



**Local Government
Commission**
Mana Kāwanatanga ā Rohe

A wide-angle landscape photograph of a Southland region. In the foreground, a lush green field is filled with a large flock of sheep grazing. A single, large, dark green tree stands on the left side of the field. In the background, a range of mountains is visible under a clear blue sky. Some of the mountain peaks are covered in snow. A body of water, possibly a lake or a wide river, is visible in the distance between the field and the mountains.

Reorganisation of local government in Southland

**Phase 1 outcomes and decision to
continue the investigation**

May 2026

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Purpose of this document

1. This document presents the conclusions from Phase 1 of the Local Government Commission's Southland reorganisation investigation. It brings together the key findings from the Commission's engagement and analysis, including:
 - the identification and analysis of the issues, opportunities, constraints and exclusions, and community aspirations facing Southland, and;
 - the Commission's decision, informed by this analysis, to progress the Southland reorganisation investigation to Phase 2.
2. Additionally, this report includes the clause 10 assessment framework developed by MartinJenkins as part of Phase 1.

Phase 1 overview and activities

3. Phase 1 activities for the Southland reorganisation investigation are complete. The key objectives of phase 1 were to:
 - Identify key issues facing Southland that might be addressed through reorganisation
 - Identify relevant opportunities, constraints and exclusions
 - Understand community aspirations and priorities
 - Develop a framework for assessing potential
4. To support this, the Commission undertook the following activities from December 2025 to April 2026:
 - Met with representatives of Southland councils and Te Ao Mārama Incorporated (Te Ao Mārama) in December 2025;
 - Undertook online and in-person community engagement sessions throughout March 2026;
 - Conducted an online survey, from early March until 22 April 2026;
 - Advised key stakeholders of opportunities to engage via online and in-person engagements, or via the survey;
 - Met with Southland councils in March 2026; and
 - Commissioned MartinJenkins to develop the clause 10 assessment framework for assessing potential reorganisation models, including workshops with Commissioners and officials, representatives of councils and Te Ao Mārama

5. The Commission's engagement included:
 - elected representatives and kaimahi from Southland councils
 - Te Ao Mārama Board representatives and kaimahi
 - 196 participants at online or in-person engagement sessions
 - 939 survey responses.
6. The survey was designed to explore community views on local identity, current council structures and decision-making preferences, along with factors that may influence support or indicate lack of support for any reorganisation options that may be considered in future phases of the investigation. The insights from the survey, and in particular open-text comments, both inform the analysis presented below, and the Commission's decision to proceed to phase 2 of the investigation. An overview of [survey findings](#) is available on the Commission's website.

Summary of Phase 1 engagement findings

7. Engagement activities provided an evidential base drawing on two primary sources: qualitative feedback from in-person and online engagement sessions (referred to as 'engagement feedback') and quantitative data and open-text responses from the survey (referred to as 'survey responses'). Together these inputs provided a range of perspectives from across the region.
8. Additional written feedback from Ngāi Tahu ki Murihiku was provided by Te Ao Mārama Incorporated, reflecting engagement with Papatipu Rūnanga kaumatua and whanau. This feedback reinforced themes identified through phase 1 engagement, while providing further detail on governance fragmentation, Te Tiriti-based relationships and opportunities for structural reform. [Ngāi Tahu ki Murihiku feedback](#) is available on the Commission's website.
9. Across all engagement feedback and survey responses, a consistent picture emerged of Southland as a region with strong local identity and pride, alongside growing frustration regarding fragmented systems, rising costs, uneven service provision and declining trust and confidence in aspects of local system performance.
10. Throughout engagement feedback there appeared an openness from councils, Te Ao Mārama and communities to considering alternative arrangements, provided these demonstrated clear improvements in outcomes.
11. Survey responses likewise indicated general willingness to consider change. 66.5% of respondents thought there were too many councils in Southland, 32.13% thought the number of councils was about right, and 1.37% thought there were too few councils in Southland. Whilst a willingness to consider alternatives was identified, views varied on how challenges should be addressed with some favouring structural change and others preferring improvements within the current framework.

12. Through engagement feedback and survey responses, clear themes have emerged regarding the issues and opportunities facing Southland, and community aspirations for local government in Southland. Several constraints and exclusions relevant to the investigation have also been identified.
13. Subsequent sections of this report analyse these.

Key issues facing Southland

14. The following issues were consistently identified from engagement feedback with councils, Te Ao Mārama and communities:
 - Duplication, inconsistency and confusion across the current council structure
 - Affordability pressures and concern about rising rates and debt
 - Consistency of infrastructure provision and maintenance
 - The importance of localism and strong representation of local voices
 - The importance of environmental management and regulation

Duplication, inconsistency, and confusion

15. Duplication, inconsistency and confusion arising from the current council structure was a strong and consistent theme across engagement feedback and survey responses.
16. Councils acknowledged duplication of systems, processes and capability across the four councils, including finance and IT systems, reporting requirements and the use of contractors. Southland's comparatively small population base was also noted as contributing to challenges in attracting specialist capability.
17. Survey responses echoed these concerns, highlighting perceived overlap between councils and associated inefficiencies. For example:

"There is clear duplication between regional and district councils, which creates inefficiencies and confusion around responsibilities. This can slow decision-making and make processes more complex than necessary. Simplifying the structure would improve clarity and efficiency, particularly for businesses and rural communities."¹

18. These structural arrangements contribute to fragmentation and inconsistency in service delivery. Variability in rules, standards, fees, and interpretations of legislative responsibilities between councils, in areas such as roading, infrastructure, consents, building control and rating systems, was frequently raised as difficult to justify and confusing for users.

¹ Survey respondent

19. For communities and businesses, this results in uncertainty about “who does what”, experiences of double handling, and delays, contributing to frustration and reduced confidence in the system. For example:

“SDC and ICC have identical processes and procedures for “their” part of Southland, and different ways of dealing with customers. Can be confusing and take time to get to correct provider.”²

20. These challenges are compounded in that residents frequently cross council boundaries to access services and employment, raising concerns about fairness and efficiency where service use does not align with the rating base. This was particularly evident in engagement feedback relating to Gore.

21. From a Te Ao Māori perspective, feedback from Ngāi Tahu ki Murihiku highlighted governance fragmentation and weak inter-council collaboration as key barriers to effective decision-making and partnership. This fragmentation also reflects misalignment between council boundaries and natural systems. This places pressure on limited iwi capacity, requiring engagement across multiple councils with inconsistent approaches to partnership and representation.

22. Similar feedback was echoed in survey responses, for example:

“A single authority would enable joint up decision-making and a ki uta ki tai approach.³ Any structure should provide for meaningful Ngāi Tahu representation at all levels of the organisation and look to formalise the relationships with ngā rūnanga.”⁴

23. Taken together, duplication, inconsistency and unclear roles are experienced as systemic features of current Southland local government arrangements, rather than as isolated operational issues. These matters affect service delivery, user experience and confidence in local government. Their scale and persistence suggest that they may not be fully addressed through incremental or non-structural measures alone and are therefore relevant to assessing whether further investigation of alternative reorganisation options is warranted. This supported consideration of the investigation progressing to phase 2.

Affordability pressures and concerns about debt and rates

24. Affordability pressures, including concerns about rates, debt and long-term financial sustainability, were consistently raised in engagement feedback and survey responses, particularly in rural communities and smaller towns.

² Survey respondent

³ *Ki uta ki tai* means *from the mountains to the sea*

⁴ Survey respondent

25. A key driver was the challenge of funding services across a large geographic area with a relatively small population base. This was reinforced by views that current arrangements are disproportionate to population size, such as *“4 councils for 100,000 people is inefficient, costly and over the top.”*⁵

26. Another driver frequently noted was increasing central government mandates without corresponding funding. For example:

*“Populations cannot sustain infrastructure demands from central government. Central government has starved local bodies of funding while lumping more and more responsibility on them. They have been set up to fail.”*⁶

27. These pressures were most visibly experienced through rising rates and cumulative cost increases, particularly affecting pensioners, low-income households, farmer and small businesses. Concerns were closely linked to infrastructure renewal costs and uncertainty about future affordability.

28. Council debt was another prominent concern, particularly the extent to which borrowing and deferred infrastructure investment may shift costs to future generations. From a Te Ao Māori perspective, this reflects a broader emphasis on intergenerational responsibility, and long-term sustainability and stewardship. This was illustrated by comments such as:

*“The debt that is being passed on to future generations will be a problem.”*⁷

29. Concern about value for money was also common, with many questioning whether expenditure is sufficiently focused on what they perceived to be core services. For example:

*“Local councils should stick to the core issues only (water, refuse, weeds, footpaths etc) and not the nice to haves as in the past.”*⁸

30. Affordability concerns were closely linked to perceptions of inefficiency, particularly duplication across councils. Fragmented structures were also noted as affecting the resources of mana whenua to engage effectively.

31. Survey responses frequently indicated a belief amongst respondents that the current council structure amplifies cost inefficiencies. For example:

*“Budgets and staff numbers far exceed the benefits councils provide citizens. Rising rates and council debts put us all at risk.”*⁹

⁵ Survey respondent

⁶ Survey respondent

⁷ Gore engagement session feedback 23 March 2026

⁸ Survey respondent

⁹ Survey respondent

32. Overall, affordability pressures reflect the cumulative impact of rising costs, structural constraints and perceived inefficiencies, as experienced through increasing rates and financial strain. While many of these views are grounded in lived experience, they represent community perceptions rather than a financial assessment, and do not on their own determine whether existing arrangements are objectively inefficient or unsustainable.
33. Broader evidence on whether reorganisation delivers efficiency gains is mixed. However, engagement feedback and survey responses indicate sufficient concern and interest to provide an evidential basis for further exploration of reorganisation options in phase 2.

Consistency of infrastructure provision and maintenance

34. Infrastructure provision and maintenance emerged as a core issue across engagements, particularly relating to roads, bridges, water infrastructure and flood protection.
35. Communities highlighted ageing and under-maintained assets, along with perceived uneven levels of service across Southland, which contributed to perceptions of inequity or unfairness. For example:

“Mataura looks like the poor cousin of Gore. It is shabby + untidy. Is the same care given to Mataura?”¹⁰

“Proportion of services seems minimal in rural towns than to other areas under SDC.”¹¹

36. A dominant concern was that infrastructure management is often reactive rather than proactively planned. Deferred maintenance and short-term decision-making were widely seen as leading to higher costs over time. For example:

“Infrastructure, whether “new” or old, will need to be maintained in a much more timely manner than has been the case to date. Even greater focus on Basic Infrastructure maintenance/up keep/replacement so as to avoid sudden needs to spend huge amounts of money in one area e.g. roads, water supplies.”¹²

37. Infrastructure challenges were particularly pronounced in rural areas and locations with high levels of tourism, where infrastructure is required to support demand beyond the local rating base. This was seen in comments such as *“small population manages the large tourism numbers.”¹³*

¹⁰ Mataura engagement session feedback 24 March 2026

¹¹ Winton engagement session feedback 25 March 2026

¹² Riverton engagement session feedback 19 March 2026

¹³ Te Anau engagement session feedback 26 March 2026

38. Infrastructure concerns were also linked to structural capacity and coordination. Some survey responses questioned whether separate planning and delivery across four councils could effectively address region-wide challenges. Others expressed a desire for more consistent, coordinated and long-term planning. For example:

“Same approach to roading, town planning, wastewater, provision of drinking water. Regional approach. Allow specialist teams to focus on key matters.”¹⁴

39. This aligns with engagement feedback taking a Te Ao Māori perspective, emphasising the importance of long-term, whole-of-system planning, particularly where infrastructure interacts with catchments and other natural systems.
40. Overall, ageing infrastructure, inconsistent service levels and reactive planning were seen as key indicators of underlying structural and capacity challenges.

Localism and strong representation of local voices

41. The importance of local voice and representation was a consistent theme across engagement feedback and survey responses, particularly in smaller and rural communities but also in larger centres.
42. A strong feature of this feedback was the distinction between rural and urban identity. These was often described as reflecting different priorities, lived experience, and expectations of local government. For example:

“City and rural should remain separated, so feedback from the community feeding into planning, etc., is not distorted by the bigger fish. The needs of the city and rural areas are very different, as are those of smaller townships and the city environment.”¹⁵

43. Community boards were widely seen as essential mechanisms for local representation, particularly given the significant distances between some communities and council centres. There was strong support for community boards to have meaningful authority, resourcing and decision-making responsibilities. For example:

“Any change must continue to reflect and serve local communities effectively. Areas such as Gore, Winton, Te Anau, and wider rural districts have distinct needs, and it is essential these are not diluted within a larger structure. Maintaining meaningful local representation – through community boards or similar delegated arrangements – will be critical.”¹⁶

¹⁴ Survey respondent

¹⁵ Survey respondent

¹⁶ Survey respondent

44. Local representation was frequently expressed as a non-negotiable condition for any future change, regardless of whether respondents otherwise supported amalgamation or status-quo based approaches. For example:

"I would support more Localism, regardless of what the higher council structure is the voice & wishes of locals needs to be paramount."¹⁷

45. At the same time, there was recognition of the need to balance strong local representation with more coordinated approaches to planning and service delivery. Engagement feedback taking a Te Ao Māori perspective reflected an expectation that local voices be embedded throughout decision-making processes. Other survey responses highlighted the interconnected nature of communities across Southland and the importance of regional perspectives. For example:

"Promoting democracy must be central to any reform process. Beyond that, integrated perspectives to planning, delivery and coordination (including trade-offs) are increasingly needed, suggesting a regional orientation is needed."¹⁸

46. Engagement feedback on Environment Southland reflected this tension, with mixed views on effectiveness and connection to communities. Some feedback noted positive experiences, particularly relating to farm management plans and pest and weed control, whereas others felt the organisation to be distant or "out of touch" from local communities.
47. Overall, maintaining strong local voice, visibility and identity were seen as essential to community confidence in any future reorganisation options. This indicates that, while local representation is not in itself a driver for structural change, it is an important condition that any reorganisation options explored in phase 2 would need to demonstrably maintain or strengthen to be considered viable.

Environmental management and regulation

48. Environmental management and regulation generated strongly held, and at times polarised, views across engagement feedback and survey responses. There was broad support for environmental outcomes, including clean water, biodiversity, flood protection and climate resilience, alongside strong endorsement of catchment-based approaches grounded in local knowledge, and local initiatives such as the catchment groups operating under the Thriving Southland organisation. For example:

¹⁷ Survey respondent

¹⁸ Survey respondent

“An environment focused council is crucial for our large district and activities from farming to conservation (ie central southland to Fiordland).”¹⁹

49. Survey responses taking a Te Ao Māori approach reinforced this, emphasising ki uta ki tai (from the mountains to the sea) approaches, kaitiakitanga and integrated approaches aligning with natural systems, rather than fragmented models based on administrative boundaries.

50. At the same time, some concerns were raised regarding the delivery of environmental regulation. Engagement feedback suggested perceived overreach, inconsistency and strained relationships between councils and communities. For example:

“No trust between ES and residents who need to deal with them for regulatory aspects affecting livelihoods.”²⁰

51. There was strong support for maintaining a regional approach to environmental management, reflecting that environmental systems operate across council boundaries. Ngāi Tahu ki Murihiku feedback also emphasised the importance of maintaining strong and independent regional environmental functions, while ensuring decision-making reflects integrated approaches aligned with natural systems.

52. Survey responses likewise reinforced the importance of alignment with catchments and natural systems, rather than administrative boundaries. For example:

“Regional issues will always apply and it is important to have an overall regional voice with a unified regional front where resources can be focused on wider regional concerns. In particular, having a catchment approach where entire catchments answer to just one authority which is particularly important for flood infrastructure, natural resource issues, and natural hazards.”²¹

53. Concerns were raised regarding the risks of structural change weakening regional environmental oversight, including the potential loss of capability, institutional knowledge, established relationships and longstanding Te Tiriti-based arrangements. Some survey responses (10.2%) highlighted risks associated with splitting regional responsibilities across multiple entities or undermining a whole-of-catchment management approach.

¹⁹ Survey respondent

²⁰ Winton engagement session feedback 25 March 2026

²¹ Survey respondent

54. Overall feedback highlighted strong expectations for environmental outcomes and the need for governance arrangements that are consistent, integrated and trusted. This indicates that, while environmental management is not in itself a driver for structural change, it represents an important aspect against which any reorganisation options explored during phase 2 need to be considered. Any such reorganisation options will need to clearly demonstrate how regional oversight, catchment-based approaches, and established relationships and capability would be maintained.

Opportunities to improve local government in Southland

55. The following opportunities were identified as areas where changes to local government arrangements (including structural reorganisation options and enhanced shared service models) could support improved outcomes for Southland:

- Collaboration and enhanced sharing of services
- Strengthening local voices within any future structures
- Improved long-term, region-wide planning
- Improved governance and organisational capability

56. Across these opportunities, engagement feedback highlighted the importance of clear accountability and alignment of priorities across councils and functions. While governance and organisational capability are not determined by structure alone, engagement feedback indicated existing structural arrangements were seen as potentially constraining accountability and alignment, and that alternative structures may be perceived to better enable these conditions to be established and maintained over time.

Collaboration and enhanced sharing of services

57. Collaboration and enhanced shared services were widely seen as a pragmatic opportunity to improve efficiency and service delivery, building on existing shared service arrangements.
58. Current examples, such as WasteNet (rubbish and recycling), Emergency Management, Great South (regional economic development agency), and regional climate change collaboration, were frequently noted as demonstrating the potential benefits of coordinated approaches.
59. There was broad support for extending shared services into areas such as IT systems, procurement, corporate services, consenting and planning. For example:

“More shared services, particularly in the corporate services areas, consenting and planning could all be covered under an entity that was combined.”²²

60. Potential benefits identified included economies of scale, reduced duplication, more efficient use of specialist capability, and more consistent service delivery. The opportunity to share best practice across councils was also noted.
61. However, engagement feedback also identified that, while collaboration can be effective, it may be difficult to sustain. Challenges included governance and management complexities, shifting priorities, and reliance on continued organisational commitment. This aligns with engagement feedback from Te Ao Mārama on the importance of enduring relationships, clear expectations and the ability to work constructively through differing priorities over time.
62. Views differed on how to progress shared service arrangements. Some supported incremental approaches, while others questioned why greater collaboration had not already been achieved if it was relatively straightforward.
63. Overall, enhanced collaboration was viewed as a practical and potentially lower-cost opportunity than full structural reorganisation, but one that still depends on sustained governance and alignment of priorities. This suggests that, while enhanced collaboration could be progressed within current local government structures, considering reorganisation options during phase 2 may provide a stronger and more durable basis for achieving these benefits over time. This aligns with Ngāi Tahu ki Murihiku perspectives supporting more structured and intentional collaboration, with clearer accountability.

Strengthened local voices

64. Strengthening local voices was consistently identified as both a key opportunity and a condition of any future structural change, with strong expectations that local representation must be protected and enhanced. This includes expectations from Ngāi Tahu ki Murihiku that any future governance arrangements embed meaningful mana whenua representation and partnership in decision-making structures.
65. Opportunities were identified to strengthen local representation through clearer decision-making frameworks, increased delegation, and greater resourcing for community boards, supporting more direct community influence over local priorities. For example:

“More focus given to the community to decide things important to the town.”²³

²² Survey respondent

²³ Survey respondent

66. There was also strong support for more meaningful community engagement. Examples included a greater emphasis on participatory methods, more involvement of younger people, and more effective use of community networks such as community boards, catchment groups, mana whenua and rural organisations. These were recognised as important conduits for embedding local knowledge and community perspectives into decision-making processes.
67. Potential benefits were generally framed as improving responsiveness, strengthening community identity and increasing trust, particularly in rural and smaller communities. At the same time, there was concern that these outcomes could be undermined if local representation were weakened. For example:
- “Any structural change would need to actively protect and strengthen the voice of smaller and rural communities. Southland’s diversity means that what works for urban centres does not always reflect the needs of rural catchments and farming communities. It is critical that these voices are not drowned out and that decision-making remains grounded in local knowledge and relationships.”²⁴*
68. Overall, strengthening local voices was seen as essential to the success of any future arrangements, with opportunities focused on enhancing participation, delegation, and local influence within a coordinated system. While not a driver of structural change in itself, it is a key condition for phase 2, with any reorganisation options needing to clearly demonstrate how local voice, identity and influence will be maintained or strengthened.

Long-term, region-wide planning

69. Improved long-term, region-wide planning was identified through engagement feedback and survey responses as a key opportunity to address multiple challenges. Areas identified as needing more proactive planning included climate resilience, infrastructure maintenance and renewal, transport and roading, housing and demographic change, reflecting the interconnected nature of these challenges.
70. A central theme was the need to better anticipate future demand, rather than respond reactively, enabling more efficient investment and avoiding compounding issues over time.
71. Opportunities were also identified to improve strategic alignment across Southland through coordinated regional planning, including integrated approaches to infrastructure, climate change, flood risk, land use and growth. For example:

²⁴ Survey respondent

“A more integrated approach would reduce existing gaps, particularly in consenting and long-term planning, and support greater confidence for investment and growth. It is important that reform delivers tangible benefits for ratepayers, including reduced duplication and improved cost efficiency over time. Structural change alone will not be sufficient without clear, measurable outcomes.”²⁵

72. Feedback from Ngāi Tahu ki Murihiku also suggested that potential future models should provide clearer separation between strategic regional functions (such as long-term planning and Te Tiriti obligations) and place-based delivery functions.
73. Overall, long-term, coordinated planning was seen as a critical enabler of improved infrastructure investment, climate resilience and regional development. This suggests that structural change may provide greater opportunity to support coordinated, long-term planning at a regional scale, supporting its consideration as part of any phase 2 investigations.

Improved governance and organisational capability

74. Strengthening governance and organisational capability was identified as a potential opportunity, although views on how to achieve this were mixed.
75. Engagement feedback and survey responses highlighted opportunities to improve governance arrangements, procurement practices, financial oversight and accountability, including in relation to spending and contractor performance.
76. Some saw potential for improved procurement outcomes through better coordination and transparency. However, others emphasised the importance of maintaining locally focused procurement where possible, even if doing so was less cost-effective.
77. At the same time, engagement feedback strongly cautioned against over-promising financial benefits from any structural change. For example:

“A Southland-wide Unitary Authority would not mean less rates”²⁶
78. Survey responses provided a mix of views as to whether structural change was likely to improve organisation capability. Some survey responses (15%) highlighted potential risks of structural change, including the potential loss of local knowledge, and reduced trust arising from more centralised arrangements. Other survey responses (25%) identified opportunities to reduce duplication and strengthen capability through streamlining, emphasising the need to ensure that any changes were aimed at improved performance rather than simply reducing overhead costs. For example:

²⁵ Survey respondent

²⁶ Invercargill engagement session feedback 25 March 2026

“Councils have a large variety of roles and responsibilities and even now many struggle to fulfil these adequately due to resourcing and money... removing some councils would disadvantage the region, people and environment and also result in key knowledge loss.”²⁷

79. Overall, improving governance and organisational capability was seen as possible but dependent on how changes were designed and implemented, and on balancing efficiency gains with the retention of local knowledge, trust and realistic expectations. Rather than acting as a driver for structural change in of itself, careful examination during phase 2 as to whether reorganisation options improve governance and organisational capability would be required, and it is likely that positive outcomes would depend on careful design and implementation.

Community aspirations and priorities

80. Phase 1 engagement sought to understand community aspirations and priorities for local government in Southland. This was not to test support for reorganisation in of itself, but rather to provide an important foundation for any future reorganisation work by identifying the outcomes that communities want to see protected, strengthened or enabled under any potential reorganisation options.
81. A consistent theme across engagement feedback was that communities are seeking better local government outcomes, rather than change for its own sake. This aligns with the purpose of local government reorganisation, to promote good local government by enabling and facilitating improvements local to governance.
82. Engagement feedback and survey responses consistently emphasised that any future arrangements must result in tangible improvements to everyday experiences of people, including clearer processes, easier interactions with councils, reliable service delivery, and reduced duplication. Support for change therefore may depend on whether benefits are credible and observable.
83. Across engagements, four key aspirations for local government in Southland were consistently identified:
- A strong local identity
 - A focus on core services
 - Transparency and communication
 - A resilient region

²⁷ Survey respondent

A strong local identity

84. Communities place a high value on their local identity, particularly in smaller towns and rural areas, with concern that urban perspectives may dominate decision-making.
85. There was a clear expectation that all communities are visible and valued, with fair distribution of costs and benefits. Community boards were widely seen as essential to maintaining local connection and representation.
86. This implies that any future reorganisation options that may be considered during phase 2 must demonstrate how local identity, visibility and influence are retained, particularly for smaller and rural communities.

A focus on core services

87. There was a strong expectation that councils prioritise essential services and deliver them in an effective and affordable manner, expressed with comments such as “focus on core services otherwise rates will be unaffordable.”²⁸
88. Core services identified in survey responses such as infrastructure, water, roading and waste, were seen as the foundation of council performance, alongside consistent decision-making and demonstrable outcomes. For example:

“Would support reduction in number of agencies/councils but not a reduction in core services delivery or resourcing for core services which if anything are likely under resourced.”²⁹

89. This implies that potential reorganisation options are likely to be assessed on their ability to prioritise core services, demonstrate value for money, and deliver measurable improvements for communities.

Transparency and communication

90. Transparency and communication were identified as critical to building trust and confidence. Engagement feedback and survey responses emphasised the need for accessible decision-making processes, clear accountability, and transparent information on costs and trade-offs.
91. This aligns with expectations for ongoing, relationship-based engagement, rather than one-off consultation. For example:

“There is a strong case for reducing duplication, improving clarity of responsibilities, and enabling more efficient and transparent decision-making.”³⁰

²⁸ Riverton engagement session feedback 19 March 2026

²⁹ Survey respondent

³⁰ Survey respondent

92. There was also an expectation that regulatory and service delivery functions remain clearly defined, particularly regarding environmental management. In addition, engagement with mana whenua was expected to reflect genuine, ongoing partnership rather than being procedural or “tick-box” in nature.
93. This implies that any potential reorganisation options will need to provide clear lines of accountability, consistent communication and accessible engagement to maintain trust.

A resilient region

94. Communities expressed a strong aspiration for a resilient, future-focused Southland, encompassing environmental sustainability, economic strength and social wellbeing, reflecting principles of kaitiakitanga and intergenerational responsibility.
95. There was a clear emphasis on long-term planning and the ability to respond to challenges such as climate change, infrastructure demand and demographic change, including an ageing population. There was likewise a clear expectation that solutions should benefit all of Southland.
96. This implies that any potential reorganisation options must demonstrate the capability to plan for long-term challenges, while supporting cohesive and sustainable development across Southland.

Constraints and exclusions

97. Several factors act as key constraints and exclusions on the scope of this investigation, shaping the range of viable options. They indicate what can and cannot be considered and highlight factors that may affect feasibility and community support.

Exclusions

98. Some matters raised during engagement fall outside the scope of the investigation. These include changes to Licensing Trust boundaries, which are governed by separate legislation, and governance models not provided for under the Local Government Act, such as suggestions for a federal-type arrangement where Southland might operate as a ‘state’.
99. Broader concerns relating to elected member remuneration and governance behaviour were also raised. While relevant to system performance, these are outside the Commission’s remit and cannot be directly altered through structural change.

Legislative and system constraints

100. The Commission’s investigations must operate within the current legislative framework. Structural change cannot alter statutory roles, responsibilities or regulatory requirements, including those relating to environmental management.

101. The broader legislative and policy environment is also currently evolving, with reforms such as the Local Government (Systems Improvement) Bill, and the Planning, and Natural Environment, Bills, likely to affect the local government operating context.
102. The Government's Head Start Pathway local government reform proposal, announced in May 2026, introduces a potential parallel pathway for Southland local government reorganisation outside the Commission's statutory process.
103. Until there is greater clarity on whether, and how, councils intend to engage with the Head Start Pathway, the Commission is required to continue to progress its work in accordance with its existing legislative framework. The Commission will need to continue monitoring developments and respond to any legislative changes, adopting a coordinated and careful approach until further information is known.

Social and political constraints

104. A key constraint identified across engagement was the importance of local voice, identity and representation. As outlined earlier, support for any future structural change is likely to be conditional on maintaining or strengthening local representation. This places practical limits on the extent to which decision-making could be centralised in any potential reorganisation options.
105. There was also consistent scepticism regarding financial outcomes, particularly the extent to which structural change might reduce (or limit rises to) costs and rates. This highlights the importance of setting reasonable expectations and ensuring that any financial implications of potential reorganisation are clearly supported by evidence.
106. Ngāi Tahu ki Murihiku feedback also highlighted structural misalignment between current local government arrangements and the Ngāi Tahu Settlement framework and Te Tiriti expectations. This highlights the importance of ensuring consistent implementation of partnership obligations across any potential reorganisation options, supporting the intent of settlement redress.

Decision to proceed to phase 2

107. The Commission has determined that there is sufficient evidence to justify continued investigation into whether alternative local government options in Southland could reasonably address the issues identified, or better advance the opportunities and aspirations expressed during Phase 1.
108. Phase 1 findings demonstrate that a range of challenges facing local government in Southland are consistently supported across multiple sources, including engagement feedback from councils, Te Ao Mārama Incorporated, communities and survey responses. These challenges relate to structural fragmentation, affordability pressures, infrastructure delivery and resilience, local representation, and environmental management.

109. Phase 1 has also identified a range of opportunities to improve local government outcomes in Southland. These include stronger regional coordination, improved long-term planning, enhanced governance and organisational capability, and better integration of local and regional decision-making. Feedback from Ngāi Tahu ki Murihiku highlights the potential for more ambitious reform, including a call for bold innovation to lift system performance and partnership outcomes.
110. Some of these opportunities may be achievable through strengthened collaboration between councils, or through enhanced shared services within current local government arrangements. Other opportunities may be better realised through structural change that enables greater coordination or capability. Progression to Phase 2 enables these possibilities to be explored in a consistent and comparative way.
111. While structural change is not a guaranteed solution, engagement feedback and survey responses indicate that consideration of alternative reorganisation options provides credible pathways for addressing the issues and opportunities identified through Phase 1.
112. The status quo and options relying on enhanced shared services offer familiarity and continuity but may have limited ability to address all structural challenges or clearly improve outcomes. Structural reorganisation options may offer additional benefits but are also likely to involve trade-offs that require careful consideration. It is unlikely that any single option will fully address all issues, opportunities and aspirations identified through Phase 1, and any future local government arrangements will need to balance competing objectives.
113. The Phase 1 engagement results provide a sufficient evidential basis to support progression to Phase 2. The issues and opportunities identified are significant, and there is a demonstrated level of community interest in exploring whether different local government arrangements could deliver improved outcomes.
114. Progression to Phase 2 will enable detailed, evidence-based assessment of reorganisation options against the clause 10 framework developed during Phase 1, including consideration of costs, benefits, risks, and alignment with community aspirations. This stage represents further investigation only and does not predetermine any particular outcome.
115. The Southland reorganisation investigation will therefore proceed to Phase 2.

Phase 2: Next steps

116. In accordance with the Local Government Commission Amended Investigation Process document - April 2026, Phase 2 of the investigation will commence. Phase 2 represents a “deep dive” stage of the investigation and is expected to run from May to November 2026.
117. The objectives of Phase 2 are to:

- develop a detailed understanding of the issues identified during the Phase 1 scoping exercise;
- further define and assess communities of interest across Southland;
- assess the potential impacts of reorganisation options on Ngāi Tahu ki Murihiku and Papatipu Rūnanga; and
- undertake in-depth analysis of potential options against the relevant legislative factors

118. To achieve these objectives, Phase 2 will include:

- ongoing, iterative engagement with councils and Te Ao Mārama Incorporated, on behalf of Ngāi Tahu ki Murihiku and Papatipu Rūnanga;
- more detailed engagement with key stakeholders and the wider community, through a range of methods (including in-person and virtual engagement);
- development and assessment of potential reorganisation options, including cost-benefit analysis alongside consideration of legislative factors; and
- preparation of a Commission report at the conclusion of Phase 2 setting out the findings of this analysis.

119. Depending on the outcomes of Phase 2, the Commission may determine to prepare and release a draft reorganisation plan, which would initiate Phase 3 of the investigation and a formal consultation process. Alternatively, the Commission may decide to close the investigation at the conclusion of Phase 2 if appropriate.

Clause 10 Assessment Framework

120. As part of phase 1, MartinJenkins was commissioned to develop an assessment framework to support the application of clause 10, schedule 3 of the Local Government Act 2002.

121. Clause 10 sets out the statutory objectives the Commission must consider when assessing the desirability of reorganisation options.

122. The framework does not determine outcomes or recommend a preferred option. Rather, it provides a structured and transparent method for assessing how different options perform against the statutory objectives, including the status quo, and to make trade-offs explicit.

123. The framework was developed through iterative engagement with commissioners, Commission officials, Southland councils, and Te Ao Mārama. These included structured workshops, hui, and feedback, alongside consideration of engagement insights gathered during Phase 1.

124. The framework is designed to support consistent, defensible decision-making without relying on rigid scoring or weighting, and to allow for assessment where evidence is incomplete or uneven.
125. [The Clause 10 assessment framework](#), and accompanying [A3 summary](#) providing a high-level overview of the framework structure, is available on the Commission's website.

Local Government Commission

Dr Sue Bidrose (Chair)

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21 May 2026