployable command centre capability on CDEM response vehicles, and implementing new emergency management software systems. ORC is also working with territorial authorities on community response planning and public education to improve community preparedness before events occur.

9. Core Functions - Public Transport

ORC plans, funds, and contracts public transport services in Otago under the Orbus brand. This includes bus services in Dunedin and bus and ferry services in Queenstown — together carrying more than 5.3 million passenger trips per year. ORC also prepares the Regional Land Transport Plan and Regional Public Transport Plan that set strategic direction for transport investment across the region.

Service provision

ORC contracts 26 bus routes and a ferry service across Queenstown and Dunedin. Queenstown services carry approximately 1.9 million trips per year and are expanding to meet the needs of one of New Zealand's fastest - growing urban areas. Dunedin services carry approximately 3.4 million trips per year, linking suburbs to the city centre, university, and hospital. The Bee Card provides integrated ticketing across both networks, with more than 160,000 registered users and another 190,000 unregistered cards in circulation.

ORC also manages the Total Mobility scheme, which provides subsidised transport for people with disabilities who cannot use conventional public transport. Demand for the scheme is growing reflecting both demographic change and increased awareness of the service.

Fleet and infrastructure

ORC is progressively electrifying its bus fleet to reduce emissions and improve urban air quality. Real -time bus tracking is now available in both Dunedin and Queenstown through the Transit app. ORC is also preparing for the transition to the National Ticketing System, a central government initiative to standardise ticketing across New Zealand's public transport networks.

Regional transport planning

ORC prepares two key statutory plans that shape transport investment across Otago:

- Regional Land Transport Plan (RLTP): sets 30-year strategic objectives and a 10-year programme of transport projects for the region. Prepared by the Regional Transport Committee, which includes representatives from all Otago territorial authorities and Waka Kotahi. The RLTP determines which projects are eligible for National Land Transport Fund subsidies.
- Regional Public Transport Plan (RPTP) 2025-2035: adopted in June 2025. Sets objectives, policies, and service standards for public transport in Otago for the next decade. Includes updated policies on fares, funding, and service design following the Government Policy Statement on land transport 2024 .

Emerging work

ORC is investigating transport options for commuters between Central Otago and Queenstown and Oamaru and Dunedin, developing a Regional Public and Active Transport Connectivity Strategy, and exploring community transport models to serve areas where conventional public transport is not viable. These initiatives reflect the challenge of providing transport services across a large, geographically diverse region with pockets of high demand separated by long distances.

Funding

Public transport is co-funded through National Land Transport Fund subsidies from Waka Kotahi (the largest component), regional rates, and fare revenue.

10. Core Assets - Port Otago

Port Otago Limited is 100% owned by ORC. It operates as a commercial port company and is one of New Zealand's primary export gateways for the lower South Island. Port Otago provides long-term dividend income that partially offsets the rates burden on Otago communities

Operations

Port Otago operates a deep container port at Port Chalmers and a bulk port in Dunedin, handling containerised freight, bulk commodities, and cruise ship visits. It also operates two wharf-side cold storage facilities and owns a property portfolio in Dunedin, Auckland, and Hamilton. The company employs its own staff and operates independently of ORC.

Financial contribution

In the 2024-25 financial year, Port Otago delivered a net profit after tax of \$64.6 million and paid an \$18 million dividend to ORC. This income flows into ORC's general revenue and helps offset the general rates requirement. Port Otago has provided consistent dividend income to ORC over many years, making it a distinctive feature of Otago's regional governance and funding structure.

Governance

Port Otago is governed by an independent board and makes commercial decisions without direction from ORC councillors. The relationship between ORC and Port Otago is set out in a Statement of Intent that defines performance expectations, dividend policy, and reporting requirements. ORC's ownership of Port Otago dates to the 1989 local government reforms, when port assets were transferred from the Otago Harbour Board to the newly formed Otago Regional Council.

11. Funding & Revenue

ORC uses multiple funding mechanisms, each designed to match who pays with who benefits. The mix of funding sources varies by activity, reflecting statutory requirements, equity principles, and practical considerations about cost recovery.

General rates

Paid by all ratepayers in Otago based on capital value. General rates fund activities with broad community benefit where specific beneficiaries cannot easily be identified. This includes environmental monitoring, regional planning, science, emergency management, governance, and most natural hazards work. The majority of ORC's operating expenditure is general rates funded.

Targeted rates

Paid only by ratepayers in specific areas who directly benefit from a service. The primary example is flood protection. Landowners within each flood scheme pay a targeted rate based on the level of protection they receive. Targeted rates ensure that those who benefit from expensive infrastructure pay for it, rather than spreading the cost across ratepayers who receive no benefit.

Fees and charges

Regulatory costs are largely paid by consent applicants. This user-pays mechanism reflects the principle that the cost of assessing environmental impacts should fall on those creating those impacts, not on the general ratepayer. Consent and compliance fees cover a significant portion of the function's operating costs.

Subsidies and grants

Central government subsidies from the National Land Transport Fund co-fund public transport services. Project-specific grants support biodiversity work, flood protection capital works, and LiDAR surveys. Grant income is variable year to year and depends on both ORC's project pipeline and central government funding priorities.

Port Otago dividend

Port Otago's dividend has grown to \$20 million per year towards ORC's general revenue. This income helps subsidise the general rate revenue and therefore reduces the rates burden on the Otago Community.

Reserves

ORC uses reserves to smooth the rates impact of large, irregular capital expenditure. Building reserves in years when costs are lower and drawing on them for major projects avoids sharp year-to-year rates increases. Flood protection capital works and transport infrastructure are the primary users of reserve funding.

The combination of these funding sources reflects the diversity of ORC's functions from public goods like environmental monitoring (general rates funded) to services benefiting specific groups (targeted rates and fees) to activities co-funded by central government (transport, biosecurity, hazard mitigation). The funding model balances equity, efficiency, and practical constraints on what can realistically be recovered through targeted mechanisms.

Delivery of Regional Services Under a Multiple Unitary Council Model for Otago

Comparison of delivery model options

Option	Structure	Services delivered	Governance / accountability	Advantages	Risks
1. CCO model	Joint council-controlled organisation owned by the unitary councils to deliver regional functions/services across Otago.	All agreed regional functions/services along with any other suitable territorial authority or corporate services could be delivered by the CCO.	Board appointed by owner councils; statement of intent, shareholder agreement, funding agreement and performance reporting. Councils retain political accountability for policy and ownership settings.	High integration; specialist capability retained; avoids duplication; clearer single delivery vehicle; easier to establish consistent regional service standards and long-term capability.	Arm-length body may be seen as an added layer; needs strong controls over statutory decisions, funding, assets and accountability; risk of tension between regional efficiency and local priorities; transition complexity.
2. Joint Committee model	The two councils remain operationally separate but jointly govern regional functions/services through a statutory joint committee and delegations. Set service levels and decide on budgets.	Can cover all regional functions/services, particularly shared statutory responsibilities and regional priorities.	Elected members from both councils; authority defined by delegations, terms of reference, voting rules, funding and dispute provisions.	Strong democratic link; lower establishment cost; familiar mechanism; easier to establish and amend over time.	Can be slower; operational duplication can remain; integrated regional workforce harder to achieve; effectiveness dependent on continued alignment between councils; dependence on ongoing political alignment.
3. Shared Services model	A shared delivery arrangement, lead-provider model, that could be expanded over time.	Same as option 1. A range of different functions/services could be delivered under this model. A lead-provider Council provides services to another Council under formal agreement.	Councils set policy, budgets and service levels; delivery governed by service-level agreements, pooled resourcing, lead-provider arrangements and common performance standards.	Flexible and scalable; can be staged; captures efficiency while keeping councils close to delivery; broad enough for operational and statutory-support services; lower transition risk than full integration.	Accountability may be less visible; complex agreements; risk of inconsistent standards if councils do not align direction and funding; benefits reduced if participation is voluntary.
4. Hybrid model	Combines tools: joint committee for statutory/policy decisions, CCO or shared services for delivery, and shared support functions where efficient.	Services are allocated by scale, risk and accountability need. Core regional functions may sit in a CCO, other services could be shared, while statutory decisions remain with councils/joint committee.	Layered governance with clear allocation of decision rights, mandates, delegations, reporting and funding across councils, committee and delivery bodies.	Best fit between function, scale and accountability; preserves regional outcomes while allowing local choice; allows governance arrangements to be tailored to the nature of each service.	Most complex to design and explain; requires disciplined transition, delegation, asset and funding architecture.
5. Independent Unitary Delivery	Each Council takes on the responsibilities for delivering regional services within their area	All regional services required to be delivered by the Unitary Council	Governance and accountability is maintained by the elected Councillors of the Unitary Authority	Accountability is clear and budget and priority setting is simpler.	Significant risk of misalignment of regional services being delivered by other Unitary Authorities within existing regions. Effectiveness of implementation may be compromised. Risk of increased costs with each Unitary requiring specialist roles to effectively deliver regional functions.

Notes:

- An assessment of funding options would need to be undertaken for all options. Clarity around funding and the setting of budgets for the delivery of services will be a critical part of any detailed assessment
- Any option will need to consider the ongoing relationship with mana whenua, including satisfying any treaty settlement obligations.

Main Lakes and Rivers

South Island



Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

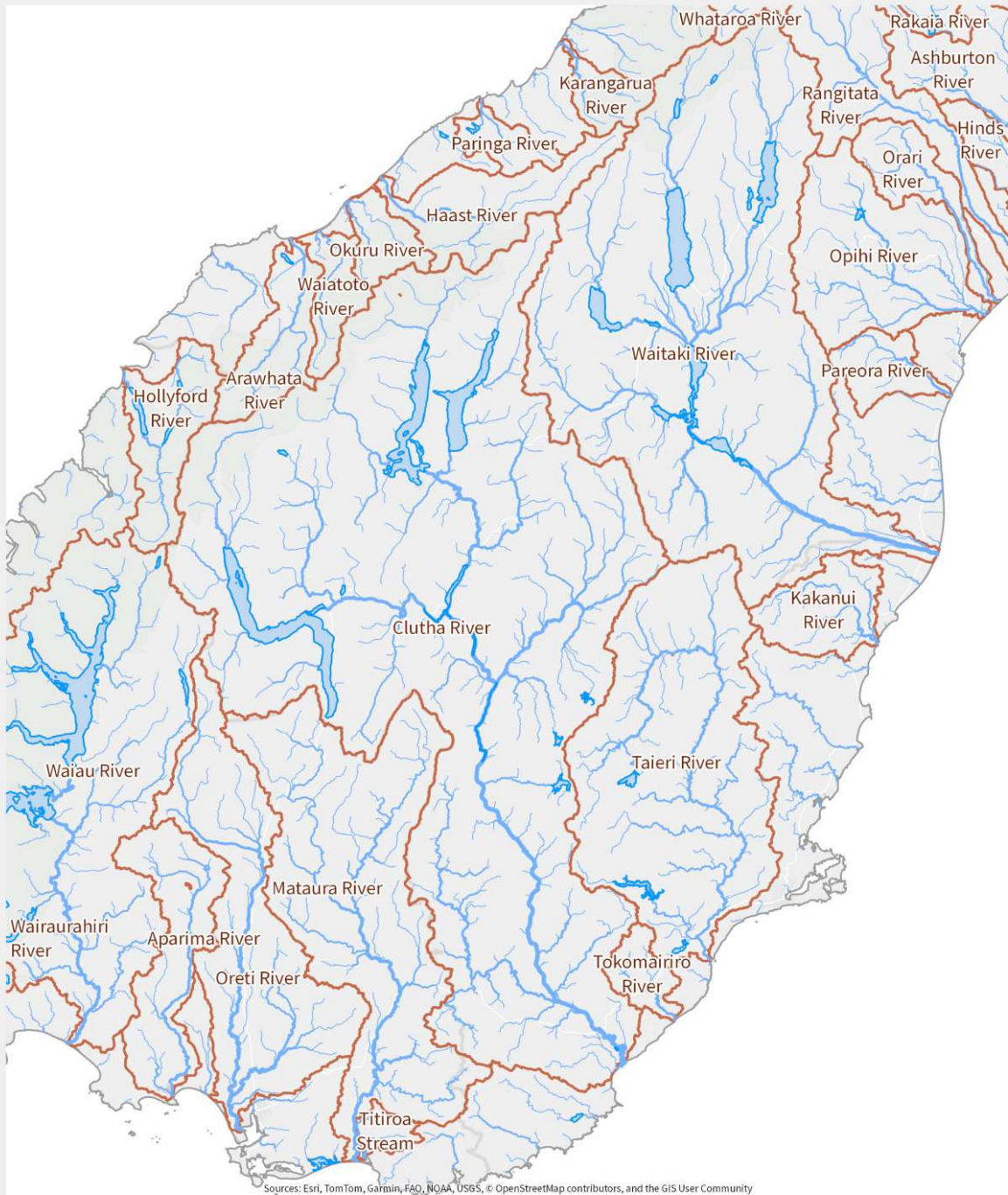
— River Lake Large Catchment



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Main Lakes and Rivers

Lower South Island



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— River Lake Large Catchment



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RESOLUTION TO EXCLUDE THE PUBLIC

That the Council excludes the public from the following part of the proceedings of this meeting (pursuant to the provisions of the Local Government Official Information and Meetings Act 1987) namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution	Reason for Confidentiality
C1 Property matter - natural hazards	S7(2)(g) The withholding of the information is necessary to maintain legal professional privilege.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by Section 6 or Section 7 of that Act, or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above after each item.