

HEAD START PROCESS UPDATE

To: Council

Meeting Date: Tuesday 30 June 2026

From: Rhiannon Suter, Manager – Strategy, Policy and Engagement

Approved: Trudie Hurst, Group Manager – Community Engagement and Corporate Services

Approved Date: Thursday 25 June 2026

Open Agenda: Yes

Purpose and Summary

This report provides an update on progress towards developing a Head Start proposal for Council to determine whether to submit to the Central Government process by 9 August 2026 and seeks approval of principles to guide the development of a Head Start proposal, the terms of reference of a Local Democracy Enhancement working party and the appointment of an elected member to the working party.

Recommendations

That Council:

1. Receives the report “Head Start Process Update”.
2. Approves the following principles to guide the development of a Head Start proposal:
 - a. Strong United Voice for Southland.
 - b. Fair Representation to Support Local Decision Making.
 - c. Resilient Southland.
 - d. Improved Efficiency of Delivery.
 - e. Affordability.
 - f. Strong Local Identity.
 - g. Environmental Management.
 - h. Optimum Financial Outcomes.
3. Approves the draft Terms of Reference for the Local Democracy Enhancement Working Party and Approves the following nominated representative for Council: Cr Grant Dermody.
4. Notes the engagement and next steps.

Background

The Government announced the optional Head Start process on 5 May 2026. On 4 June 2026 Council determined that it wished to explore developing a Head Start proposal with the Southland regional boundary the starting point. It was noted that this may change over the time of the process and that Council may ultimately determine not to put in a proposal. The Department of Internal Affairs (DIA) guidance on the process is attached again as information.

The Mayor and Chief Executive wrote to the three other councils and four Papatipu Rūnaka in the region to update them on this decision and provide an invitation for them to participate in this process in the way which works for them.

Issues

Democratic Structure

One of the most important elements to consider is a governance structure which will support local representation.

Gore District Council and Environment Southland have chosen to nominate representatives to a working party considering the form local representation may best take. This is an informal group of governance representatives which has been suggested by the Mayor. An initial first discussion was chaired by Cr Grant Dermody. The Draft Terms of Reference are attached for approval. The group will share its considerations with councils.

Organisational Model and Deliverability

Work has commenced on considering what financial and organisational modelling can be developed to inform a proposal. Environment Southland have undertaken significant financial modelling which they have made available to other councils in the region. A range of factors need to be considered including community responsiveness, scale of delivery, financial sustainability and strategic capacity. In developing financial modelling potential benefits, one-off transition costs, fiscal risks and uncertainty will all be considered. Further information on this modelling work will be brought to Council in July 2026 ahead of any proposal being finalised.

Engagement

Council already has significant understanding of the views of the community through the work undertaken by the Local Government Commission, supported by a range of social media posts undertaken by the Mayor. The results of the Local Government Commission Southland Survey Findings are attached.

Additional feedback will be sought from the community between 22 June and 12 July 2026. People will be asked to share their views on what Council should consider in developing a proposal which meets the Government's five assessment criteria:

- Simplifies Local Government.
- Maintains Local Voice.
- Supports the new Planning System.
- Economies of Scale.

- Deliverability.

They will also be asked to share any feedback on any of the options which are being considered locally.

- Invercargill City Council's starting position for shaping a proposal is one unitary authority for the whole region, although the proposal may end up looking different or Council may choose not to submit a proposal at all.
- Southland District Council's initial proposal which prompted the Local Government Commission Southland investigation process is: Two unitary authorities – one focused on urban areas and one on rural areas.
- Gore District Council is exploring five different options, including the ones above, a rural council across Southland and Otago, or not submitting a proposal at all.
- The Local Government Commission through the statutory process is exploring up to four options, including one unitary authority, two unitary authorities, two territorial authorities, with a regional council and an enhanced version of the status quo.

People will be able to share their views via the normal channels, which will be publicised via social media, newspaper and radio advertising.

Risk Management

The following risks were noted in the 4 June 2026 report on this matter and remain relevant.

Risk	Mitigation
The Local Government Commission statutory process has commenced and at this point it is unclear what the mechanism by which a Head Start proposal would receive preference to the Local Government Commission outcome.	Continue to engage and communicate transparently with the Local Government Commission.
Agreement between two Territorial Local Authorities may not be possible and as such preparation work for a proposal which cannot then be submitted may be lost effort. The timing for the analysis work being undertaken by the Local Government Commission is unlikely to align with the proposal submission dates.	Failure to reach agreement is a significant potential outcome and should be considered by Council and inform the effort placed into preparatory work. If agreement can be reached, discussions with the Local Government Commission may result in some information which can inform a proposal becoming available.
A Head Start proposal may conflict with the outcome of the Local Government Commission process resulting in unclear and conflicting situations. The Government Backstop process may then become relevant.	Guidance on this matter will continue to be sought from the Department of Internal Affairs (soon to be part of Ministry of Cities, Environment, Regions and Transport MCERT) and Local Government Commission.

Next Steps

A report will be brought to the 27 July 2026 Council meeting, ahead of any final proposal being brought to an extraordinary Council meeting in August 2026 for adoption ahead of being submitted.

Attachments

1. Head Start Pathway Simplifying Local Government (A6475222).
2. Letter to Mayors and Chair - Head Start Proposal (A6510555).
3. Draft Terms of Reference for the Local Democracy Enhancement Working Party (A6506996).
4. Southland Local Government Reorganisation Investigation Phase One Community Survey Findings (A6507530).