



AGENDA | Rārangi Take

Extraordinary Council Meeting Hui a te Kaunihera

Tuesday, 04 August 2026

9.00am

**Council Chamber
Hauraki House
1 William Street
PAEROA**



Membership

Mayor | Koromatua

D A Adams

Councillors | Ngā Kaikaunihera

Cr. C Bates
Cr. R D T Broad
Cr. R M T Collier
Cr. S Crooymans
Cr. N Gray
Cr. S Howell
Cr. P A Milner
Cr. A Rattray
Cr. A M Ryan
Cr. A Spicer
Cr. J R Tilsley
Cr. D E A Tyler
Cr. R L Wilkinson

Executive Leadership | Te Rōpū whakahaere

D. A. Speirs
A. de Laborde
P. A. Thom
N. Ryburn
D. Peddie

Chief Executive | Tumuaki

D. A. Speirs

Ngā Karakia Timatanga (opening)

(1)

Kia tau te rangimarie
Kia whakapapa pounamu te moana
Hei huarahi ma tatou i te rangi nei
Aroha atu, aroha mai
Tatou i a tatou katoa
Hui e! Taiki e!

May peace be widespread
May the sea be like greenstone
A pathway for us all this day
Let us show respect for each other
For one another
Bind us all together!

(2)

Whakataka te hau ki te uru,
Whakataka te hau ki te tonga.
Kia mākinakina ki uta,
Kia mātaratara ki tai.
E hī ake ana te atākura he tio,
he huka, he hauhunga.
Haumi e! Hui e! Tāiki e!

Get ready for the westerly
and be prepared for the southerly.
It will be icy cold inland,
and icy cold on the shore.
May the dawn rise red-tipped on ice,
on snow, on frost.
Join! Gather! Intertwine!

Karakia Whakamutunga (closing)

Kia whakairia te tapu
Kia wātea ai te ara
Kia turuki whakataha ai
Haumi e. Hui e. Tāiki e!

Restrictions are moved aside
So the pathways is clear
To return to everyday activities
Join Gather Intertwine!



EXTRAORDINARY COUNCIL AGENDA | Rārangi Take

Tuesday, 4 August 2026 – 9.00am

Order of Business

Pages

Meeting opening | Karakia timatanga | *The Mayor, D A Adams*

Procedural | Ā-Tikanga

1. **Apologies | Ngā Matangaro or Te hunga kāore i tae**

The Chairperson will open the meeting and call for apologies.

2. **Declarations of Late Items | Whāki pānga**

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be dealt with at a subsequent meeting on the basis of a full agenda item.

3. **Declarations of Interests | Whakapuakitanga Whaipānga**

Members are reminded to declare and stand aside from decision making when a conflict arises between their role as an elected member and any private or other external.

4. **Reporting (for decision) | Pūrongo me whakatau**

4.1 Installation of Salt Chlorinator at Waihi Swimming Pool **5**

4.2 Simplifying Local Government – Preferred Amalgamation Model **12**

Meeting closing | Karakia whakamutunga

MŌ TE WHAKATAUNGA FOR DECISION



To Mayor and Councillors

Author Kim Donnelly
Property and Facilities Manager

Meeting date 4 August 2026

File reference Document: 4124548

Subject **Installation of Salt Chlorinator at Waihi Swimming Pool**

1 TE WHAIKUPU | RECOMMENDATIONS

THAT Council

- Receives the report titled Installation of Salt Chlorinator at Waihi Pool, (document number 4124548)
- Approves Option 2 Approve expenditure of \$100,000 to replace the gas chlorinator with a salt chlorinator,

2 TE ARONGA | PURPOSE

This report provides Council with a request for funds which will enable the provision of aquatic services in Waihi.

3 TE WHAKARĀPOPOTANGA | SUMMARY

The Waihi swimming pool is currently fitted with a gas chlorinator. This chlorinator is old and has been identified as posing an immediate health and safety risk.

4 WHAKAPAPA | BACKGROUND

The Waihi Swimming Pool has served the Waihi community for approximately 70 years and continues to provide an important recreational, educational and sporting facility. The pool supports public swimming, learn-to-swim programmes, school swimming education, club activities and community recreation throughout the summer season.

Staff have been advised that the gas chlorinator poses an immediate health and safety risk to both operators and users of the facility. A solution to this risk is to install a salt chlorinator manufactured with the same patent as the one used in Ngātea.

The operational difference is that chlorine will go through a process of electrolysis to produce chlorine which uses electricity. A salt chlorinator passes mildly salty pool water through an electrolytic cell, which converts the salt into chlorine. The chlorine disinfects the water and then returns to chloride, allowing the cycle to repeat.

HOW A SALT CHLORINATOR WORKS



5 NGĀ TAKE | ISSUES

The Waihi swimming pool continues to play an important role in supporting community wellbeing, water safety education, recreation and organised aquatic activities.

The facility accommodates:

- public swimming;
- learn-to-swim programmes;
- school swimming education;
- swimming club activities;
- community recreation; and
- seasonal aquatic events.

Despite its ongoing community value, the facility presents several challenges. The aquatic facility is approximately 70 years old and has progressively required increasing levels of maintenance and renewal investment to remain operational. The replacement of the aging gas chlorinating system is a prime example of this.

Without replacement with a salt chlorinator the pool will, however, not be operationally safe to open next swimming season.

6 WHAIWHAKAARO RAUTAKI O NGĀ TAKE | STRATEGIC CONSIDERATIONS

6.1 Mana Whenua/Māori

The matter relates to access to recreation, water safety, community wellbeing and a facility associated with water. No specific mana whenua position has been recorded for this report. If Council selects an option that materially changes aquatic access, land ownership, or long-term use of the site, engagement with mana whenua should be included in the implementation and LTP communication process. Te Tiriti principles of partnership, participation and protection support transparent decision-making and consideration of equitable access to water safety outcomes.

6.2 Strategic alignment

The decision is directly relevant to the 2027-2037 Long Term Plan, the Community Facilities/Property Activity Management Plan, the Financial Strategy, asset renewal prioritisation and Council's approach to affordability.

6.3 Policy and bylaw consistency

Policies and bylaws applicable to the issue include:

Relevant policy settings include the Significance and Engagement Policy, Revenue and Financing Policy, Procurement Policy, Risk Management Framework, Health and Safety obligations, Delegations Manual, Financial Strategy, LTP processes and asset management planning requirements.

6.4 Climate change implications

The decision will result in a no or negligible change in greenhouse gas emissions.

The decision will not be impacted by a changing climate.

6.5 Issue risks and mitigations

Risk		What is being done about the risk?
Operations	The risk is there are no aquatic facilities available next season. The risk is expected to be of moderate impact. The likelihood of the risk occurring is likely.	Approve funds to replace the chlorinator.

6.6 Financial and resource implications of issue

Approve the expense of \$100,000 to maintain aquatic services in Waihi.

7 NGĀ KŌWHIRINGA A MĀTOU | OPTIONS AVAILABLE

The following options have been identified for consideration:

- Option 1 Retain the status quo and do not pay for further upgrades, close the pool.
- Option 2 Approve expenditure of \$100,000 to replace the gas chlorinator with a salt chlorinator,

7.1 Option 1

Option 1: Retain the status quo and do not pay for further upgrades, close the pool.	
Provide a summary of option:	Council does not approve further capital upgrades to the Waihi Pool. Because the chlorine gas system has been deemed unsafe, the pool would need to close until the risk is removed by the asset owner or another party. Council would not commit ratepayer funds to new upgrades beyond any legally required make-safe or lease exit obligations.
Advantages:	• Avoids further ratepayer capital investment into a Ministry-owned asset. • Stops the precedent of HDC funding renewal of a Crown/school asset. • Protects Council from committing funds to an asset it does not own. • May create pressure for the asset owner or community to determine the facility's future.
Disadvantages:	• Immediate loss of local Waihi pool service if the chlorine gas risk is not removed. • Political and community opposition likely. • Potential impacts on water safety, recreation and school/community access. • Legal advice required on lease obligations, notice, reinstatement and make-safe responsibilities. • Does not resolve what happens to the facility long term.
Risk mitigation:	• Immediate loss of local Waihi pool service if the chlorine gas risk is not removed. • Political and community opposition likely. • Potential impacts on water safety, recreation and school/community access. • Legal advice required on lease obligations, notice, reinstatement and make-safe responsibilities. • Does not resolve what happens to the facility long term.
Financial costs:	\$0 new discretionary CAPEX, but potential closure, legal, make-safe, demobilisation, communication and lease-exit costs may arise. Operating costs may reduce if the pool is closed.
Rates Impact:	This option results in a 0% increase in non-water rates.
Debt Impact:	This option results in a \$0.00 increase in debt.
Option 1: Significance Assessment - Criteria	
Does the recommendation involve a transfer of ownership or control, or abandonment of a strategic asset?	No
Is there a legal requirement to engage with the community?	No
What is the level of financial consequence?	Low

Option 1: Significance Assessment - Criteria		Level of significance
What is the proportion of the community affected?		Medium
What is the impact on the current and future social, economic, environmental, or cultural well-being of the district?		Medium
What is the level of community interest?		Expected to be moderate
Are the likely consequences controversial?		Expected to be moderate
What is the level of consequence in relation to land or a body of water?		No significance
Does this recommendation trigger a break of one or more of Councils rates caps or debt caps?		No
What is the impact on the ability for Council to carry out any activity in the LTP?		High
Extent of community views already known on this recommended approach.		Medium
Option 1 is considered to be of overall medium significance.		

7.2 Option 2

Option 2: Upgrade the Chlorination system at the Waihi pool	
Provide a summary of option:	Council approves unbudgeted capital expenditure of approximately \$100,000 to install salt chlorination, this enables continued operation but does not resolve the ownership issue.
Advantages:	• Addresses the immediate health and safety risk identified in the audit. • Allows Waihi Pool to remain operational to ensure that any future planning can be finalised and implemented. • Protects the 2026/27 liner investment. • Lowest practical capital option if Council wants the pool open in the short term. • Can be paired with Option 6 if Council resolves to pursue ownership.
Disadvantages:	• Still invests ratepayer money into a Ministry-owned asset unless ownership/control changes. • Does not fund the full renewal backlog. • May create expectation that Council will continue to fund future upgrades. • Unbudgeted capital may affect debt/rates or displace other priorities. • If not paired with ownership/control, this could become the first stage of ongoing subsidy.

Risk mitigation:	• Still invests ratepayer money into a Ministry-owned asset unless ownership/control changes. • Does not fund the full renewal backlog. • May create expectation that Council will continue to fund future upgrades. • Unbudgeted capital may affect debt/rates or displace other priorities. • If not paired with ownership/control, this could become the first stage of ongoing subsidy.
Financial costs:	Estimated unbudgeted capital cost: \$100,000. Ongoing OPEX remains with Council under the lease unless the operating model changes.
Rates Impact:	This option results in a 0.03 % increase in non-water rates. This option results in a \$1.00 increase per district ratepayer.
Debt Impact:	This option results in a \$100,000 increase in debt.

Option 2: Significance Assessment - Criteria	Level of significance
Does the recommendation involve a transfer of ownership or control, or abandonment of a strategic asset?	No (low)
Is there a legal requirement to engage with the community?	No (low)
What is the level of financial consequence?	Low
What is the proportion of the community affected?	Medium
What is the impact on the current and future social, economic, environmental or cultural well-being of the district?	Low
What is the level of community interest?	Expected to be moderate
Are the likely consequences controversial?	Expected to be low
What is the level of consequence in relation to land or a body of water?	No significance
Does this recommendation trigger a break of one or more of Councils rates caps or debt caps?	No (low)
What is the impact on the ability for Council to carry out any activity in the LTP?	Low
Extent of community views already known on this recommended approach.	Medium
Option 3 is considered to be of overall low significance.	

8 TE KOWHIRINGA MATUA | RECOMMENDED OPTION

Staff recommend Options 2.

9 KIA UIA KI TE HAPORI WHĀNUI ME NGĀ PĀPAHO | ENGAGEMENT AND COMMUNICATION

Based on the recommended form of engagement being consult with the community, the proposed engagement and communication approach is: Inform the community.

10 TE ARA KI MUA | NEXT ACTIONS

The table below sets out the next key steps:

Action	Responsibility	By When
Confirm Council’s preferred option.	Council	At decision meeting

11 WHAKAPAI | APPROVAL

Prepared by	Kim Donnelly Property and Facilities Manager
Reviewed by	Adrian de Laborde Group Manager Service Delivery
Approved by	Adrian de Laborde Group Manager Service Delivery

MŌ TE WHAKATAUNGA FOR DECISION



To Mayor and Councillors

Author Adrian de Laborde
Group Manager Service Delivery

Meeting date Tuesday, 4 August 2026

File reference Document: 4124454
Appendix A: Waihou-Piako-Coromandel Proposal
Appendix B: Memorandum of Understanding

Subject **Simplifying Local Government – preferred model**

1 TE WHAIKUPU | RECOMMENDATIONS

THAT Council:

- a) Receives the report titled Simplifying Local Government – preferred amalgamation model (document number 4124454).
- b) Approves Option 1: Do not submit or support a Head Start proposal and proceed into the Government's backstop process,

OR

- c) Approves Option 2: Support the Waihou-Piako-Coromandel Unitary Authority (recommended option),

AND, if Option 2 is selected:

- d) Adopt the Memorandum of Understanding, subject to the removal of clause 3.8 – Strategic Water Integration and the Schedules; and
- e) Authorises the Chief Executive to make minor administrative and non-material amendments to the proposal and Memorandum of Understanding, consistent with Council's resolution; and
- f) Authorises the Mayor to sign off the proposal and the Memorandum of Understanding on behalf of Council; and
- g) Instructs staff to submit the relevant proposal by 9 August 2026.

2 TE ARONGA | PURPOSE

The purpose of this report is to enable Council to decide whether to participate in the Government's Simplifying Local Government Head Start pathway and, if so, which of the two locally developed structural models it prefers. The reasonably practicable options are:

- do not submit or support a Head Start proposal and proceed into the Government's backstop process;
- support an Waihou-Piako-Coromandel Unitary Authority; or

3 TE WHAKARĀPOPOTANGA | SUMMARY

The Government has indicated that local government reorganisation will proceed either through the voluntary Head Start pathway or through a later compulsory backstop process. Outline Head Start proposals are due by 9 August 2026.

Council is therefore not deciding whether reform will occur. It is deciding whether to seek greater influence over the form of reform through Head Start and, if so, whether Waihou-Piako-Coromandel or a Waikato-wide authority provides the better model for Hauraki.

At its workshop on 7 July 2026, Council indicated a preference for East Waikato / Waihou-Piako-Coromandel. Hauraki's district-wide survey also strongly favoured that model: 86.9 per cent of respondents selected East Waikato, compared with 8.5 per cent for a Waikato-wide authority. Respondents placed greatest weight on keeping decisions close to home, household affordability and fair representation for town and rural communities.

Consideration was given to a possible All of Waikato Proposal, however this has not eventuated as a supported option across the Waikato and as such is a non-complying option and thus has not been considered.

Staff recommend Option 2, the Waihou-Piako-Coromandel Unitary Authority. On the information available, it provides the strongest balance between sufficient scale, integration of connected territorial and regional functions, deliverability and local voice. It would also enable functional consolidation without requiring professional capability, employment and decision-making to be concentrated in one metropolitan centre.

The Mayors of the three Councils have proposed a Memorandum of Understanding that underpin the proposal should it advance to Stage 2.

This is a preferred-model decision only. Governance, representation, rating, debt and asset arrangements, service levels, organisational design, transition costs and cross-boundary regional functions would be addressed through detailed design if the proposal is accepted by the Government.

4 WHAKAPAPA | BACKGROUND

4.1 Government reform and the Head Start pathway

The Government announced the Head Start pathway on 5 May 2026. Two or more territorial and/or unitary authorities may submit an outline proposal to establish a new unitary authority covering part or all of a region. Regional councils cannot submit a proposal but may contribute to its development.

Outline proposals are due on 9 August 2026. Officials will assess the proposals, and Cabinet is expected to decide in September 2026 which proposals proceed to detailed design. Detailed proposals are due in March 2027, with final Cabinet decisions expected in May 2027 and enabling legislation intended before the 2028 local elections.

Councils that do not submit a proposal, or whose proposal does not proceed, will enter a compulsory backstop process after the 2028 local elections. The final form of that process is not yet known.

4.2 Government assessment criteria

Head Start proposals will be assessed as a whole against five criteria:

- deliverability;
- support for the new planning system;
- simplification of local governance;
- economies of scale, capability and infrastructure delivery; and
- maintenance of local voice.

The Government has indicated that subregional proposals will need to demonstrate geographic scale and complexity, strong performance against the criteria and effective arrangements for regional functions that extend beyond the proposed boundary.

4.3 Proposals before Council

Two options are available. Option 1 is not to progress through Head Start and to enter the later Government-led backstop process. Option 2 is a sub-regional Waihou-Piako-Coromandel Unitary Authority.

The Waihou-Piako-Coromandel proposal was developed collaboratively by Hauraki, Thames-Coromandel, Matamata-Piako and South Waikato district councils. Subsequently, South Waikato District Council¹ has indicated their preference for a model incorporating the Councils to their south. As a result, the model has been amended to only include the remaining three Councils and the unitary authority’s descriptive name has been changed to reflect this. It has generally been aligned with the catchment boundaries described in the Pare Hauraki Settlement Deed and thus the descriptor name is now the Waihou-Piako-Coromandel Unitary Authority. The expectation is that the final name of the entity will be determined at detailed design stage or prior to election for the new unitary.

The Unitary Authority would replace the participating territorial authorities with one unitary authority and transfer the relevant Waikato Regional Council functions for the new authority’s area. The final composition will reflect the participating councils’ resolutions.

¹ The model, while now excluding SWDC, can easily be amended to re-include SWDC should this be necessary.

Key dates

Community survey opens
Tuesday, 9 June 2026

Community survey closes
Sunday, 5 July 2026

Council workshop/s and
decide Head Start
outline proposals
July/August 2026

Head Start outline
proposals due to
Government
9 August 2026 (11:59 pm)

Cabinet considers Head
Start outline proposals
and tells councils which
are accepted (in principle)
September 2026

Final proposals to be
submitted to Government
(if applicable)
March 2027

Intended timing for final
Cabinet decisions
May 2027

Backstop pathway begins
for areas not progressed
through Head Start
After the 2028 local elections

Most existing territorial boundaries would remain unchanged; however, some boundary adjustments should be considered if a true catchment based Unitary is supported.

Appendix A (Proposal) indicates these areas in Appendix . Any boundary change would require technical assessment and engagement with the Ministry of Cities, Environment, Regions and Transport (MCERT) affected councils, iwi, hapū, landowners and communities.

4.4 Community engagement

Hauraki's district-wide engagement received 656 responses. Of the three structural scenarios presented, 86.9% preferred East Waikato, 8.5% preferred a Waikato-wide authority and 4.6% preferred a provincial model. The survey was self-selecting and was an engagement exercise rather than formal statutory consultation, but it provides a clear indication of the views of participants.

Engagement undertaken by other proposed partner councils also indicates substantial support for East Waikato. Matamata-Piako received 832 responses, with 89% selecting East Waikato.

The engagement processes and questions were not identical, and the results should not be aggregated as a single statistically representative poll. Taken together, however, they show a strong East Waikato preference in Hauraki and Matamata-Piako, while a majority preference of 55% in the supported the East Waikato in the Thames-Coromandel.

4.5 Mana whenua and regional engagement

The Mayors and Chief Executives have met with mana whenua, Chairs of PSGE's and the chairs of the Pare Hauraki and the Hauraki Māori Trust Board. Iwi have indicated support for the Waihou, Piako Coromandel proposal based on a catchment model.

The Waikato Mayoral Forum and Chief Executives' Forum have considered the available models on several occasions. The Waihou-Piako-Coromandel working group has sought Waikato Regional Council input on regional functions. Regional discussions have also recognised that community-led subregional proposals can coexist with formal Waikato-wide collaboration where functions genuinely require a larger regional scale.

The Group Manager Service Delivery is the Council representative on the All of Waikato Working Group.

A regional discussion paper prepared for the Waikato Chief Executives by Waikato Regional Council acknowledges that, although the Waikato is economically, socially and environmentally interconnected, its metropolitan and wider regional communities face materially different pressures and may benefit from governance arrangements more closely aligned with their respective needs and priorities. It also recognises that multiple community-led proposals should not be interpreted as regional fragmentation or a lack of ambition, provided councils remain committed to shared principles, future partnering and effective arrangements for whole-of-region functions. This is consistent with the Waihou-Piako-Coromandel approach: establishing a coherent subregional unitary authority while remaining an active participant in Waikato-wide planning, infrastructure, catchment and resilience arrangements.

5 NGĀ TAKE | ISSUE

The Government has indicated that local government reorganisation will proceed either through Head Start or through a later Government-led backstop process. Continuing the existing structure indefinitely is therefore not one of the reasonably practicable outcomes available to Council.

Council must decide whether to participate in shaping a locally led proposal through Head Start and, if so, approve the submission of the Waihou-Piako-Coromandel Unitary Authority Proposal.

This is a decision on Council's preferred strategic direction. It is not a final decision on governance arrangements, rating systems, debt and asset allocation, organisational structure, service levels or implementation. Those matters would be addressed through detailed design if a proposal is accepted by the Government.

The options were assessed against the Government's five criteria, together with community views, Treaty settlement alignment, transition complexity, regional collaboration requirements and the principal financial and organisational uncertainties.

6 WHAIWHAKAARO RAUTAKI O NGĀ TAKE | STRATEGIC CONSIDERATIONS

6.1 Mana Whenua/Māori

A new unitary authority would assume territorial and regional functions affecting ancestral land, waterways, coastal environments, wāhi tapu and other taonga. Existing Treaty settlement obligations, statutory acknowledgements, relationship agreements and co-governance arrangements would need to transfer with equivalent effect.

The Pare Hauraki Collective Redress Deed provides for a Waihou, Piako and Coromandel Catchment Authority and expressly anticipates possible local government reorganisation. The catchment geography generally aligns with Waihou-Piako-Coromandel and could simplify the local government side of the arrangement by replacing several council participants with one authority responsible for both territorial and regional functions.

Detailed design would require direct engagement with Pare Hauraki, Ngāti Hauā, Ngāti Hinerangi, Raukawa, other affected iwi and post-settlement governance entities, the proposed Catchment Authority and the Crown. This includes the governance model and any proposed boundary adjustment.

6.2 Strategic alignment

The 2024–2034 Long Term Plan did not anticipate the Government's 2026 reform pathway. Selecting a preferred model does not amend current budgets, levels of service or work programmes. Any later change would require separate statutory, financial and implementation decisions.

The recommended option supports Council's vision, "Our home, our future", by taking an active role in shaping future governance. It also supports the Connected people, Healthy

environment, Vibrant and safe communities and Strong economy outcomes through local participation, integrated environmental and infrastructure functions and the retention of capability within Waihou-Piako-Coromandel.

6.3 Policy and bylaw consistency

This decision is not inconsistent with any Council policies or bylaws. Existing policies and bylaws would continue until changed or transferred through future legislation and implementation arrangements.

6.4 Climate change implications

No material climate impact arises from identifying a preferred model. Detailed design would need to assess organisational travel, accommodation, fleet, information technology and procurement impacts. Waihou-Piako-Coromandel also creates an opportunity to integrate flood protection, land drainage, catchment, coastal and climate-adaptation functions, provided wider regional coordination and specialist capability are maintained.

6.5 Principal risks and mitigations

Risk	Potential effect	Mitigation
Financial and transition	Costs, savings, rating effects, debt and asset allocation are not yet known.	Do not assume savings. Require independent financial, asset, debt, rates and transition due diligence during detailed design. Seek a contribution to transition costs from central government as part of the headstart proposal
Legal and Treaty compliance	The proposal may not satisfy Head Start, decision-making or Treaty settlement requirements.	Apply MCERT guidance, obtain legal review, map all settlement obligations and maintain direct engagement with affected entities and the Crown.
Proposal scope and participation	A participating council may select another alignment, requiring changes to boundaries, scale and evidence.	Confirm council resolutions before submission and update the proposal, statistics and boundary narrative accordingly.
Regional functions	Subregional boundaries could fragment planning, transport, biosecurity, emergency management or catchment functions.	Define binding collaboration, joint-governance or shared-service arrangements for functions that operate beyond the boundary.
Workforce and service continuity	Uncertainty and transition may affect retention, recruitment and business-as-usual delivery.	Use a staged transition, clear accountabilities, dedicated programme capacity, workforce planning and regular staff communication.
Community confidence	Council may be perceived as predetermining outcomes or overstating financial benefits.	Clearly distinguish this preference decision from final implementation, publish the evidence and uncertainties, and continue targeted engagement.

6.6 Financial and resource implications

The current decision identifies a preferred model only. It has no immediate impact on rates, debt, capital expenditure, strategic assets or levels of service. Work to date has primarily used existing staff resources.

If a proposal proceeds to detailed design, further work will be required on programme costs, assets and liabilities, debt, rates, reserves, contracts, council-controlled organisations, systems, workforce, property and service levels. Any unbudgeted expenditure or additional staffing requirement will be reported separately for approval. No claim of net savings or rates reduction should be made until that work is complete.

6.7 Significance and engagement assessment

Significance criterion	Assessment
Transfer or control of strategic assets	Low at this preference stage; potentially high during later reorganisation.
Legal requirement to engage	Moderate. No specific formal consultation requirement, but Local Government Act decision-making duties apply.
Financial consequence	Low immediately; potentially high once transition, rates, debt and assets are designed.
Proportion of community affected	High. The whole district and wider region are affected.
Social, economic, environmental and cultural wellbeing	High. Future governance and delivery of all council functions may change.
Community interest	High.
Potential controversy	High.
Land and water consequences	High. Regional environmental, catchment, coastal and drainage functions are affected.
Rates or debt limits	Low at this stage; no immediate rates or debt decision.
Impact on Long Term Plan activities	Low immediately; potentially high during detailed design and implementation.
Extent community views are known	High for Waihou-Piako-Coromandel and Waikato-wide; the compulsory backstop was not directly tested.

The decision is assessed as being of overall HIGH significance for all options.

7 NGĀ KŌWHIRINGA A MĀTOU | OPTIONS AVAILABLE

The following reasonably practicable options have been identified for Council's consideration:

- Option 1 – Do not submit or support a Head Start proposal and proceed into the Government's backstop process.
- Option 2 – Support the Waihou-Piako-Coromandel Unitary Authority (recommended option).
- Option 3 – Approve the adoption of the Memorandum of Understanding.

The following comparison brings the principal considerations together. The individual option tables that follow provide the supporting advantages, disadvantages and conditions.

Consideration	Option 1 Backstop	Option 2 Waihou-Piako-Coromandel
Influence over reform	Lowest; Government-led process	Highest; locally led proposal
Scale and capability	Unknown until backstop design	Sufficient subregional scale and specialist pool
Planning and functional integration	Unknown	Strong for Waihou-Piako-Coromandel territorial and regional functions
Local voice	Unknown	Closest fit with Hauraki priorities and provincial communities
Regional coordination	Government determined	Formal arrangements still required
Deliverability and transition	Deferred, not avoided	Substantial but more contained
Community feedback	Not directly tested	Strongly preferred in Hauraki and Matamata-Piako; majority in preliminary TCDC results
Financial certainty	Unknown	Unknown; benefits and costs require due diligence
Overall	Defers influence and uncertainty	Best overall balance – recommended

7.1 Option 1 – Government backstop

Option 1: Do not progress through Head Start – Government backstop	
Summary	Council would not progress a locally led Head Start proposal. Existing arrangements would continue in the short term, but Hauraki would enter the compulsory Government-led process after the 2028 local elections.
Advantages	• Avoids the immediate workload and direct cost of developing a detailed Head Start proposal. • Provides more time before structural change is implemented, • Allows Council to focus in the short term on core services and the new planning system. • Potentially places the costs of design and transition on central government
Disadvantages	• Does not avoid reform; it defers reform to a process whose final design is unknown. • Reduces Council, community and mana whenua influence over boundaries, governance and operating arrangements. • Extends uncertainty for elected members, staff, communities and partner organisations. • Does not reflect the workshop direction or the strong Waihou-Piako-Coromandel preference among Hauraki survey respondents. • If we are included in another proposal developed by two or more other councils in the Waikato, the Government could include us in that grouping.
Conditions / risk controls	• Remain engaged in Waikato forums and with mana whenua.

	• Maintain organisational data and capability so Council can respond to the backstop process. • Continue public and staff communication as Government policy develops.
Financial, rates and debt	No immediate rates or debt effect. Eventual transition, rating, debt and asset effects are unknown; deferring reform does not remove those costs.
Overall assessment	Viable, but provides the least local influence and prolongs uncertainty.

7.2 Option 2 – Waihou-Piako-Coromandel Unitary Authority

Option 2: Waihou-Piako-Coromandel Unitary Authority – recommended option	
Summary	The participating Waihou-Piako-Coromandel district councils would be replaced by one subregional unitary authority, with relevant Waikato Regional Council functions transferred for its area. The final scope will reflect council resolutions and confirmed boundaries.
Advantages	• Provides a locally led pathway and a direct opportunity to shape boundaries, governance and transition. • Demonstrates sufficient current scale: approximately 119,500 people, 67,720 rating units, \$370.6 million revenue and \$4.24 billion net assets in the four-council case, excluding water services. • Integrates territorial planning and services with catchment, flood protection, land drainage and environmental functions that already operate as connected systems. • Aligns closely with the Waihou, Piako and Coromandel catchments and the Pare Hauraki settlement geography. • Enables functional consolidation without geographic centralisation, retaining service presence and professional employment across provincial centres. • Most closely reflects Hauraki's community priorities and the workshop direction. • Is likely to be more deliverable within the Head Start timeframe than a whole-region amalgamation.
Disadvantages	• Requires formal arrangements with other Waikato and neighbouring authorities for functions operating beyond the boundary. • Final participation, governance, representation and boundary details are not yet settled. • Financial savings and rates outcomes have not been quantified. • The Government may consider the proposal insufficiently regional or may require changes during detailed design.
Conditions / risk controls	• Confirm the participating councils and final proposal scope before submission. • Complete a credible governance and local decision-making model. • Protect Treaty settlement arrangements and continue direct iwi and Crown engagement. • Undertake independent financial, legal, workforce and service-delivery due diligence. • Establish binding regional collaboration and shared-service arrangements where required.

	Use a staged transition that protects service continuity and staff capability.
Financial, rates and debt	No immediate rates or debt effect. Detailed design must quantify establishment and transition costs, debt and asset allocation, rating harmonisation, service levels and potential efficiencies.
Overall assessment	Provides the strongest overall balance of scale, integration, deliverability and local voice.

7.3 Option 3 – Adopt the Memorandum of Understanding

Option 3: Adopt the Memorandum of Understanding	
Summary	Adopt the Memorandum of Understanding, subject to the removal of clause 3.8 – Strategic Water Integration and the Schedules
Advantages	Provides agreed principles between the 3 Councils that will guide Stage 2.
Disadvantages	None
Conditions / risk controls	Clause 3.8 and the Schedules are not supported and thus they will be removed from the MOU
Financial, rates and debt	None

8 TE KOWHIRINGA MATUA | RECOMMENDED OPTION

The recommended options are Option 2, the Waihou-Piako-Coromandel Unitary Authority and Option 3 to Adopt the MOU subject to the exclusions indicated.

Waihou-Piako-Coromandel provides the strongest overall balance between sufficient organisational scale, integration of connected territorial and regional functions, deliverability and the maintenance of local voice. It is also most closely aligned with the direction indicated at Council's 7 July workshop, the Hauraki community survey and engagement with Hauraki iwi representatives.

The recommendation is a preferred strategic direction, not an unconditional endorsement of every aspect of future amalgamation. It remains subject to confirmation of the participating councils, Government acceptance, an acceptable governance model, protection of Treaty settlement arrangements, independent financial and organisational due diligence and satisfactory arrangements for functions requiring wider regional coordination.

Independent legal, financial, technical and transition assurance would be required if the proposal proceeds to detailed design.

9 KIA UIA KI TE HAPORI WHĀNUI ME NGĀ PĀPAHO | ENGAGEMENT AND COMMUNICATION

Council has undertaken community engagement via a community survey. The results are summarised in section 4 and have been considered in the options assessment. The Waihou-Piako-Coromandel and Waikato-wide scenarios were directly tested; the compulsory backstop was not.

The Mayor and Chief Executive have engaged with the Chairs of the Pare Hauraki Board and Hauraki Māori Trust Board, and Council's Māori ward representatives have been involved. The Waihou-Piako-Coromandel working group has also engaged through the Waikato Mayoral and Chief Executives' forums and sought Waikato Regional Council input.

Following Council's decision, the outcome and reasons should be published through Council's usual channels. If a proposal proceeds, further engagement will be required on governance and representation, local delegations, rates and debt, assets and reserves, service levels, workforce implications, Treaty settlement arrangements and any boundary changes. Each participating council will make its own decision. The final outline proposal should accurately record both the common position and any material differences between councils.

10 TE ARA KI MUA | NEXT ACTIONS

The table below sets out the next key steps:

Action	Responsibility	By when
Complete and agree the final governance and local decision-making statement.	WPC Mayors, CE's and working group.	July 2026
Council considers and resolves its preferred model.	Mayor and Councillors.	4 August 2026
Finalise the Waihou-Piako-Coromandel outline proposal, supporting evidence and letters of support.	Waihou-Piako-Coromandel working group.	Before 9 August 2026
Each participating council confirms its position and any authority required for submission.	Participating councils.	Before 7 August 2026
Submit the outline proposal to MCERT, subject to the councils' resolutions.	Mayors	9 August 2026
Cabinet assesses outline proposals and decides which proceed in principle.	MCERT and Cabinet.	September 2026
If accepted, undertake detailed design, due diligence, assurance and further engagement; submit detailed proposal.	Joint Waihou-Piako-Coromandel participating councils.	October 2026 to March 2027

11 TUHUTORO | REFERENCES

- 1. Ministry for Cities, Environment, Regions and Transport, [Head Start pathway: Simplifying Local Government](#), May 2026.
- 2. Ministry for Cities, Environment, Regions and Transport, [Guidance for Head Start outline proposals](#), June 2026.
- 3. [Local Government Act 2002, sections 76–82](#).
- 4. Hauraki District Council, Summary of the Head Start pathway and Community Survey, workshop report, 8 July 2026, document M4118730.
- 5. Waikato Regional Council, [Simplifying Local Government information page](#), accessed 14 July 2026.

12 WHAKAPAI | APPROVAL

Prepared by	Adrian de Laborde Group Manager Service Delivery	
Reviewed by	Charan Mischewski Senior Strategic Planner	Lisa Moore Manager: Projects
Approved by	David Spiers Chief Executive	

Appendix A

Simplifying Local Government - Starting from strength

Proposal for a unitary authority aligned with the connected communities and catchments of Waihou, Piako and Coromandel

Thames-Coromandel District Council

Matamata-Piako District Council

Hauraki District Council

DRAFT

Mayoral foreword

To come

Executive summary

New Zealand's planning and local government reforms will reshape how places evolve, grow, manage environmental pressures and invest for decades to come.

A Waihou–Piako–Coromandel unitary authority would establish a coherent governing approach for the sub-region. It would enable decisions about community services, growth, infrastructure and the environment to be made together, and have the organisational capability needed to coordinate investment, retain specialist expertise and respond to increasingly complex demands. Statutory local boards would keep defined decisions close to communities and protect the distinct identities and priorities of the places the authority serves.

This proposal is based on finding a scale that best fits the task by improving strategic and efficient sub-regional decision-making while also ensuring local voice is maintained.

The proposal will also strengthen a much-needed focus on the Hauraki Gulf, a national taonga that has been declining in overall health for several decades. The proposed authority will support greater alignment with the Pare Hauraki settlement and Sea Change – Tai Timu Tai Pari, the country's first marine spatial plan

A Waihou–Piako–Coromandel unitary authority offers that combination.

The unitary authority would remain part of an interconnected Waikato, participating in cross regional spatial planning and shared arrangements wherever collective action is required. Its design would be developed with affected iwi, hapū and post-settlement governance entities so that Treaty settlement arrangements and established relationships continue with the same or equivalent effect.

Cabinet agreement would enable councils and affected parties, supported by government, to complete the detailed design and establish the authority at the 2028 local elections, followed by full operational integration by 1 July 2030. The result would be clearer responsibility for the future of Waihou–Piako–Coromandel, stronger capability to lead through the changes ahead, and meaningful accountability to the communities it serves.

Proposal at a glance

Thames-Coromandel, Hauraki and Matamata-Piako District Councils propose the establishment of the Waihou–Piako–Coromandel unitary authority.

The boundary would comprise the three existing districts and adjacent coastal marine area.

The proposal brings together communities connected through catchments, infrastructure, transport, labour markets and shared provincial interests. It would align responsibility for the Waihou and Piako catchments and the interconnected Coromandel environmental systems more closely with the communities, land, natural ecosystems (such as Kopuatai and Hauraki Gulf) and infrastructure affected by those decisions. This would enable collective governance from the headwaters of these catchments, through the productive land and settlements downstream to Tikapa Moana/Hauraki Gulf which is shared with Auckland.

A mayor (elected at large) and a governing council of 12 to 15 members would make decisions requiring coordination across the wider area. Four to six directly elected statutory local boards would have responsibility for specified local matters and communities of interest and communities of interest.

This model is intended to combine strategic and organisational scale, with meaningful decision-making close to the distinct provincial, rural and coastal communities it would serve.

Regional spatial planning, transport and cross-boundary environmental matters would be established through a coordinated approach with other Waikato authorities. In addition, spatial planning for the Hauraki Gulf, Sea Change Tai Timu Tai Pari, will be delivered in collaboration with the Auckland Council and the Hauraki Gulf Forum. Future integration of water services arrangements is still being considered.

A Memorandum of Understanding between the three proposing councils outlines guiding principles that form the basis of this proposal. These include principles covering local voice, affordability, iwi and hapū relationships, fair treatment of historic assets and liabilities, gradual rates harmonisation and long-term organisational resilience.

The proposed boundary, governance allocation and transition arrangements would be confirmed through a government-enabled detailed design process involving affected councils, iwi and hapū, communities and other affected parties.

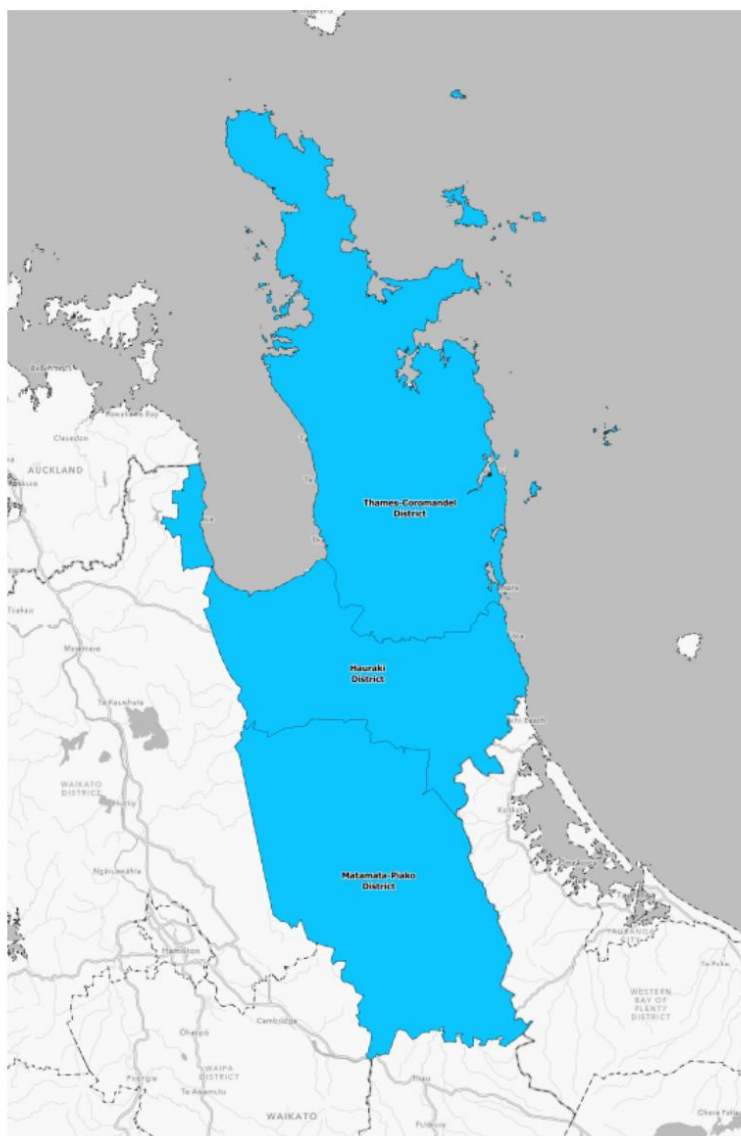


Figure 1: Proposing Councils

2. Eligibility and affected parties

Eligibility

The three proposing councils (Thames-Coromandel, Hauraki and Matamata-Piako) represent the majority of the directly affected territorial authorities.

The Waikato Regional Council is affected through transfer of functions.

Formal council resolutions and the Memorandum of Understanding are provided in Appendix 1.

Council positions

Council	Position and material interest
Thames-Coromandel, Hauraki and Matamata-Piako District Councils	Formal resolutions of each and Memorandum of Understanding are provided in Appendix 1
Waikato Regional Council	Directly affected by the proposed transfer of regional functions, assets, liabilities, staff and statutory responsibilities within the new boundary. [Insert its formal position when received.]

Possible boundary adjustments affecting catchments straddling the boundaries of the current Matamata-Piako and Hauraki districts warrant consideration. Consistent with the Government's stated catchment-based approach, the proposal supports the Government considering targeted adjustments where necessary to align administrative and catchment boundaries. Other Waikato territorial authorities have interests in regional planning, transport, infrastructure, shared services and environmental matters extending beyond the proposed authority.

Formal council positions are included in Appendix 1, with preliminary effects on affected councils and shared arrangements assessed in Appendix 6.

Parties and stakeholders

The proposed area overlaps with the rohe and areas of interest of Pare Hauraki, Waikato-Tainui, Ngāti Hauā, Raukawa and Ngāti Hinerangi. Iwi authorities, hapū, post-settlement governance entities and the Crown have interests arising from Treaty settlements,

statutory relationships, natural resources, representation and the proposed transfer of regional functions. These matters are addressed in Section 4.

Other affected parties include central government agencies, councils, council-controlled and shared-service organisations, council staff, ratepayers, infrastructure providers and the communities represented by the affected councils. Engagement undertaken to date, how it has influenced the proposal and further engagement required are set out in Appendix 1.

Proposed boundary

The proposed boundary, shown in Map 1 in Appendix 3, comprises the three district council areas and adjacent coastal marine area. Map 2 indicates possible boundary adjustments to better align with catchment boundaries. This is discussed further in Appendix 3.

3. Assessment against the five criteria

3.1 Supporting the new planning system

Waihou–Piako–Coromandel would bring land-use and natural environment planning together within one authority. Growth, infrastructure, freshwater, natural hazards and the coastal environment could be planned as connected parts of the same system, reducing fragmentation between regional and district processes and creating clearer accountability for decisions affecting the area.

Integrated planning within the new authority

The Waihou–Piako–Coromandel area is connected to the wider Waikato, Bay of Plenty and Auckland through nationally and regionally significant road, rail, freight and tourism corridors. The proposed unitary authority would bring together local and regional planning responsibilities within its boundary and would continue to be part of an interconnected Waikato system. Transport networks, freight movements, labour markets, tourism, economic development and growth pressures extend well beyond sub-regional boundaries and require coordinated planning across the wider Waikato and upper North Island.

A Waihou–Piako–Coromandel unitary authority would participate in joint governance arrangements with other Waikato unitary authorities for matters that are most effectively planned at a regional scale.

This would include a statutory Waikato Spatial Planning and Infrastructure Committee (or similar joint body) comprising elected members from participating authorities, iwi and hapū representatives, and relevant Crown agencies where appropriate. Such a body would provide oversight of regional spatial planning, transport strategy, major infrastructure corridors, emergency management, climate adaptation and other cross-boundary priorities.

The existing marine spatial plan for the Hauraki Gulf, Sea Change Tai Timu Tai Pari, will also need to continue to be implemented by this proposed unitary authority, in collaboration with Auckland Council and the Hauraki Gulf Forum.

This approach would retain local decision-making and accountability for place-based matters while ensuring that regionally significant transport and growth issues continue to be planned and coordinated across the Waikato. Building on existing collaborative arrangements it would give the unitary authorities a formal way to coordinate work on wider Waikato issues, while each remains accountable to its local communities.

Aligning authority and environmental boundaries

The boundary would substantially align responsibility for the Waihou and Piako catchments and the interconnected Coromandel environmental systems within one authority. This would enable integrated catchment management with land management, biosecurity, land use, freshwater, flood protection, drainage, natural hazards and coastal planning to be considered together.

Further engagement and detailed design will be undertaken during the next stage to progress this. Detailed design would assess whether boundary adjustments or enduring cross-boundary arrangements would provide the better outcome. The full boundary rationale, maps and cross-boundary catchment assessment are provided in Appendix 3.

Protecting continuity

Existing councils would retain their statutory planning and regulatory responsibilities until functions are legally transferred and the Government's planning reforms are completed.

A coordinated transition programme would protect current planning work, evidence, data, systems, specialist capability and statutory relationships. It would align establishment of the new authority with Waikato-wide planning and provide interim arrangements for functions whose future location had not yet been settled.

Current planning-system progress, function-transfer requirements and regulatory continuity arrangements, and establishment are addressed in Appendix 6 and 7.

Trade-offs and risks

The principal trade-offs and risks are associated with undertaking planning reform and local government reorganisation at the same time.

These include uncertainty while the final national legislative framework is being developed, potential disruption to statutory planning and consenting processes, the complexity of integrating existing plans, data, systems and policies, ensuring that stronger unitary and regional consistency does not diminish appropriate place-based input and pressure on specialist staff.

These would need to be managed through phased implementation, clear transitional accountabilities and close coordination with central government.

Add in 'boxed' case study here on economic benefits eg aquaculture?

3.2 Simplifying local governance

Waihou–Piako–Coromandel would replace separate territorial and regional governance within its boundary with one unitary authority. Communities would have a clearer line of accountability for decisions about land use, infrastructure, environmental management and local services.

Clearer responsibilities

A mayor and governing council would make decisions requiring coordination across the authority, including strategy, regional functions, major infrastructure and organisation-wide funding. Statutory local boards would make specified decisions affecting their communities.

This allocation would provide greater clarity about where responsibility sits. It would also reduce duplication across governance, planning, reporting and organisational support while retaining local decision-making for community services and projects that do not require an authority-wide response.

Regional spatial planning, transport, water services, shared infrastructure and cross-boundary environmental matters would still require formal arrangements with other

authorities and organisations. Simplification therefore means clearer responsibility and fewer internal boundaries, rather than removing the need for regional collaboration.

Design considerations

The governance model would create two elected levels within the authority – a governing council and statutory local boards.

The proposed governance and representation framework is provided in Appendix 2. Detailed design would establish a transparent allocation of responsibilities, funding and accountability between the governing council and boards. It will also consider enabling legislation for representation based on rating units as well as resident population.

Resident and non-resident representation

The relationship between the rating base and resident population differ markedly across the three councils. In Thames-Coromandel around 50 per cent of ratepayers are not resident in the district. A representation model based solely on resident population would not reflect the financial contribution and ongoing interests of this group. The three councils recognise this and agree that the representation model should account for it in a fair way. This may require legislative change to enable representation based on rating units, or a hybrid of rating units and resident population. The detail will be developed in the next stage of this process.

Trade-offs and risks

The principal trade-off is between simplifying governance and retaining effective local decision-making, clear accountability and appropriate visibility of regional functions.

Potential risks include lack of clear boundaries between regional and local decision-making, regional functions becoming less visible, inconsistent delegations or accountability and disruption during the transition from existing governance arrangements.

These would need to be addressed during the detailed design stage, through a clear governance framework, disciplined committee design and transparent allocation of responsibilities.

3.3 Achieving economies of scale

Preliminary analysis indicates that Waihou–Piako–Coromandel would have sufficient operational and workforce scale to build a strong, fit-for-purpose unitary authority. Fixed costs and specialist capability would be spread across the larger organisation, reduce duplication and support coordinated investment across the connected provincial, rural and coastal communities it would serve.

Financial and organisational scale

Based on adjusted 2026/27 information, excluding water services the proposed authority would serve approximately 93,500 people across 57,280 rating units, with estimated annual revenue of \$320.7 million and net assets of \$3.703 billion (this figure excludes assets to transfer in from Waikato Regional Council, value currently unknown).

Efficiencies arise through consolidated governance, leadership and corporate functions, less duplication in planning, reporting, procurement and asset management, and greater purchasing and contracting scale.

The larger organisation is better placed to recruit and retain specialist planning, engineering, environmental, regulatory and project-delivery capability. Bringing regional and territorial responsibilities together enables the transport investment, catchment management, flood protection, land drainage and economic development to be planned around common priorities rather than through separate organisations and programmes.

Financial risks and detailed design

The preliminary figures do not establish the complete opening financial position. The councils have different rating systems, debt positions, service arrangements and investment priorities, and establishment would involve material one-off costs before longer-term benefits can be realised. These preliminary figures do however indicate significant borrowing capacity over the current total debt limit when combined into one entity.

Detailed design would establish the opening balance sheet, quantify transition costs and potential benefits, test rates and debt affordability, and determine the fair treatment of assets, reserves and historic obligations.

Trade-offs and risks

The key risk is that significant transition and integration costs will arise upfront, while efficiencies and other benefits may take longer than expected to be realised.

Other challenges include disruption from system and organisational change, the loss of local knowledge or relationships, standardisation that does not reflect legitimate local circumstances, uneven impacts from rating and debt harmonisation, differing asset condition and renewal needs, overestimating potential savings and increased borrowing capacity creating pressure for higher investment or debt.

These reinforce the need for detailed financial analysis and a transparent benefits-realisation framework.

The financial and organisational assessment, including independently reviewed modelling, is provided in Appendix 4.

3.4 Maintaining local voice

The proposing councils have “strong local voice” as a foundation principle underpinning the authority with a clear line of sight between communities and decision-making – established to ensure fair and effective representation for different communities of interest.

Waihou–Piako–Coromandel combines greater strategic scale with elected decision-making close to the communities affected. The proposed area is a network of provincial towns, rural communities and coastal settlements without a dominant metropolitan centre.

Statutory local boards would be established to protect local influence while the governing council would address matters requiring coordination across the wider area.

Local services and delivery centres would still be retained in local communities.

Representation across the authority

A mayor would be elected across Waihou–Piako–Coromandel. The governing council would comprise 12 to 15 councillors elected **[from geographic wards/through a combination of wards and at-large representation – yet to be confirmed]**.

Four to six directly elected local boards would prepare local board plans and make specified decisions about local rates and priorities, facilities, place-making, grants and

bylaws. Their responsibilities would be protected through legislation rather than delegated at the discretion of the governing council.

This structure recognises that the pressures facing Coromandel coastal settlements differ from those affecting the Hauraki Plains, Matamata-Piako and the upper Waihou communities.

Community, iwi and Māori participation

The community engagement undertaken in the time available shows support among respondents for an “eastern Waikato authority”, alongside a consistent expectation that decisions remain close to communities and that no area be dominated by a larger centre.

Existing Treaty settlement obligations, statutory relationships and relationships with iwi and hapū would transfer without diminution. Te Manawhenua Forum Mo Matamata-Piako and Te Toa Horopū ā Matamata-Piako have had conversation throughout this process and have requested that any head start proposal explicitly recognise and provide for Treaty settlement obligations, statutory acknowledgements, iwi management plans, co-governance arrangements, partnership commitments, and other iwi-related obligations, ensuring these arrangements are transferred, maintained, and strengthened under any future local government structure.

The boundaries of the proposed authority and the catchment authority proposed by the Pare Hauraki settlement are in alignment. The new authority would provide enduring arrangements for iwi and Māori participation in governance and decision-making, with the final representation model developed alongside affected iwi and hapū.

Maintaining local voice requires accessible local services, adequately funded local boards and clear ways for communities to shape priorities between elections.

Trade-offs and risks

The principal challenge is achieving the right balance between unitary [sub-regional] integration and local responsiveness. Too little delegation could leave communities feeling disconnected from decisions. Too much fragmentation could recreate the governance complexity the proposal seeks to reduce.

Other risks include local boards having representation but insufficient authority or funding, boundaries not reflecting genuine communities of interest, inconsistent local service expectations and local governance arrangements becoming overly complex.

Representation options, local-board responsibilities, funding and participation arrangements are addressed in Appendix 2, with engagement findings in Appendix 1.

3.5 Deliverability

Foundation and pathway

The proposing councils have agreed principles covering local voice, affordability, iwi and hapū relationships, fair treatment of historic assets and liabilities, gradual rates harmonisation, clear accountability and organisational resilience. These principles will be used to test detailed-design and transition decisions.

A high-level pathway would involve the following steps.

1. Cabinet agreement to proceed and confirmation of the statutory pathway
2. Government-enabled detailed design involving affected councils, iwi and hapū and other parties
3. Enabling legislation and establishment of a transition body
4. Election and commencement of the new authority's governance in 2028
5. Transfer of functions, people, assets, liabilities, systems and statutory responsibilities in 2030
6. Existing councils would continue exercising their statutory responsibilities until functions are legally transferred. A transition body with clear governance, accountability and independent assurance would oversee implementation and protect service and regulatory continuity.

Dependencies and support required

Establishment will need to be coordinated with planning reform and Local Water Done Well. Those water services with Waikato Waters Limited would remain, requiring the new authority's ownership interests, funding relationships and accountability arrangements to be confirmed without disrupting the company's establishment plan or service delivery.

Government decisions would be required on the final boundary, establishment timetable, local-board powers and transfer of regional functions. Government support would also be required through enabling legislation, timely access to relevant information and agencies, and appropriate funding or transition assistance.

Detailed design would establish the opening balance sheet, transition funding and accountabilities, organisational and workforce requirements, rates and debt arrangements, systems integration and measures to protect service continuity.

The main risks are compressed timeframes, the scale and timing of simultaneous reforms, potential loss of specialist capability, incomplete financial and asset information, transition costs and uncertainty about which regional functions would transfer while the Resource Management model remains under development. Delivery would also be weakened if affected councils, iwi and hapū were involved too late in decisions about boundaries, functions and transition arrangement.

The proposal is sufficiently developed to proceed to detailed design.

Appendix I outlines the proposed establishment pathway, principal delivery risks and workstreams that would form the basis of a detailed implementation programme.

4. Treaty settlements and iwi relationships

Treaty settlements, iwi rights and the Crown's commitments would remain in place. Existing statutory duties, appointments, agreements and relationships would continue without interruption and be given the same or equivalent effect under Waihou–Piako–Coromandel. Detailed design would be undertaken with affected iwi, hapū and post-settlement governance entities, alongside the Crown's engagement process.

Affected arrangements

The proposed area overlaps with the rohe and areas of interest of Pare Hauraki, Waikato-Tainui (in particular Ngāti Hauā), Raukawa and Ngāti Hinerangi. These interests extend across existing and proposed council boundaries, and the relevant settlement arrangements differ between iwi.

The Pare Hauraki Collective Redress Deed (yet to be enacted) provides for a Waihou, Piako and Coromandel Catchment Authority with iwi and local government appointments. The proposal would bring this catchment geography within one unitary authority, more closely aligning environmental governance with the communities and land connected by the catchments. The Catchment Authority's appointment structure and related provisions would need to reflect the final boundary and new local government arrangements.

Affected settlement legislation, deeds, statutory acknowledgements, appointments, notification duties and council relationships are assessed in Appendix 5.

Initial conversations with iwi

Conversations have occurred throughout the process with the Waikato Iwi Chairs, direct contact with iwi leaders and proposal-specific meetings.

The Mayors and Chief Executives also met with mana whenua, chairs of post-settlement governance entities and the chairs of the Pare Hauraki and the Hauraki Māori Trust Board. Iwi have indicated general support for a Waihou, Piako Coromandel proposal based on a catchment model.

The Matamata Piako District Council Te Mana Whenua Forum was brought in at the outset to provide an initial briefing. Settlement information prepared for the proposal has been shared with iwi representatives for review.

Ngāti Hauā Iwi Trust support a Waikato-wide model and has emphasised early, adequately resourced co-design and protection of existing statutory arrangements and relationships.

These discussions do not constitute formal agreement across all affected iwi and hapū.

Giving equivalent effect

During detailed design, the councils would work with each affected iwi, hapū and Post-Settlement Governance Entity, alongside the Crown, to identify affected settlement instruments and council responsibilities; preserve statutory acknowledgements, notification duties, appointments, agreements and established relationships; determine how the Catchment Authority and other arrangements would operate; address the proposed any district boundary changes; and develop iwi and Māori participation arrangements without diminishing existing rights or relationships.

Early iwi-specific work would be required to avoid gaps in statutory responsibilities and ensure each existing arrangement has the same or equivalent effect under the new authority.

5. Wider Waikato effects

Benefits to the wider Waikato

For New Zealand, the Waikato is more than a collection of councils. It is a nationally significant region supporting the upper North Island's key growth and freight corridor and

includes international tourist destinations, a major centre for food production, energy, aquaculture and water resources, and home to nationally important river, lake and catchment systems. The region's interdependencies extend beyond existing council boundaries, meaning decisions about Waikato local government have implications both within the region and across New Zealand.

However, the scale, diversity and interdependence of the wider Waikato, mean a single unitary authority would potentially concentrate decision-making in a metropolitan centre distant from the people it serves.

A smaller number of coherent sub-regional authorities preserves both organisational scale and genuine accountability to its communities of interest.

Reflecting community aspirations, councils across the Waikato are advancing parallel unitary authority proposals.

While each authority will assume full responsibility for unitary functions, all proposals recognise that some issues are best planned and managed at a regional scale. A joint committee, or similar governance arrangement, will provide regional leadership on spatial planning, transport, infrastructure, emergency management and other cross-boundary priorities. The detailed design phase would identify these shared functions and determine the most effective mechanisms for their coordination and delivery.

Effects outside the proposed boundary

The proposal does not determine future governance arrangements for councils outside the proposed authority. Catchment and river-management funding would require further assessment. Targeted rates currently generally follow the areas receiving the services, while transferred general-rate contributions and residual regional costs would need to be tested. Specialist teams, systems, contracts and services that could not be separated efficiently may require continuing shared arrangements.

Detailed design would assess service continuity, capability, rates and the allocation of regional costs and revenues for communities inside and outside the boundary. Supporting analysis is provided in Appendices 2, 3 and 5.

6. Decision sought

The councils ask Cabinet to agree in principle that Waihou–Piako–Coromandel proceed through the Head Start process to government-enabled detailed design, with legal establishment at the 2028 local elections and full operational integration by 1 July 2030.

The councils seek Cabinet agreement to:

- provide for officials to work with the proposing councils, affected councils, iwi and hapū, post-settlement governance entities and other affected parties
- confirm the final boundary, governance and representation model, Treaty-settlement arrangements, functions transferring, and financial and organisational design
- develop enabling legislation, establish leadership arrangements, including supporting the appointment of the Chief Executive, and government transition assistance and funding
- return the completed design to Cabinet for final policy and legislative decisions
- consideration of regulatory relief for the council Long Term Plan and representation reviews.

The proposal is sufficiently developed to proceed because it offers a credible opportunity to align accountability with connected catchments and communities, achieve practical organisational scale and retain meaningful local decision-making.

The phased establishment pathway is set out in Appendix 7.

Supporting evidence

This appendix brings together the evidence supporting the proposed Waihou–Piako–Coromandel unitary authority. It records the evidence available at outline-proposal stage and identifies the matters that must be resolved through government-enabled detailed design.

Appendix schedule

- 1. Mandate and engagement evidence**

Resolutions, formal positions, engagement results and the limitation created by the revised boundary.

- 2. Governance**

Proposed two-tier governance model, agreed design principles, allocation of authority-wide and local responsibilities, matters for detailed design and safeguards for meaningful local-board powers.

- 3. Boundary and communities-of-interest evidence**

Proposed boundary maps, consistent demographic data and a short treatment of the smaller cross-boundary catchments.

- 4. Financial, organisational and economic evidence**

Financial tables, properly sourced and updated for the final boundary, plus assumptions, exclusions and known uncertainties.

- 5. Treaty settlements and iwi relationships**

Affected arrangements and parties, engagement undertaken and matters requiring equivalent effect or legislative amendment.

- 6. Wider-Waikato effects and continuing arrangements**

Waikato Regional Council, South Waikato, shared services, spatial planning, transport, catchment management, funding and residual capability.

- 7. Deliverability, principal risks and detailed-design priorities**

one roadmap, one risk table and a concise list of next-phase workstreams.

1. Mandate and engagement evidence

Council mandate and formal positions

Thames-Coromandel, Hauraki and Matamata-Piako District Councils have jointly developed the proposal. Their work has included a collaborative working group, Chief Executive workshops, Treaty settlement mapping, community engagement and an elected-member workshop on 7 and 20 July 2026.

The three councils have agreed a Memorandum of Understanding setting out the principles that would guide detailed design. These include protecting local voice, affordability, iwi and hapū relationships, fair treatment of historic assets and liabilities, gradual rates harmonisation, clear accountability and long-term organisational resilience.

Party	Position and evidence required
Thames-Coromandel District Council	Proposing council. [Insert resolution, date and certified minutes or formal extract.]
Hauraki District Council	Proposing council. [Insert resolution, date and certified minutes or formal extract.]
Matamata-Piako District Council	Proposing council. [Insert resolution, date and certified minutes or formal extract.]
Three proposing councils	[Attach the signed Memorandum of Understanding.]
South Waikato District Council	Participated in the initial development of an East Waikato option that included the whole district.
Waikato Regional Council	Would be directly affected by the transfer of regional functions, staff, assets, liabilities, funding and statutory responsibilities within the new boundary. [Insert its formal position when received, or record that no formal position had been received by the submission date.]
Other affected councils and organisations	[Attach or list any formal positions received.]

Community engagement

Engagement undertaken by the three proposing councils tested an East Waikato authority comprising Thames-Coromandel, Hauraki, Matamata-Piako and South Waikato District.

Among those who participated, East Waikato was the most frequently selected geographic option in each of the three proposing districts.

District	Participation recorded	Respondents selecting East Waikato
Matamata-Piako	832	89%
Hauraki	656	86.9%
Thames-Coromandel	1322	46%

In Thames-Coromandel, 34 per cent selected a North Bay of Plenty option and 12 per cent selected a Greater Waikato option.

Across the three districts, the recurring priorities were:

- decision-making that remains close to communities
- a fair voice for provincial towns, rural areas and coastal settlements
- avoiding domination by a large metropolitan centre
- keeping costs down and treating inherited debt and locally funded assets fairly
- improved flood, river and environmental management
- continued engagement as governance arrangements are developed.

These results support further consideration of an eastern Waikato authority and have influenced the proposal's emphasis on statutory local boards, financial fairness and catchment-based planning.

The engagement was opt-in and is not statistically representative of the wider population. The affected communities, landowners, iwi and hapū and adjacent Councils may need further conversations before that boundary is confirmed.

Sources: the three council engagement reports and supporting datasets.

2. Governance

Currently there are 38 elected members of the three council territorial authorities (including four Māori ward members). In addition, there are five community boards with a total of 24 representatives.

The proposed governance model will reduce this number.



OUR GOVERNANCE MODEL

A TWO-TIER UNITARY AUTHORITY

Our two-tier governance model gives local communities a strong voice while ensuring effective leadership and decision-making across the region.

TIER 1 – COUNCIL (UNITARY AUTHORITY)



COUNCIL
ELECTED BY
THE PEOPLE



12–15
COUNCILLORS



1 MAYOR
ELECTED
AT LARGE

The Council provides governance and oversight at the unitary authority and Waikato regional level.

KEY RESPONSIBILITIES



Spatial
planning



Biosecurity
and pest
control



Land
transport



Civil
defence



Land drainage
and flood
protection



Maritime
matters



Catchment
management



One Council,
working for
the Waihou-
Piako-
Coromandel
communities.

TIER 2 – LOCAL BOARDS



LOCAL BOARDS
ELECTED BY
THE PEOPLE



4–6
LOCAL BOARDS
(BASED ON COMMUNITIES
OF INTEREST)

Local boards are based on communities of interest and have meaningful decision-making powers set by legislation.

KEY RESPONSIBILITIES



Manage local
community facilities
and places



Govern
local grants



Develop
bylaws



Set
local rates



Adopt local board
plans that reflect
local priorities and
preferences



Strong local
leadership.
Decisions
that reflect
local needs,
priorities and
aspirations.



Both tiers are elected by the people, ensuring accountability at every level and a balance of strong regional leadership with local decision-making.



Mayors and several elected members from each council met to discuss potential governance structures and agreed on the following:

- local voice matters: local people should be empowered to make decisions and take action
- we want to be strategic and influential nationally while remaining connected locally
- ensure leadership is directly accountable to the people
- reflect non-resident ratepayers in representation across the unitary authority
- recognise obligations to hapū and iwi
- adopt a model people can trust to deliver better outcomes for communities
- remain open to working with the wider Waikato on shared priorities.

What we want in a governance structure:

- a two-tier unitary authority, with both tiers elected by the people: one council covering the Waihou-Piako-Coromandel area and four to six local boards
- a council of 12 to 15 elected members, plus one mayor elected at large
- the council would provide governance and oversight at the unitary authority and Waikato regional level for matters such as spatial planning, land transport and land drainage and flood protection, catchment management, biosecurity and pest control, civil defence, and maritime matters
- local boards would be based on communities of interest have meaningful decision-making powers set up legislation. They would manage local community facilities and places, govern local rates, and adopt local board plans that reflect local priorities and preferences.

Matters to be confirmed in stage 2 of the Head Start process:

- the name of the Council
- local board boundaries, names and number of elected representatives in each
- how to include non-resident ratepayers in representation across the unitary authority
- Iwi and Māori representation
- governance arrangements for Waikato-wide functions

How this high-level governance model simplifies local government while maintaining local voice:

- a single council would represent the Waihou-Piako-Coromandel area, replacing the current regional council and three territorial authorities

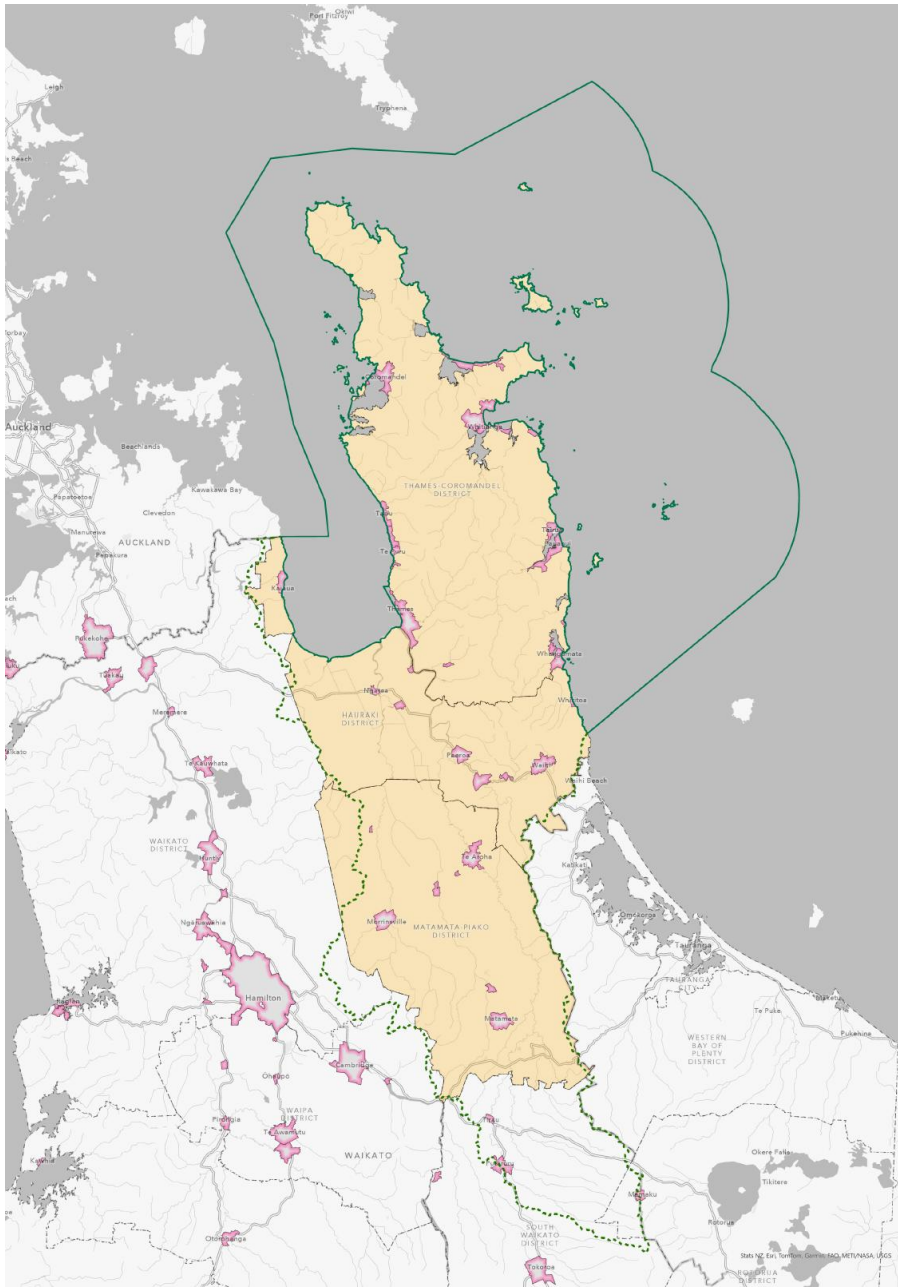
- local boards provide locally elected representatives who are accessible to residents and accountable to their communities
- decision-making remains close to communities, helping local needs and priorities shape service delivery and investment decisions
- more granular representation has a better chance of reflecting diverse communities of interest.

Risks:

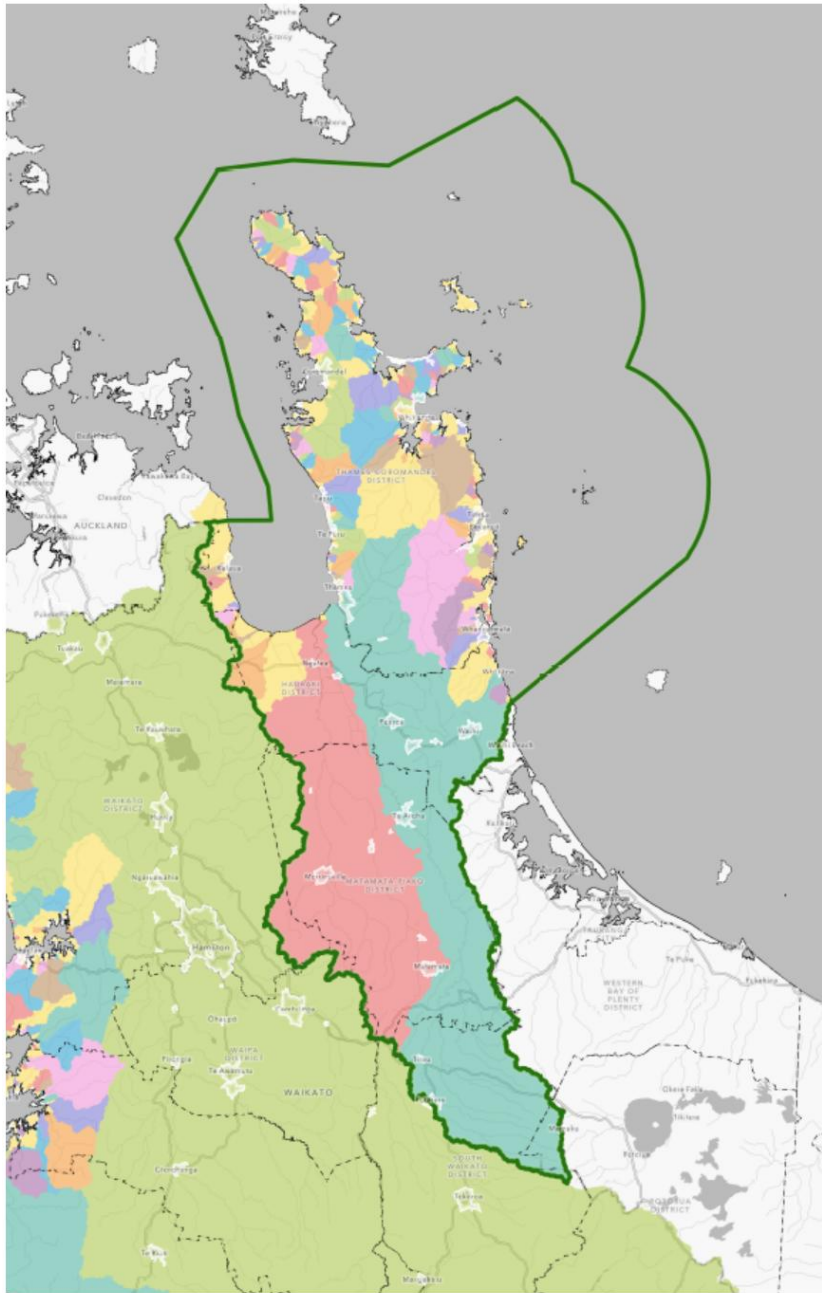
The principal risk is that local boards could have formal representation without sufficient authority, funding or organisational support to influence local decisions. Experience of the Auckland model suggests that devolution has not always worked as intended and that local boards can struggle to represent community priorities within a centralised structure. To manage this risk, legislation should clearly define local-board responsibilities, decision-making powers and funding authority, rather than leaving these matters primarily to the discretion of the governing council.

3. Boundary and communities-of-interest evidence

The proposed authority would comprise the complete Thames-Coromandel, Hauraki and Matamata-Piako districts and, subject to detailed assessment and engagement, may include some boundary adjustments based on catchments.



Map 1 - Shows the existing district boundaries (yellow) against a possible catchment based Unitary boundary (dashed green line) should a catchment based Unitary be confirmed



Map 2- River catchment boundaries (multi colours) shown alongside existing district boundaries (dotted line) against a possible catchment based boundary (Green line). The Waihou River (green) and Piako River (red) are the 2 primary catchments through MPDC and HDC.

Evidence for the three-district area

The proposed area comprises a network of provincial towns, rural communities and coastal settlements without a dominant metropolitan centre. The communities retain

distinct identities but are connected through environmental systems, infrastructure, industries, transport routes, labour markets and Treaty relationships.

The Waihou and Piako catchments extend through rural production areas and the Hauraki Plains before reaching the Firth of Thames and Tikapa Moana / Hauraki Gulf. The Coromandel Peninsula's western catchments also flow to the Firth, while its eastern catchments flow to the wider Gulf. Flooding, land drainage, freshwater quality, biodiversity, biosecurity, sediment, coastal pressures and natural hazards interact across this catchment-to-coast system.

Sea Change – Tai Timu Tai Pari provides an existing marine spatial planning framework for the Hauraki Gulf. It reinforces the connection between decisions affecting land, freshwater and the coastal marine area. The proposed authority would still need to work with Auckland Council, the Hauraki Gulf Forum, iwi and hapū and other organisations with responsibilities extending beyond its boundary.

Economic and infrastructure connections also cross the three districts. Agriculture, dairy processing, forestry, aquaculture, mining, manufacturing and tourism rely on common transport corridors, labour, processing facilities, supply chains and access to markets and ports. Approximately 2,360 kilometres of local roads connect farms, forests, towns and visitor destinations with State Highways 2, 25, 26, 27 and 29.

These connections support treating the three complete districts as a coherent subregion. The Coromandel Peninsula has strong coastal, visitor and non-resident-ratepayer interests; the Hauraki Plains are shaped by agriculture, flood protection and land drainage; and the towns of Matamata-Piako support rural production, processing, manufacturing and tourism. The governance model must continue to reflect these differences.

Demographic baseline

The available combined data provide the following baseline for the three complete districts.

Measure	Three-district baseline
Population at 30 June 2025	93,500
Rating units at 30 June 2025	57,280

Land area	5,232 km ²
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Upper Waihou Catchment

South Waikato District spans both the Waihou and Waikato catchments. Inclusion of the defined upper Waihou area would bring more of the catchment's headwaters, rural land, settlements and infrastructure within the authority responsible for the Waihou system further north.

This establishes a credible catchment rationale for assessing a boundary change.

In addition to catchment alignment, the following should also be considered:

- the exact land, properties, population and rating units proposed to transfer
- community identity and the views of affected communities
- travel, employment, education, retail and service relationships
- infrastructure networks, facilities, contracts and planned investment
- assets, liabilities, debt, reserves and historic obligations
- iwi and hapū interests and relevant Treaty settlement arrangements
- representation and access to local services within the proposed authority
- the financial, organisational and service effects on affected districts
- alternatives to transfer, including retention of the existing boundary with strengthened cross-boundary arrangements.

This work and conversations with stakeholders are part of the detailed design.

Smaller cross-boundary catchments

The Waitakaruru, Waiwarawara and Miranda Stream catchments and an unnamed Miranda tributary catchment include land within Waikato District before passing through Hauraki District to the Firth of Thames. Council records document river and flood-management challenges created by the current division of responsibilities. The existing district boundaries cut across the Piako and Waikato River catchments. Any future council boundary should follow the catchment boundaries where practicable.

Any boundary adjustment should follow a short, catchment-specific assessment of:

- the catchment boundary and affected properties
- the historical basis for the existing council boundary
- iwi and hapū interests and relevant statutory arrangements
- current flood, drainage, environmental and operational responsibilities
- assets, funding, investment and recorded coordination problems
- the effects on councils, communities, landowners and ratepayers.

The appropriate outcome may differ between catchments. If a boundary is retained, enduring arrangements would still be needed for planning, information, monitoring, flood management, investment, funding and incident response.

4. Financial, organisational and economic evidence

The preliminary analysis demonstrates the scale of an authority formed from the three districts. It does not constitute an opening balance sheet or establish a quantified net saving.

Preliminary financial scale

The following figures were compiled from 2026/27 Annual Plan information and exclude water-services activity.

Scale indicator	Preliminary total
Population at 30 June 2025	93,500
Rating units at 30 June 2025	57,280
Land area	5,232 km ²
Contribution to national GDP, 2025	1.5%
Estimated total revenue, 2026/27	\$320,691,000*
Estimated operating expenditure, 2026/27	\$315,779,000*
Estimated net assets at 30 June 2027	\$3,702,956,000#
Estimated property, plant and equipment at 30 June 2027	\$3,538,279,000#
Estimated net debt at 30 June 2027	\$108,859,000
Estimated capital programme, 2026/27–2033/34	\$774,475,000

* Revenue and operating expenditure include estimates for Waikato Regional Council catchment management, flood control and river management directly attributable to the area. They also include a 37 per cent share of the balance of relevant regional revenue and costs, allocated according to rating units.

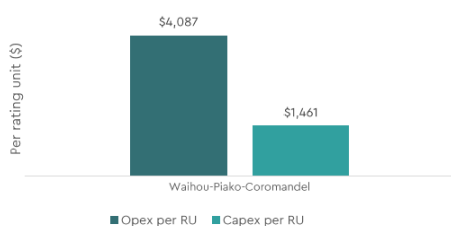
The figures do not include Waikato Regional Council assets.

Source: combined council financial dataset using 2026/27 Annual Plan information and the stated Waikato Regional Council allocation assumptions.

The figures are based principally on the three complete districts. If any boundary changes occurs as a result of detailed design the financial impact will need to be reassessed. The available information for regional operating activity, assets and capital investment means the table cannot be used as the authority's opening financial position.

Average Spend per Rating unit (FY28-FY34)

As a baseline the average spend per rating unit is captured below for all three councils (includes average rating from Waikato Regional Council – applied at a rating unit level) :



Source : Independent Financial Review of Headstart (MartinJenkins) July 2026

Borrowing indicators

Preliminary modelling produced the following indicative position.

Net debt as a proportion of adjusted revenue (July 2027)	34%
Net-debt limit based on a 280% covenant (July 2027)	\$892,902,000
Current net debt (July 2027)	\$108,859,000
Indicative additional borrowing capacity (July 2027)	\$784,043,000
Additional capacity relative to current net debt (July 2027)	7.2 times
Borrowing costs as a proportion of adjusted revenue (July 2027)	2.3%

Source: combined 2026/27 council financial modelling, excluding water services and applying the revenue adjustments used for covenant calculations.

The calculation indicates potential balance-sheet headroom. It does not demonstrate that additional borrowing would be affordable or desirable. The result is sensitive to the

final boundary, the definition of adjusted revenue, transferred regional activity, asset condition, renewal requirements, capital priorities, interest rates and lender covenants.

Organisational scale and potential efficiencies

The three councils currently operate separate governance, executive, finance, people, information-technology, legal, communications, planning, reporting and asset-management arrangements. Potential efficiencies arise from consolidating these functions and systems, coordinating procurement and renewing contracts through a common programme.

The strongest operational opportunities identified are:

- managing approximately 2,360 kilometres of local roads as one network
- building on Hauraki District Council's operational and technical capability in land drainage and flood protection
- bringing together regional flood-protection responsibilities for the Waihou and Piako systems, Thames, the Kauaeranga River and the Thames coastal margin
- planning stopbanks, pump stations, floodgates, drains, rivers, land use and environmental management through one organisation
- using common asset-management systems, investment standards and prioritisation
- supporting specialist planning, engineering, environmental, regulatory and programme-delivery capability across a larger workforce.

Modelling carried out identified that the Waiou-Piako-Coromandel option presented results in a net financial benefit per rating unit.

Integrated basis	Indicative NPV FY28-34	Indicative NPV FY28-40	Forecast break-even year
Waihou-Piako-Coromandel	~(\$450)	~\$700	FY37

Source : Independent Financial Review of Headstart (MartinJenkins) July 2026

Rates and resilience

The preliminary analysis records:

- rates per person ranging from \$1,085 - \$2,236 in 2026/27
- average household rates ranging from \$1,868 - \$2,307 in 2024/25
- average household rates equivalent to 1.8 - 3.3 per cent of 2024/25 median household income, which is a common affordability metric
- population growth over the preceding five years ranging from zero - 8 per cent
- forecast growth to 2034 ranging from a 7.2 per cent decline to 9.7 per cent growth.

The variation strengthens the case for a staged approach to rates harmonisation and transparent treatment of debt, reserves, service levels and historic obligations. It also means the distributional effects of integration need to be tested for different communities and ratepayer groups.

Analysis was completed to understand what the impact would be to the unitary authority if there was a shock as a result of a natural hazard. Two scenarios were applied, a \$50m shock and a \$150m shock.

Waihou-Piako-Coromandel has a low debt-to-revenue ratio, at 129% before the shock and 185% following a \$150 million shock (leaving \$260m headroom).

	FY32 Position		Shock as a % of revenue		Net debt to revenue post-shock		Remaining headroom	
	Net debt-to-revenue limit (LGFA)	Net debt-to-revenue pre-shock	\$50m shock	\$150m shock	\$50m shock	\$150m shock	\$50m shock	\$150m shock
Waihou-Piako-Coromandel	280%	129%	18%	55%	148%	185%	\$360m	\$260m

Source : Independent Financial Review of Headstart (MartinJenkins) July 2026

Financial Position: Waihou-Piako-Coromandel

As part of the independent financial review, key financial observations, assumptions and positions were captured, along with net debt positions and capital expenditure. See below for details.

Observations

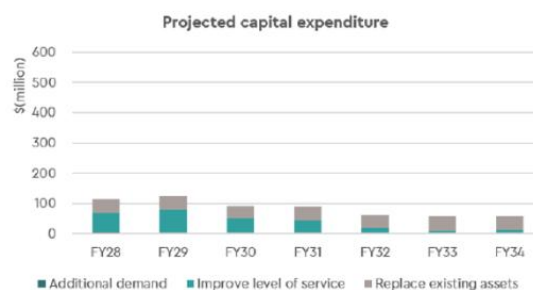
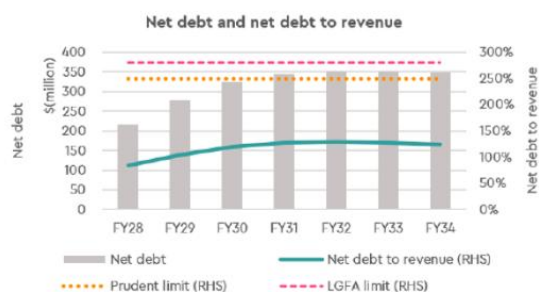
- Capex programme of ~\$0.6bn, tapering off in later years. Spend is ~\$110m from FY28-FY30, and drops to \$57m by the end of the LTP period.
- Almost entirely renewals, with minimal growth-related capital; consistent with modest 3.7% growth.

Key assumptions

Dimension	Amount
Opex efficiencies (% of amenable opex, from FY30)	4 – 6%
Capex efficiencies (from FY30)	0.0 – 0.5%
Integration costs (% of amenable opex)	30%
WRC cost allocation	Rating Units

Core financial position

Dimension	Amount
Opex, excl. dep'n & interest (FY28)	\$224m
Starting net debt (FY28)	\$216m
Projected net debt (FY34)	\$348m
Projected net debt to revenue (FY34)	124%
Capex profile (FY28-FY34)	\$0.6bn



Source : Independent Financial Review of Headstart (MartinJenkins) July 2026

Economic evidence

The three-district economy contributed approximately \$6.3 billion, or 1.5 per cent, to national GDP in 2025. Its economic base includes agriculture, dairy processing, forestry, aquaculture, mining, manufacturing and tourism.

Infometrics analysis records a Herfindahl–Hirschman Index score of 313 in 2025, compared with 489 across 66 territorial authorities. On this measure, the lower score indicates a more diversified spread of economic activity and less dependence on a small number of industries.

Source: Infometrics economic analysis

5. Treaty settlements and iwi relationships

The proposed area overlaps with the rohe and areas of interest of Pare Hauraki, Waikato-Tainui, Ngāti Hauā, Raukawa and Ngāti Hinerangi. These are distinct interests and relationships. They should not be treated as one iwi position or one partnership.

Iwi identified and settlement position

Pare Hauraki comprises 12 iwi, each with its own interests, governance arrangements and settlement position. Other iwi also hold interests within or connected to the proposed area.

Collective or relationship	Iwi	Individual settlement position
Pare Hauraki	Ngāi Tai ki Tāmaki	Settlement completed through the Ngāi Tai ki Tāmaki Claims Settlement Act 2018.
Pare Hauraki	Ngāti Hako	No Deed of Settlement has been signed. An Agreement in Principle Equivalent was signed in 2011.
Pare Hauraki	Ngāti Hei	Settlement completed through the Ngāti Hei Claims Settlement Act 2026.
Pare Hauraki	Ngāti Maru	Deed of Settlement signed in 2017. Implementing legislation remains to be confirmed.
Pare Hauraki	Ngāti Pāoa	Settlement completed through the Ngāti Pāoa Claims Settlement Act 2025, which came into effect in March 2026.
Pare Hauraki	Ngāti Porou ki Hauraki	Settlement in progress. No Deed of Settlement has been signed.
Pare Hauraki	Ngāti Pūkenga	Settlement completed through the Ngāti Pūkenga Claims Settlement Act 2017.
Pare Hauraki	Ngāti Rāhiri Tumutumu	Settlement completed through the Ngāti Rāhiri Tumutumu Claims Settlement Act 2026.
Pare Hauraki	Ngāti Tamaterā	Deed of Settlement signed in 2017. Implementing legislation remains to be confirmed.
Pare Hauraki	Ngāti Tara Tokanui	Settlement completed through the Ngāti Tara Tokanui Claims Settlement Act 2026.
Pare Hauraki	Ngaati Whanaunga	Deed of Settlement signed. Implementing legislation remains to be confirmed.
Pare Hauraki	Te Patukirikiri	Deed of Settlement signed. Implementing legislation remains to be confirmed.

Waikato relationships	Waikato-Tainui	Land and river settlements are in place, including the Waikato Raupatu Claims Settlement Act 1995 and Waikato River settlement legislation.
Waikato relationships	Ngāti Hauā	Settlement completed through the Ngāti Hauā Claims Settlement Act 2014.
Upper-catchment and Waikato River relationships	Raukawa	Settlement and Waikato River arrangements are in place, including the Raukawa Claims Settlement Act 2014.
Matamata-Piako relationships	Ngāti Hinerangi	Settlement completed through the Ngāti Hinerangi Claims Settlement Act 2021.

The table records the individual settlement positions currently identified (*these are subject to confirmation*). It does not imply a shared position within Pare Hauraki or among the other iwi listed.

Arrangement or party	Relevance to the proposal
Pare Hauraki Collective Redress Deed	Recognises the Waihou, Piako and Coromandel catchments as a connected geography and provides for a future catchment authority. Pare Hauraki iwi are at different stages in their individual settlement processes.
Waihou, Piako and Coromandel Catchment Authority	Proposed 14-member body comprising six Pare Hauraki appointees, one appointment involving Raukawa, Ngāti Hauā and Ngāti Hinerangi, and seven local-government appointees. Local-government representation would need to be reconfigured following reorganisation.
Waikato-Tainui	Interests include Waikato River relationships, Te Ture Whaimana and relevant settlement legislation.
Raukawa	Interests extend across the proposed area and upper catchments.
Ngāti Hauā	Interests extend across the proposed area with a specific co-governance arrangement in place for the Waharoa (Matamata) Aerodrome.
Ngāti Hinerangi	Settlement interests are concentrated in and around Matamata-Piako.
Individual council arrangements	Include statutory acknowledgements, notification duties, appointments, relationship agreements and other council-specific responsibilities.

The Crown remains responsible for its Treaty settlement commitments. Reorganisation would not alter Treaty settlements or iwi rights. It would, however, change the local authorities responsible for giving effect to some statutory duties, appointments, agreements and relationships.

Legal succession may carry some responsibilities to the new authority. It should not be assumed that succession alone will provide the same practical or legal effect in every case. The Catchment Authority's local-government appointments may require reconfiguration, while other arrangements may require legislative amendment, Crown action, agreement with affected entities or administrative transfer.

Detailed design needs to produce a settlement-by-settlement obligations register identifying:

- each affected deed, Act, statutory acknowledgement, agreement or other instrument
 - the iwi, hapū or Post-Settlement Governance Entity concerned
 - the responsibility currently held by each council
 - the future responsible authority
 - the mechanism needed to provide the same or equivalent effect
 - any legislative amendment, Crown decision or agreement required
 - catchment interest alignment
-
- the engagement completed and further work agreed.

This work needs to be undertaken with each affected iwi, hapū and Post-Settlement Governance Entity and avoid any gap in statutory responsibilities or established relationships.

6. Wider-Waikato effects and continuing arrangements

Waihou–Piako–Coromandel would remain part of an interconnected Waikato. Establishment would change where territorial and regional responsibilities sit, but regional planning, transport, catchments, infrastructure, emergency management and shared services would continue to cross authority boundaries.

Effects on adjacent Councils

Any boundary catchment adjustments will have an impact on the Councils affected:

- population and rating base
- land, roads, facilities and other assets
- liabilities, debt, reserves and capital commitments
- staff, contracts, systems and service delivery
- representation and community relationships
- remaining organisational scale, capability and unit costs

- interests in shared organisations and regional arrangements.

These effects have not yet been quantified. Detailed design needs to assess the consequences for both the communities and the Councils. It must also compare transfer with retention of the existing territorial boundary supported by coordinated catchment, environmental and service arrangements.

Effects on Waikato Regional Council

The exact regional functions proposed to transfer remain to be confirmed and may be affected by final national resource-management settings. Detailed design needs to determine:

- which functions transfer, remain shared or require transitional support
- the associated staff, specialist capability, data, systems and contracts
- the assets, liabilities, reserves and capital commitments attached to those functions
- the treatment of statutory responsibilities and existing plans
- the effect on Waikato Regional Council's remaining capability, cost base and services.

Catchment and river-management schemes receive targeted-rate and general-rate funding. Targeted revenue would generally follow the communities and areas receiving the service. The allocation of general-rate revenue, regional investment and residual costs requires further analysis and agreement.

Continuing arrangements

Relationship	Proposed treatment and work required
Regional spatial planning	Continue Waikato-wide participation. Confirm joint governance, representation, evidence, funding and delivery arrangements under the final planning system.
Transport	Manage local roads within the new authority while coordinating strategic connections and regional public transport with other authorities and the New Zealand Transport Agency.
Catchment and environmental management	Establish arrangements for catchments and environmental systems extending beyond the boundary, including information, monitoring, investment and incident response.

Hauraki Gulf and Sea Change	Continue participation in Sea Change – Tai Timu Tai Pari and relationships with Auckland Council and the Hauraki Gulf Forum. Confirm the new authority's representation and implementation responsibilities.
Emergency management	Confirm future group membership, governance, funding, operational coordination and service continuity.
Waikato Waters Limited	Hauraki and Matamata-Piako are shareholders; Thames-Coromandel is not a shareholder at establishment. Confirm future ownership, funding and accountability without disrupting water-services delivery.
Co-Lab	Confirm membership, shareholding and continuation of shared services.
Local Government Funding Agency	Confirm succession, guarantees, covenants and financing arrangements.
Waikato Regional Airport Limited	Confirm the future treatment of Matamata-Piako District Council's interest.
Hauraki Rail Trail Charitable Trust	The three proposing councils are settlors to the Trust, which governs, manages, develops and promotes the Hauraki Rail Trail. Confirm succession to the councils' rights and obligations; future trustee appointment arrangements; continued iwi appointment rights; treatment of trail assets, funding and maintenance responsibilities; and any amendments required to the Trust deed or related agreements.
Services that cannot be separated efficiently	Identify any specialist teams, systems, contracts or functions requiring continued shared delivery or transitional support.

The available information demonstrates that established mechanisms exist for collaboration. It does not establish that the proposal would have no adverse effect on other councils or communities. Residual costs, loss of scale and specialist capability must be assessed directly.

7. Deliverability, principal risks and detailed-design priorities

The proposal has a credible basis for proceeding to detailed design, with three proposing councils, an agreed direction and principles, a proposed geography, an outline governance model and preliminary evidence of financial and organisational scale.

Delivery depends on timely government decisions, enabling legislation, transition support and early involvement of affected councils, iwi and hapū, staff and communities.

Establishment roadmap

Period	Proposed milestone	Principal requirement
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August 2026	Outline proposal submitted	Council resolutions, Memorandum of Understanding and supporting evidence completed
September 2026	Cabinet decision in principle	Confirmation that the proposal may proceed to detailed design
October 2026–March 2027	Government-enabled detailed design	Final boundary, functions, governance, Treaty settlement arrangements, financial design and transition requirements agreed
May 2027	Cabinet consideration of final design	Policy decisions and authority to prepare legislation
Early 2028	Enabling legislation	Establishment framework, transition powers, governance and statutory succession provided
April 2028	Chief Executive appointed	Chief Executive and establishment accountabilities confirmed
October 2028	New council elected and legally established	Day Zero; governance commences, reporting lines of existing council CEs change and the transition plan is approved by December by December by December
October 2028–June 2030	Organisational transition	Functions, people, assets, liabilities, systems and statutory responsibilities transferred in stages
1 July 2030	Integrated authority commences	Day One; one operating authority, followed by a stabilisation period

Existing councils would continue to exercise their statutory responsibilities until those responsibilities are legally transferred. The final pathway should include clear governance, decision gates, independent assurance and contingency arrangements if legislation or individual workstreams are delayed.

Matters for detailed design

Assessment area	Matters for detailed design
Supporting the new planning system	Regional spatial and regulatory planning governance; statutory plan sequencing and transitional provisions; transfer of planning, consenting, monitoring and enforcement functions; interim delegations; integration of plans, evidence, data, systems and ePlans; retention of specialist capability and institutional knowledge; mechanisms for regional, iwi and local input; alignment with the final national planning framework.
Simplifying local governance	Governing-body and committee structure; allocation of regional and local responsibilities; statutory local-board and community-board roles; delegations and accountability; joint governance and resourcing of regional functions; Māori representation and partnership arrangements; financial delegations; council-controlled organisations; mechanisms for reviewing the governance model.
Achieving economies of scale	Transition costs and benefits; benefits-realisation and assurance framework; rating harmonisation and transitional protections; debt and treasury

	arrangements; opening balance sheet; asset condition and renewal requirements; infrastructure priorities; workforce and specialist capability; systems integration; procurement; council-controlled organisations and shared services; local service-level variations.
Maintaining local voice	Governing-body, ward and constituency arrangements; Māori representation; local-board and community-board boundaries; delegated responsibilities; local funding and budget authority; relationship between authority-wide and local decisions; access to representatives, services and staff; representation of rural, urban, coastal and other communities of interest; relationships with iwi, hapū and community organisations; review mechanisms.
Deliverability and service continuity	Legislative pathway; establishment and transition governance; government funding and support; transfer of people, functions, assets, liabilities and statutory responsibilities; operating model; systems integration; workforce retention; service-continuity protections; critical dependencies and decision gates; assurance, reporting and contingency arrangements.
Boundary and communities of interest	Legal boundary mapping and affected-property schedules; verified population, rating-unit and land-area data; settlement and rural-community connections; local identity and community views; commuting, employment, education, retail and service-use patterns; transport and infrastructure relationships; engagement with affected communities, landowners, iwi and hapū; effects on communities inside and outside the boundary; comparison with retaining existing boundaries and strengthening cross-boundary arrangements.
Treaty settlements and iwi relationships	Settlement-by-settlement obligations assessment; legislative amendments; future responsible authorities; Catchment Authority composition; statutory acknowledgements and notification duties; representation and appointment arrangements; iwi-specific engagement; mechanisms to provide the same or equivalent effect; Crown responsibilities and decisions.
Wider-Waikato and cross-boundary relationships	Continuing regional and cross-boundary arrangements; effects on affected councils and remaining communities; shared governance, funding and information arrangements; treatment of functions that cannot be efficiently separated; interests in shared services and council-controlled organisations; ongoing catchment, infrastructure, transport and emergency-management relationships.

The matters identified above would form the basis of a government-enabled detailed-design programme. The evidence supports proceeding to that next phase. Final establishment decisions would follow confirmation of the boundary and regional functions, assessment of the effects on other councils and communities, and agreement on how affected rights, responsibilities, costs and capabilities would be carried forward.

Appendix B

Vers. 3.3

MEMORANDUM OF UNDERSTANDING SIMPLIFYING LOCAL GOVERNMENT

PARTIES

The Mayor of Hauraki District Council

AND

The Mayor of Matamata-Piako District Council

AND

The Mayor of Thames-Coromandel District Council

Each referred to as "a Party". Collectively, all three (3) together referred to as "the Parties"

BACKGROUND

- A. The Parties and their respective Councils are working together to develop a qualifying Simplifying Local Government (SLG) proposal (the Head Start Waihou-Piako-Coromandel proposal) for submission by 9 August 2026, subject to statutory decision-making obligations and processes.
- B. The Parties and their respective Councils have also been in discussions about other SLG proposals and each Party acknowledges that at the date of signing no decision about what, if any, proposal will be made to Government.
- C. The Parties have, however, recognised that there appears to be some support for the Head Start Waihou-Piako-Coromandel proposal and have been discussing that, if the Head Start East Waikato proposal is submitted, how they would like their respective Councils to progress any further development of that proposal.
- D. This Memorandum of Understanding (MoU) records the Guiding Principles the Parties have developed together and establishes how the Parties envisage these principles will inform the detailed design of the Head Start Waihou-Piako-Coromandel proposal.
- E. The MoU will be signed as a non-binding arrangement, with the intention that if the respective Councils support the Head Start Waihou-Piako-Coromandel proposal they will each also adopt the MoU by resolution as a binding agreement.

AGREEMENT

1 PURPOSE

- 1.1 The Parties wish to establish principles and commitments that will inform their work together to develop and implement the SLG reform proposal. The Parties will encourage their respective Councils (and Council staff) to give effect to the principles and commitments as recorded in this MoU.

- 1.2 This MoU records the Guiding Principles that the Parties have agreed on and that will serve as the framework and evaluation criteria for the detailed design of the Head Start East Waikato proposal.

2 CONTEXT

- 2.1 The Government's SLG reform programme provides the Parties and their Councils with an opportunity to develop locally led proposals for structural reform and improved local government arrangements.
- 2.2 The Parties recognise that the challenges facing local government require consideration of governance arrangements that are affordable, sustainable, effective and capable of meeting future community needs.
- 2.3 The Parties are exploring the potential for a jointly developed reform proposal that may include amalgamation and other structural changes designed to simplify local government and improve outcomes for communities across the districts of the three Councils.
- 2.4 This MoU is entered into in good faith to demonstrate the Parties' commitment to working collaboratively and constructively together to achieve a successful outcome.
 - 2.4.1 The Parties agree that this MoU in no way records that they (or their respective Councils) are in a legal partnership, joint venture or in any other commercial relationship with each other.
 - 2.4.2 This MoU expresses intentions and is not legally binding, until after all three Councils adopt it by resolution in accordance with clause 5.3.
 - 2.4.3 Any future proposal remains subject to statutory decision-making processes and any requirements imposed by the Government.

3 SHARED AND AGREED PRINCIPLES

The Parties agree that the following principles inform the development and assessment of the Head Start Waihou-Piako-Coromandel proposal and development of detailed design:

- 3.1 **Representation and Local Voice:** Representation must acknowledge both resident populations and non-resident ratepayers, with a clear line of sight between communities and decision-making at both local and higher levels.
- 3.2 **Affordability, Efficiency and Sustainability:** Any proposed model should be capable of demonstrating improved affordability, efficiency, value for money and long-term financial sustainability.
- 3.3 **Iwi and Hapū Partnerships:** Existing and future obligations to iwi and hapū will be recognised, valued and honoured, including commitments arising from Treaty of Waitangi Settlements, statutory obligations and established relationships.

Vers. 3.3

- 3.4 **Collaboration:** The proposed arrangements must foster greater collaboration, coordination and consistency across key functions where this improves outcomes for communities.
- 3.5 **Evidence and Community Input:** The proposal development will be based on robust evidence, analysis, community feedback and stakeholder engagement.
- 3.6 **Strong Local Voice:** Local identity, local representation and local influence over local priorities and services must be maintained and/or enhanced.
- 3.7 **No Community is Worse off from Legacy Decisions:** Where reasonable and practicable, communities should not be disadvantaged by historical funding decisions made elsewhere. Legacy assets, reserves, liabilities and rating arrangements must be managed fairly and transparently throughout any transition.

4 **SIGNING AND CONFIRMATION**

- 4.1 This MoU is signed by the Mayors in their representative capacity and in good faith. They will each use their best endeavours to ensure that their respective Councils comply with this MoU.
- 4.2 Before 5 August 2026, each Party will present this MoU to their Council for consideration as part of the deliberations on whether to adopt the Head Start Waihou-Piako-Coromandel proposal.
- 4.3 If that proposal is adopted, each Party will seek by resolution the adoption of this MoU as a binding agreement between the respective Councils. If it is so adopted by resolution, this MoU will be deemed to be a binding Agreement between the three Councils.
- 4.4 Nothing in this MoU fetters or requires any Party or their Council to act inconsistently with their or its statutory obligations or decision-making processes.
- 4.5 Nothing in this MoU predetermines the outcome of any future decision-making process.

5 **COOPERATIVE EXCLUSIVITY AND COST SHARING**

- 5.1 **Exclusivity:** Post adoption of the Head Start Waihou-Piako-Coromandel proposal, by the Party's respective Councils, no Party or their Council will enter into formal amalgamation negotiations with another council while this MoU has effect.
- 5.2 **Cost Sharing:** The Parties and their Councils will meet their own costs but may agree that costs of external independent consultants, (including legal and financial reviews), and community consultation which is applicable to all of the Councils may be covered equally, one-third each, between the Parties.

6 **TERM**

- 6.1 This MoU takes effect on the date of signing by all Parties.

Vers. 3.3

- 6.2 The MoU remains in force and valid unless one or more Councils do not adopt the proposal under clause 5.2 or do not confirm the MoU by resolution in accordance with clause 5.3.
- 6.3 Once the MoU is adopted under clause 5.3, it can be replaced or terminated by written agreement by all Parties or their respective Councils.
- 6.4 On termination, the Parties will meet to determine responsibility for any outstanding costs or commitments.

7. COMMUNICATIONS

- 7.1 Although the Parties agree not to actively undertake any media communications about this MoU until such time as the Mayors have signed the MOU, the Parties acknowledge that their respective Councils are subject to the Local Government Official Information and Meetings Act 1987 and their respective Council meeting processes. It is acknowledged that the MoU will become publicly available as part of those processes.

8. ENTIRE UNDERSTANDING

- 8.1 This MoU records the entire understanding between the Parties in relation to its subject matter and supersedes any prior discussions, correspondence or understandings relating to that subject matter.

Signed by the Mayor of Hauraki District Council

Signature: _____

Toby Adams, Mayor

Date:

Signed by the Mayor of Matamata-Piako District Council

Signature: _____

Ash Tanner, Mayor

Date:

Signed by the Mayor of Thames-Coromandel District Council

Signature: _____

Peter Revell, Mayor

Date: