



Head Start Options Councils of Otago Region

Mayoral Forum, 3 July 2026

UPDATED TO INCLUDE GORE FINANCIALS, 15 July 2026



Prepared for:

Job #	Version	Written	Reviewed	Approved	Report Date
3143	3	A. Grace	S. Cross	S. Cross	15 July 2026

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Objective:

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

Workstreams:

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

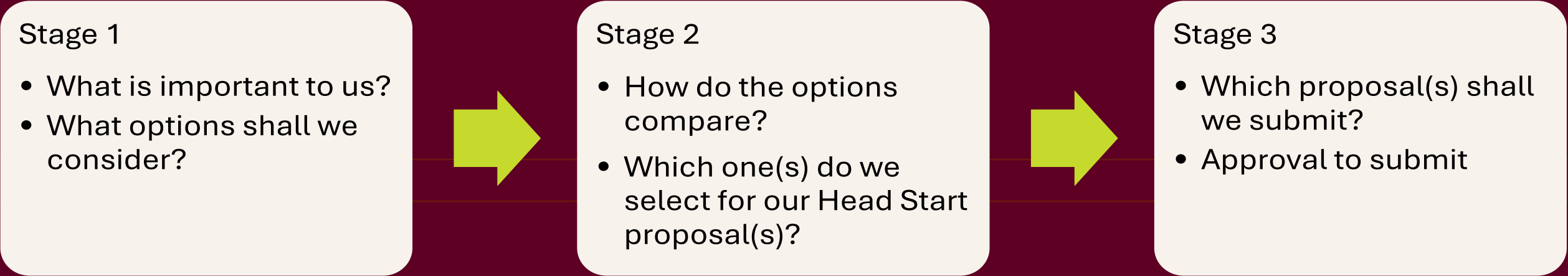
Scope:

Head and heart workstream (Morrison Low Advisory):

Body of evidence to support decision making:

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

Process:



Options

Option 1: One region-wide Otago unitary councils

Option 2: Two unitary councils, inland & coastal

- QLDC + CODC
- DCC, CDC, WDC

Option 3: Three unitary councils, urban & rural

- QLDC
- DCC
- CODC + CDC + WDC

Sub-options:

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



Support for the new planning system

- Catchments
- Environmental limits
- Growth and infrastructure

Planning system alignment

Catchment management:

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

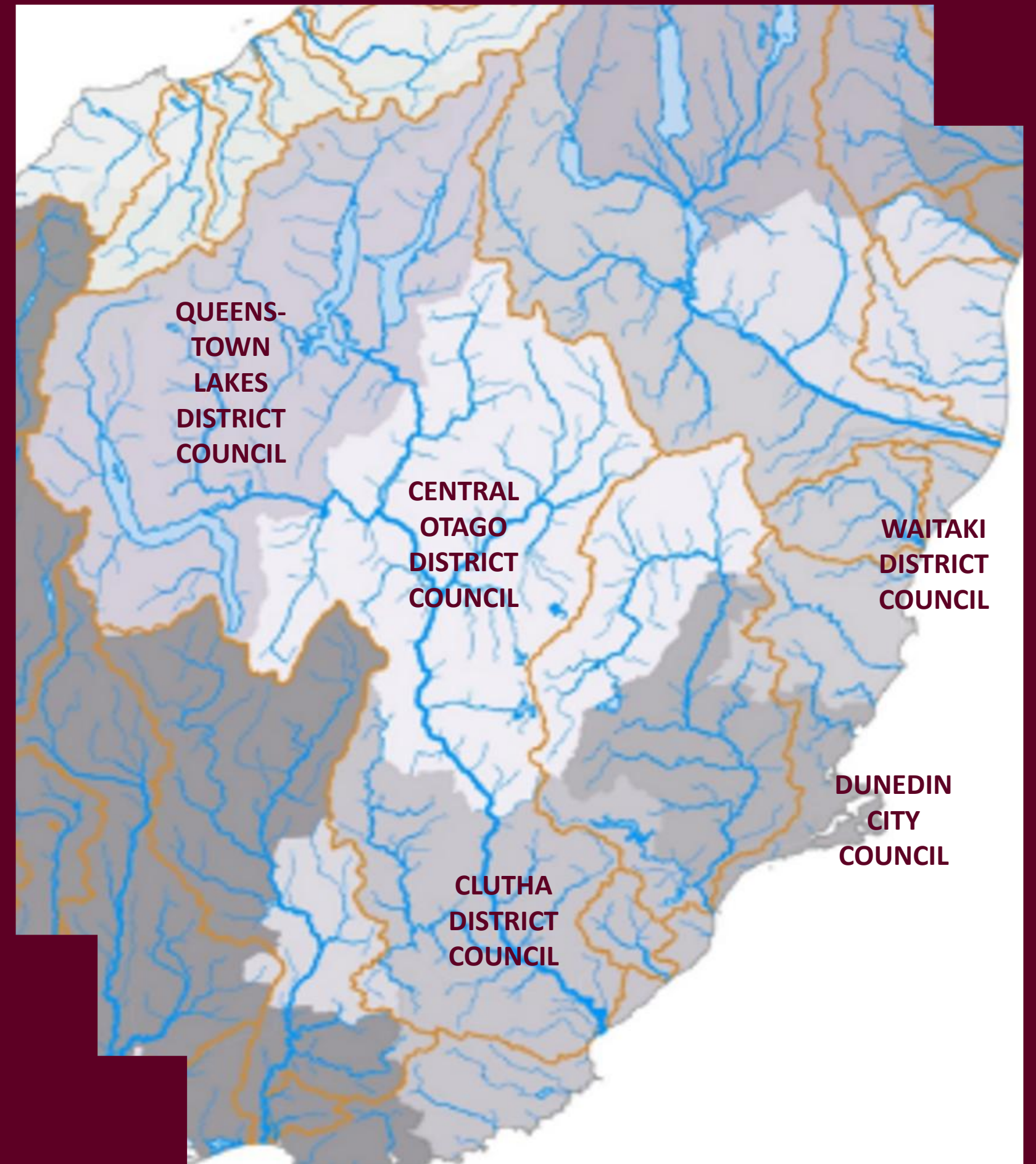
Management of environmental limits:

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

Settlement and infrastructure:

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

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

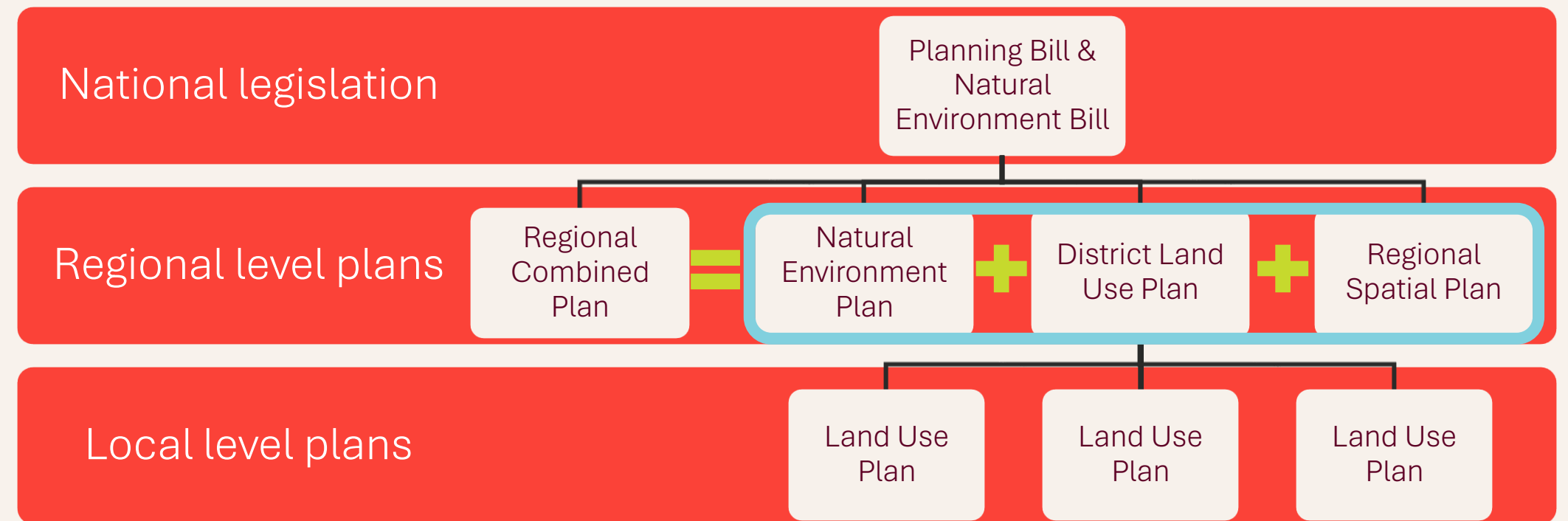


New planning framework – Plans hierarchy

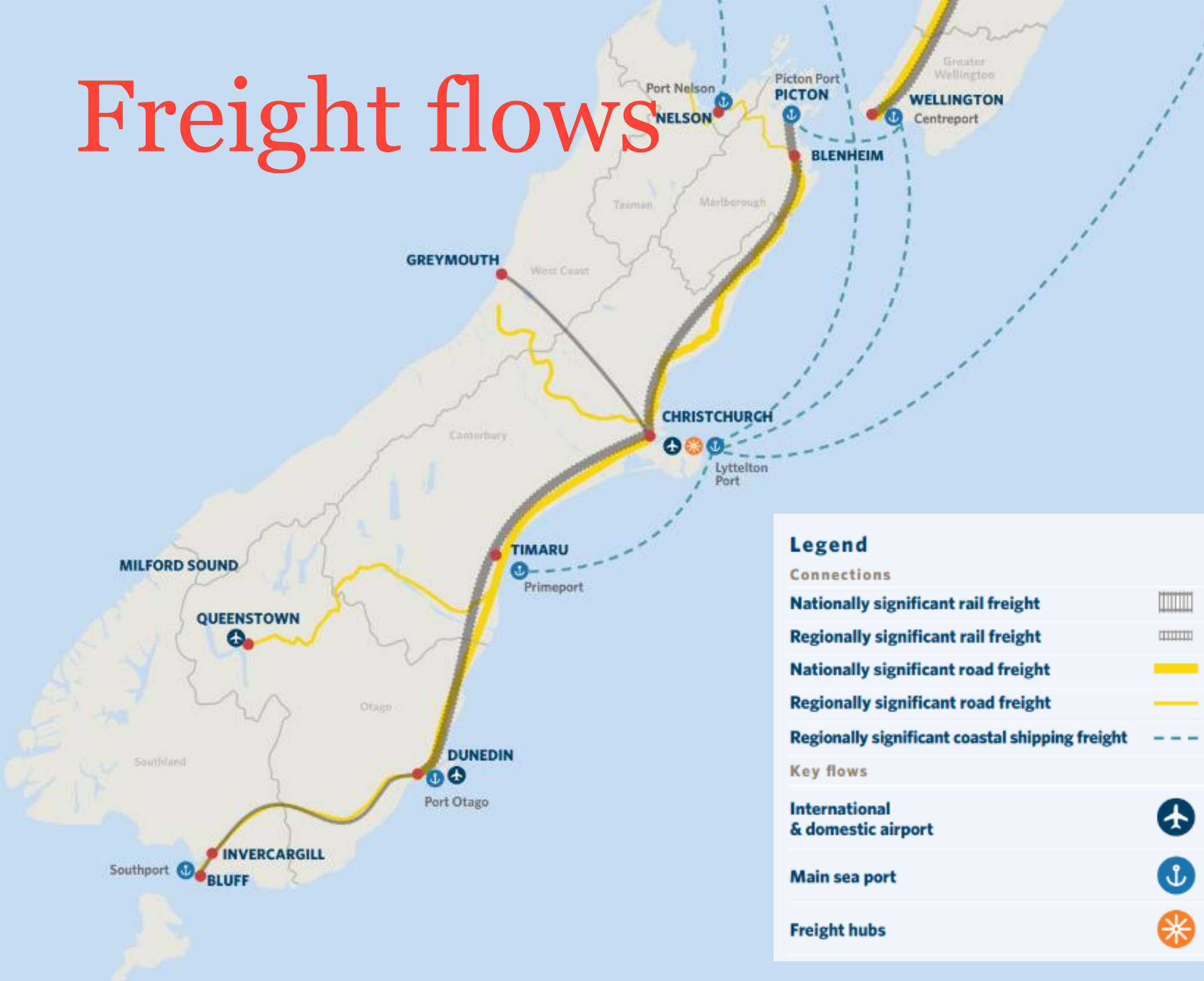
The new planning system has both regional and local plans depending on the local government structure.

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

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



Freight flows



Example of regional infrastructure co-ordination that crosses district boundaries

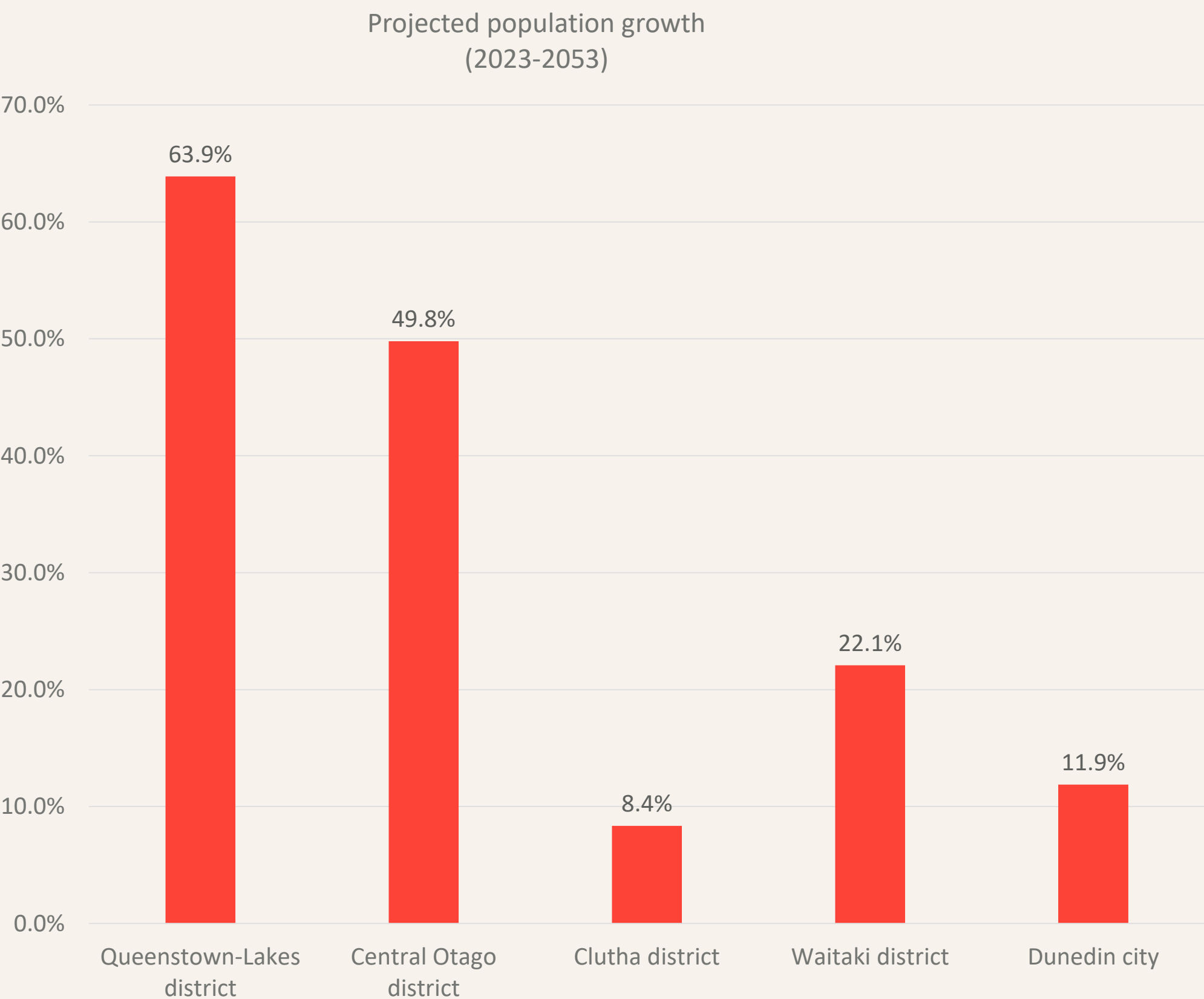
Growth pressures

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

e.g. Queenstown and Central Otago

Note, updated growth projection inserted 15 July 2026.

30-year population growth uses the Statistics NZ 'High' projections for all councils, as this is preferable when making growth projections for Queenstown Lakes, without materially changing the projection for other councils.



Planning assessment

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

Communities of interest

- Community expectations and connections

Communities of interest

Alignment of needs and expectations of council

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

Can people agree on what council should do?

Community connections

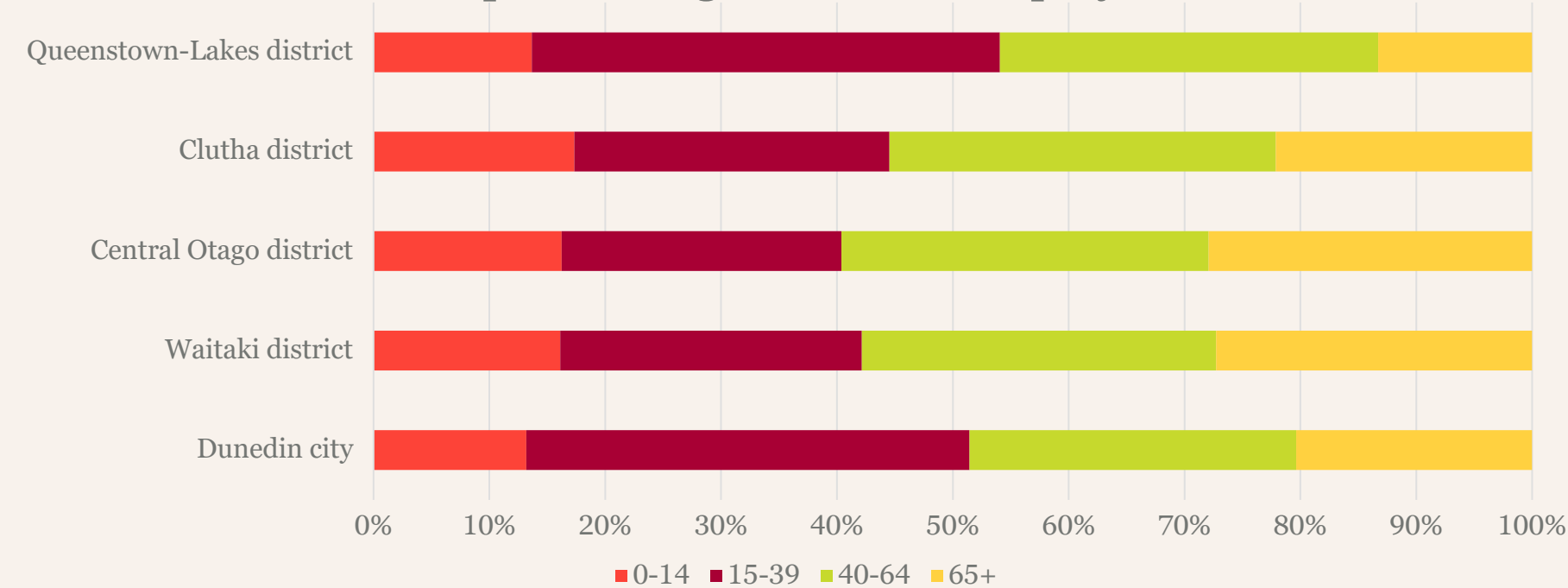
Will this council make sense economically and functionally?

Do these areas complement each other?

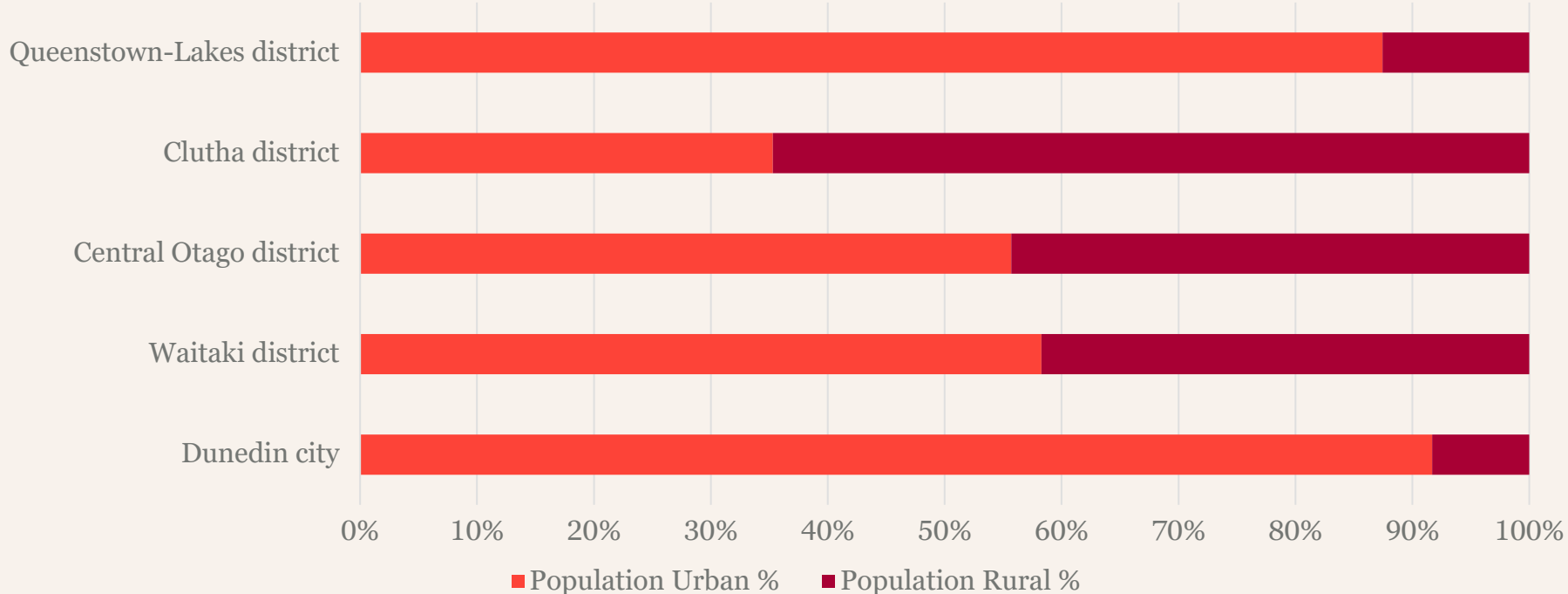
Are we connecting where people live and work? Significant industries with their supply and delivery chains? Housing markets with employment opportunities?

Population profile

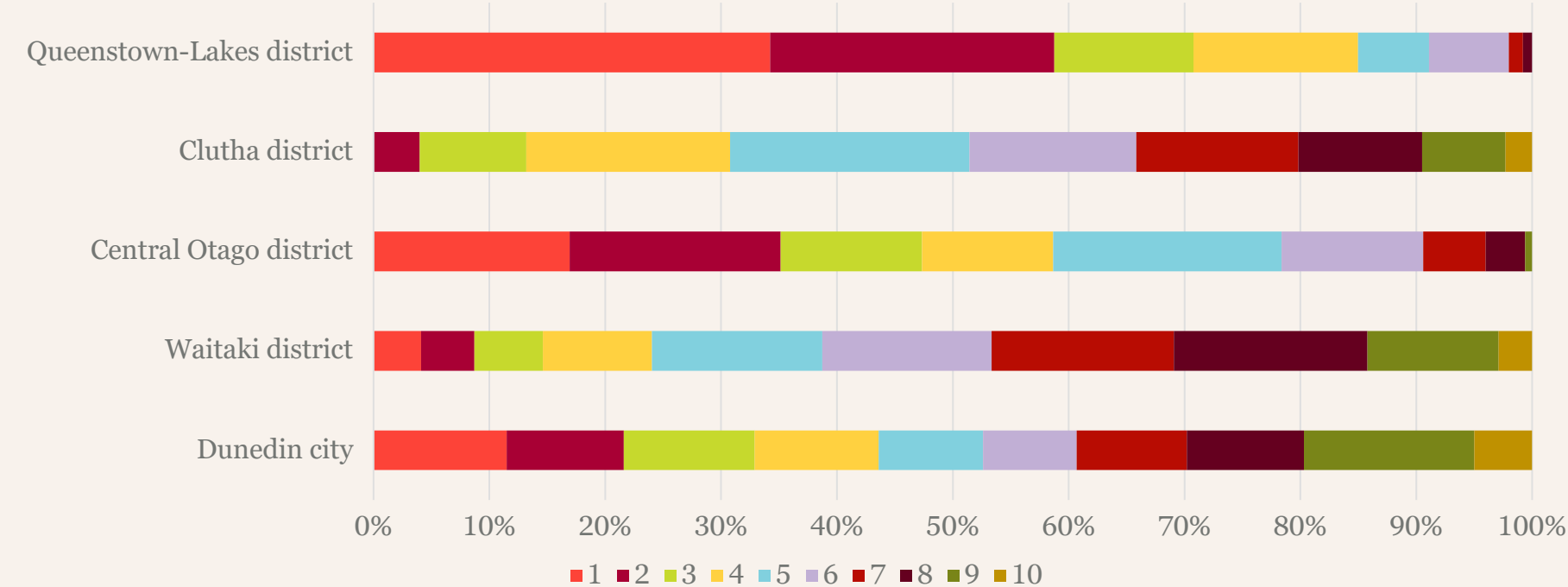
Population Age Profile (2028 projection)



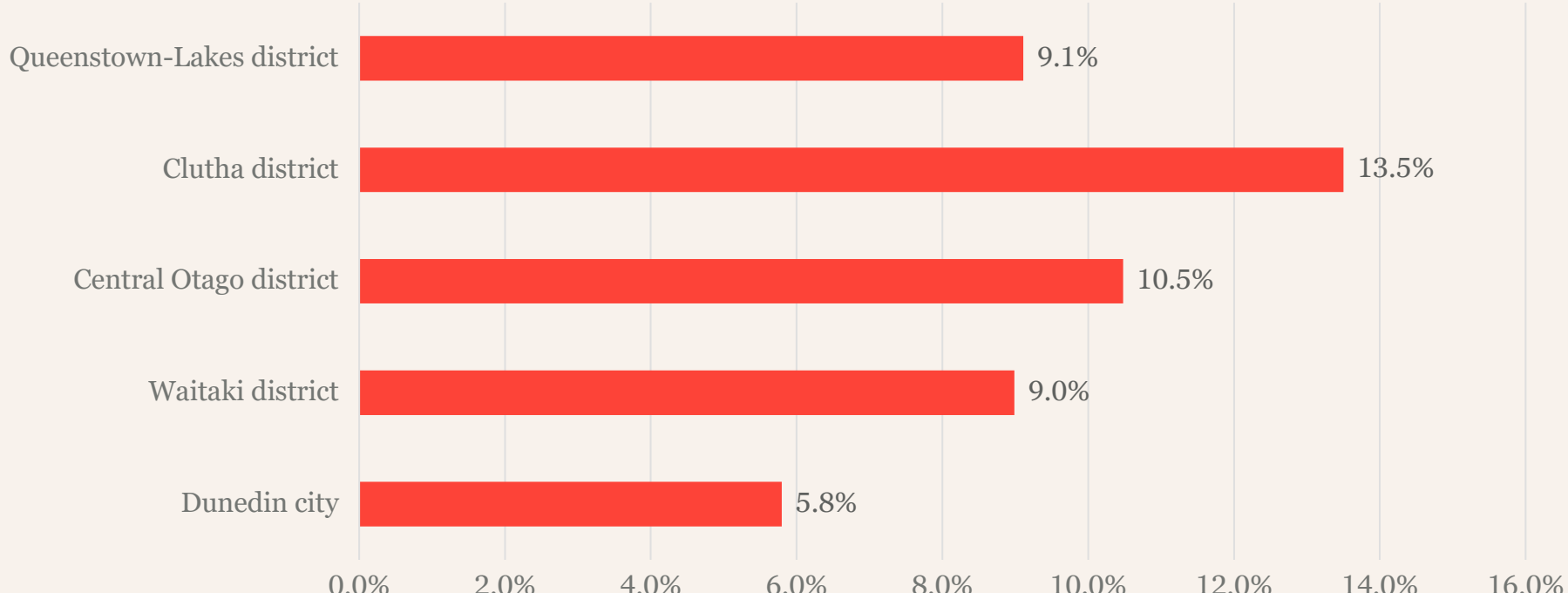
Urban/rural split (by population)



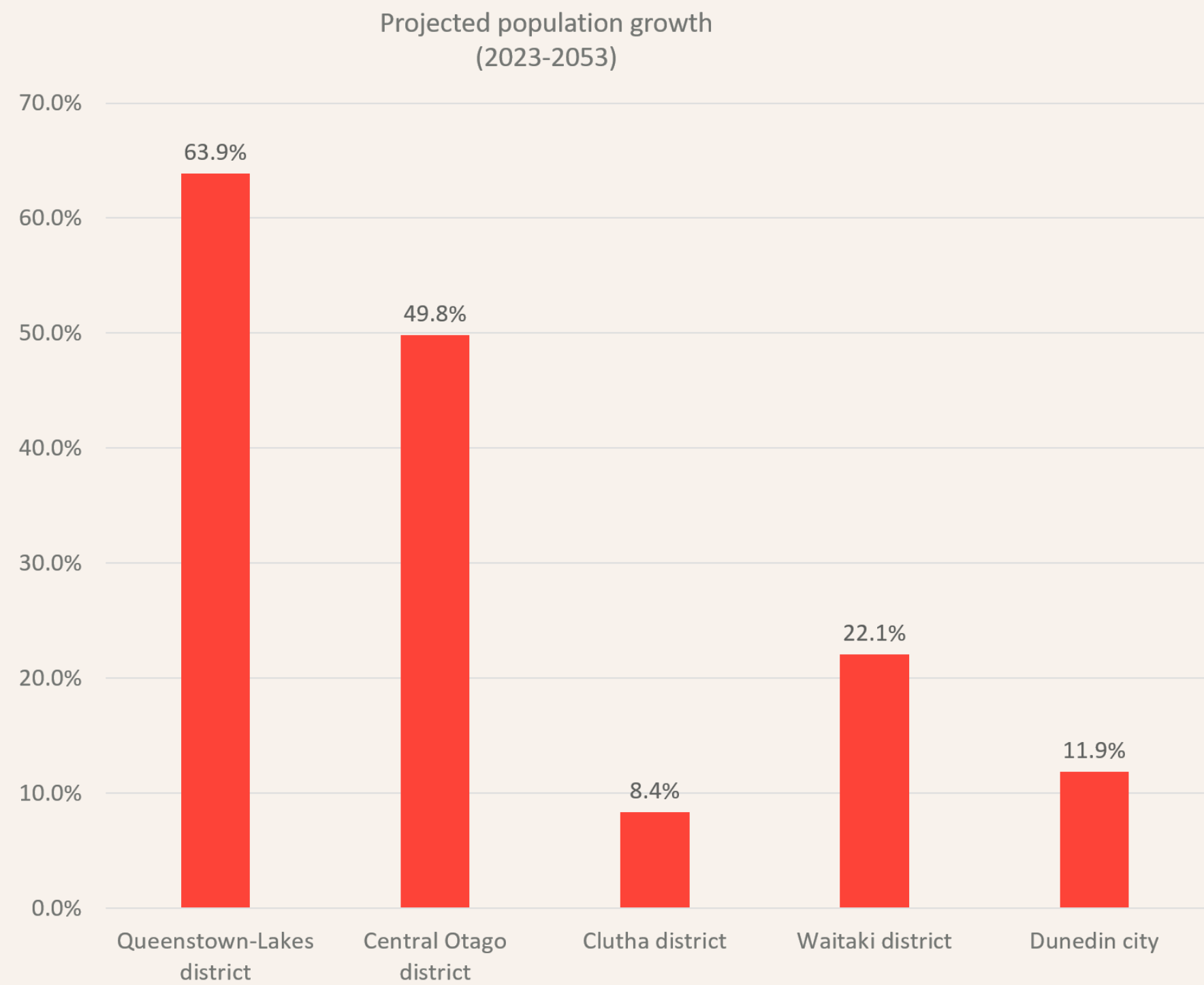
Socioeconomic and Deprivation Profile



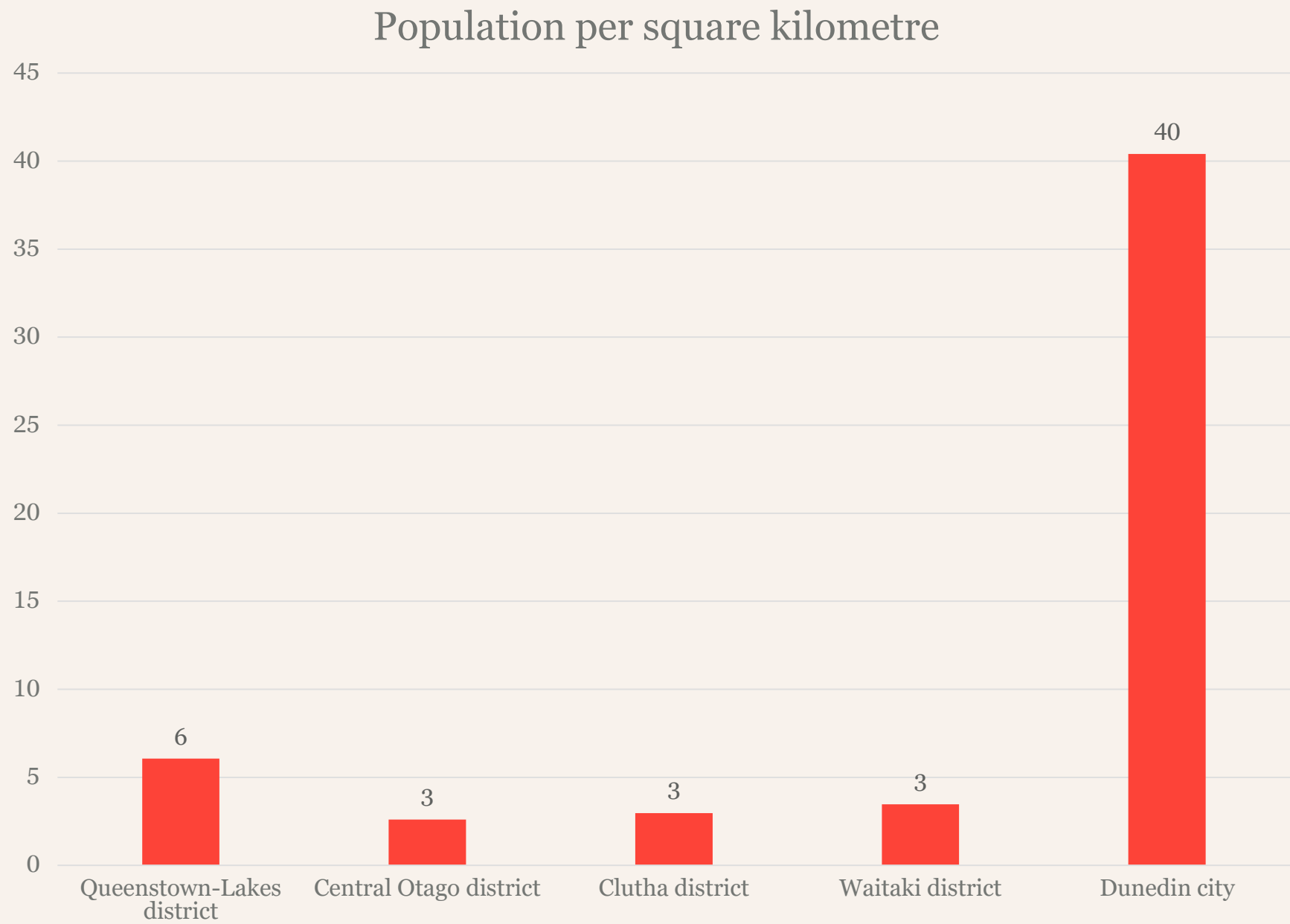
Māori population (%)



Population and growth

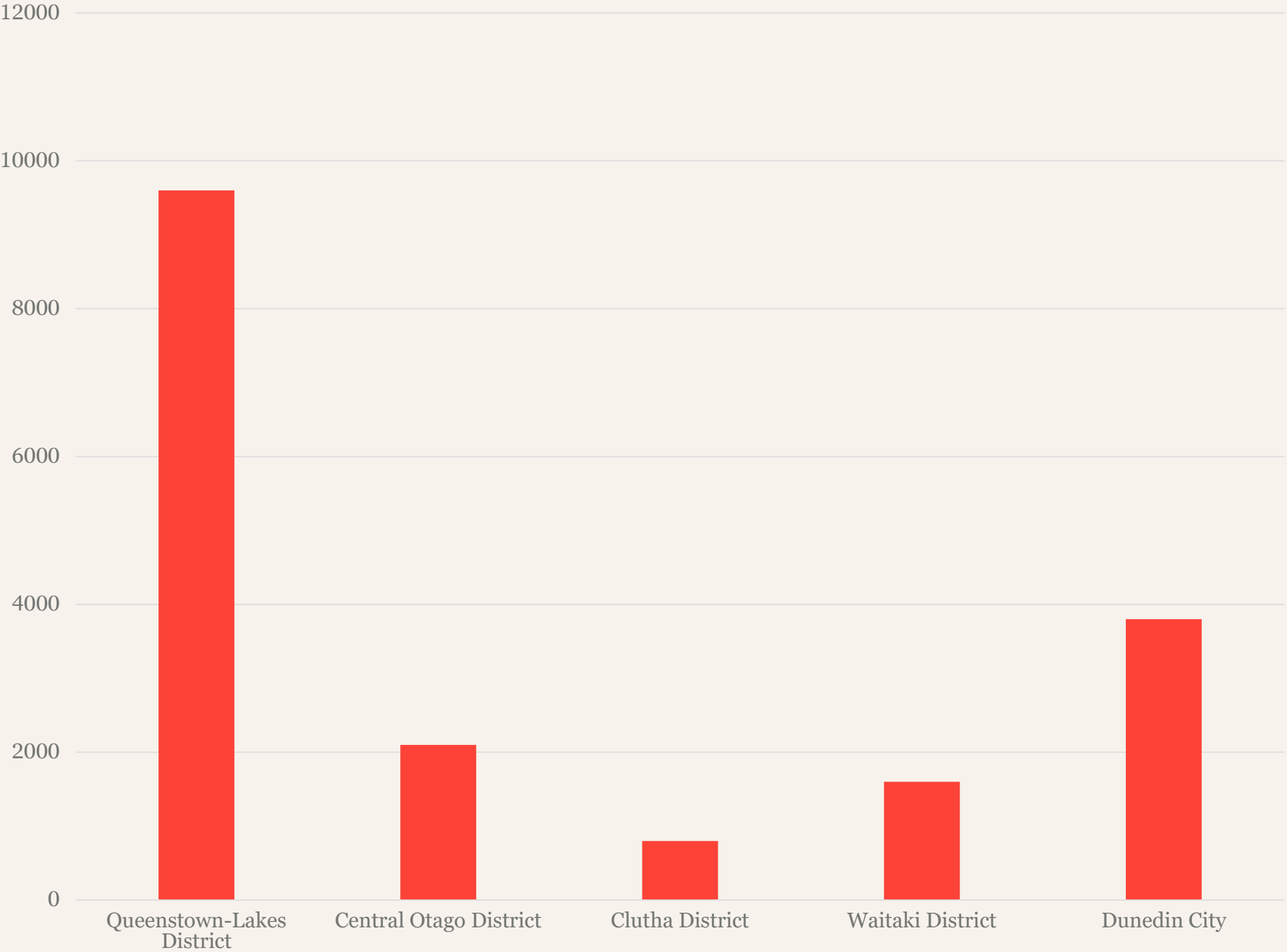


Council	Land Area (sq. km)	Population	Urban Pop.	Rural Pop.
Queenstown-Lakes District	8,700	52,800	48,600	4,200
Central Otago District	9,900	25,800	14,500	11,300
Clutha District	6,300	18,800	6,600	12,200
Waitaki District	7,100	24,600	14,300	10,300
Dunedin City	3,300	132,800	122,200	10,600

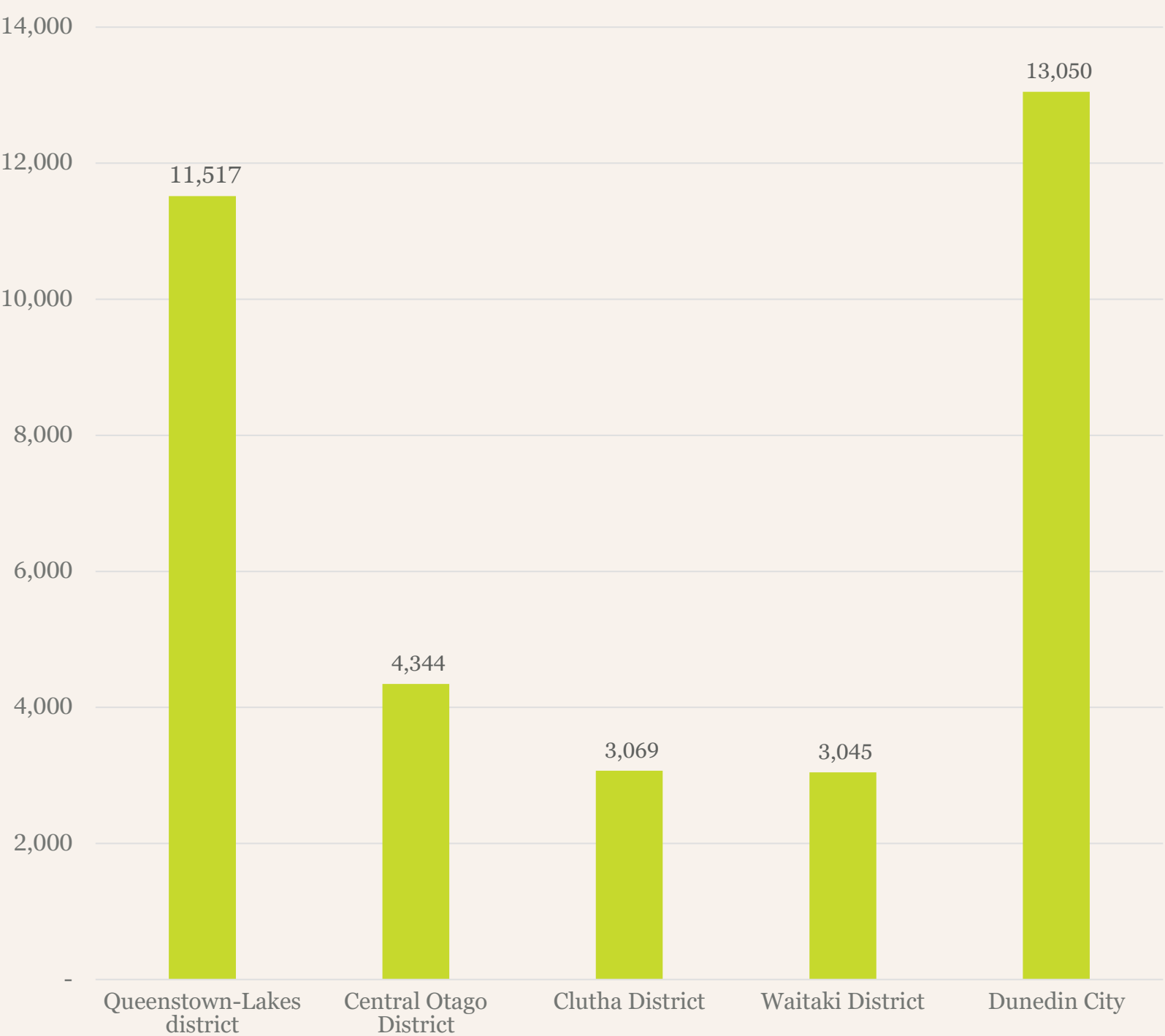


Businesses and Visitor nights

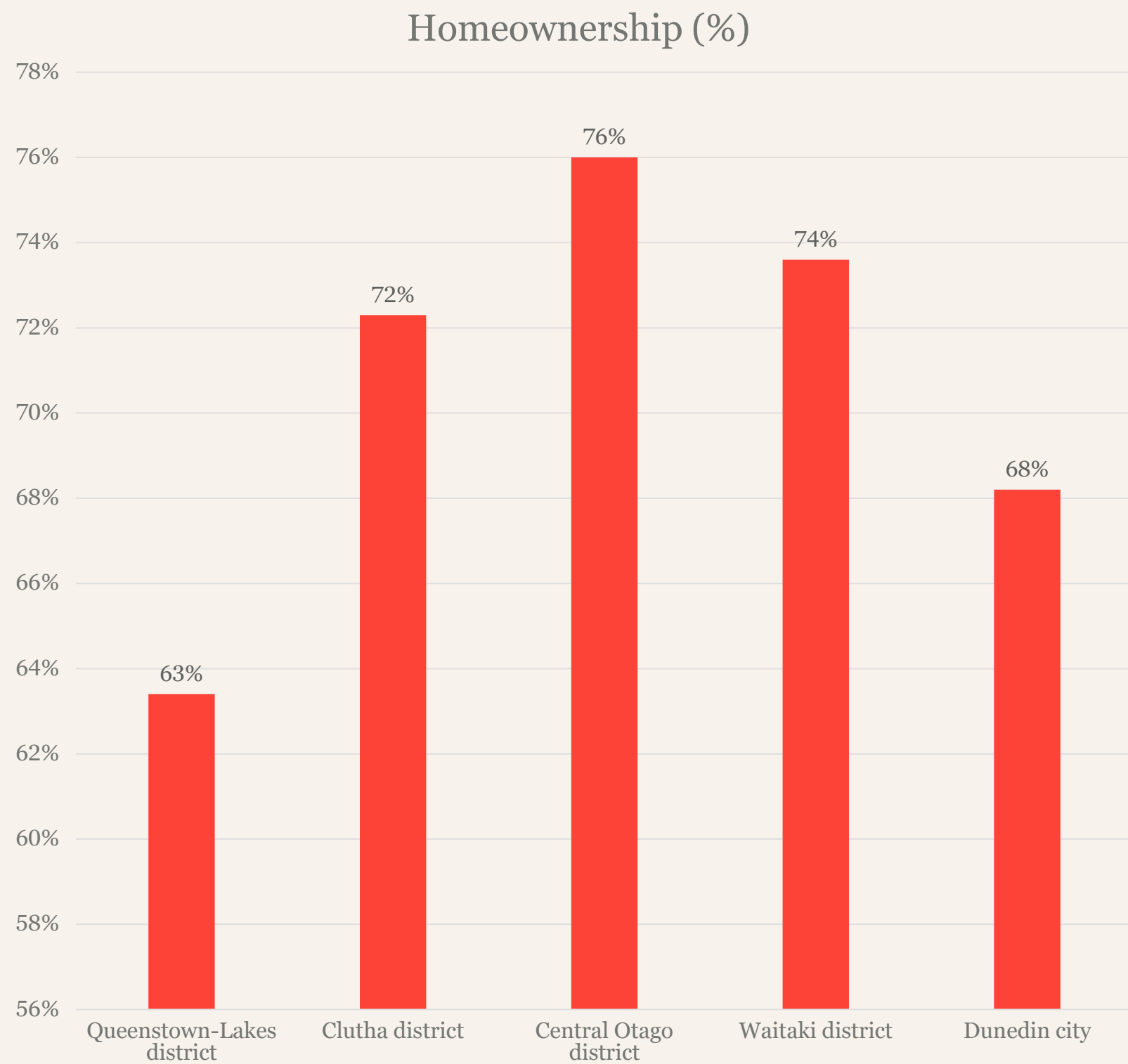
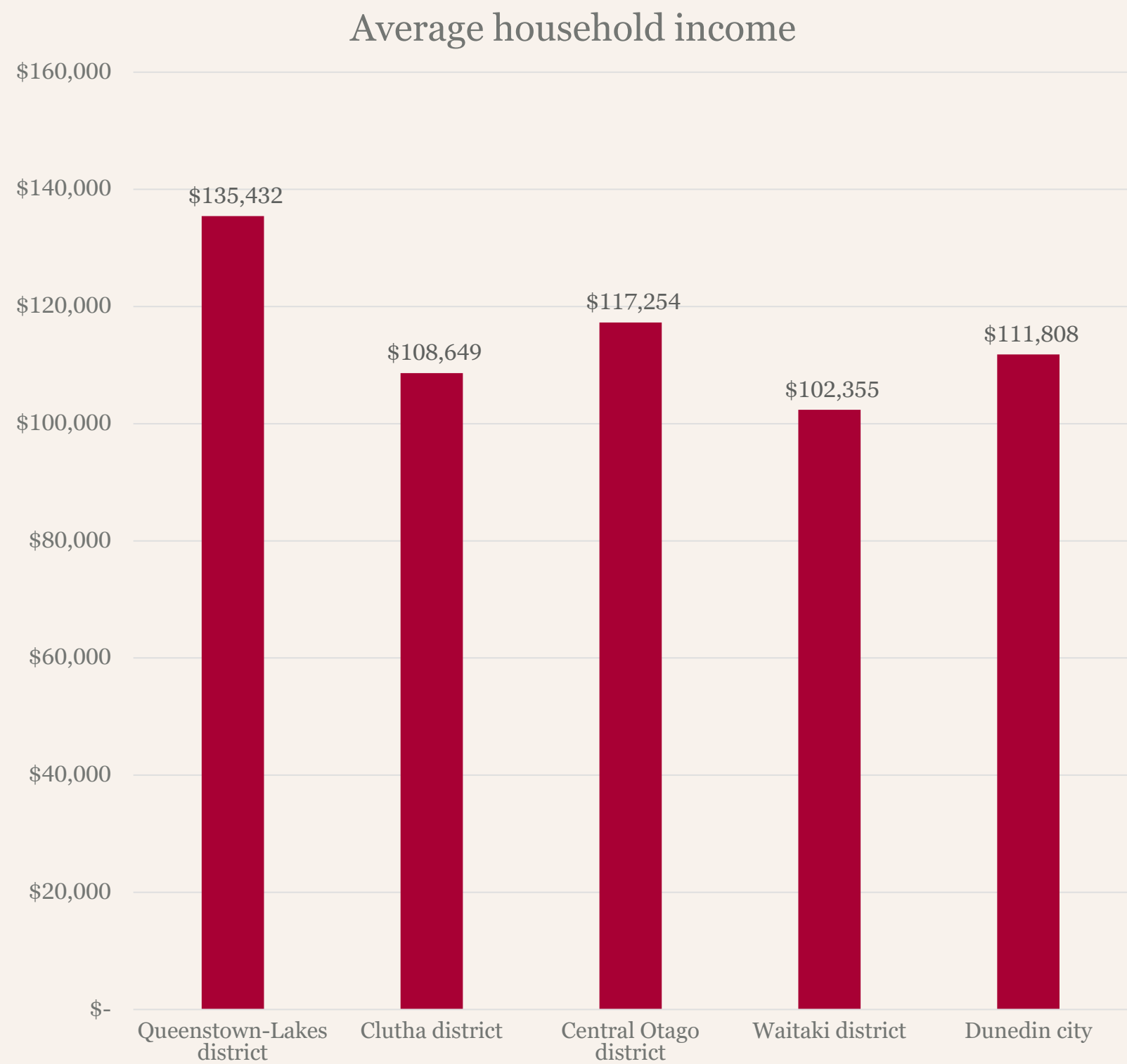
Visitor nights (000s)



Number of businesses

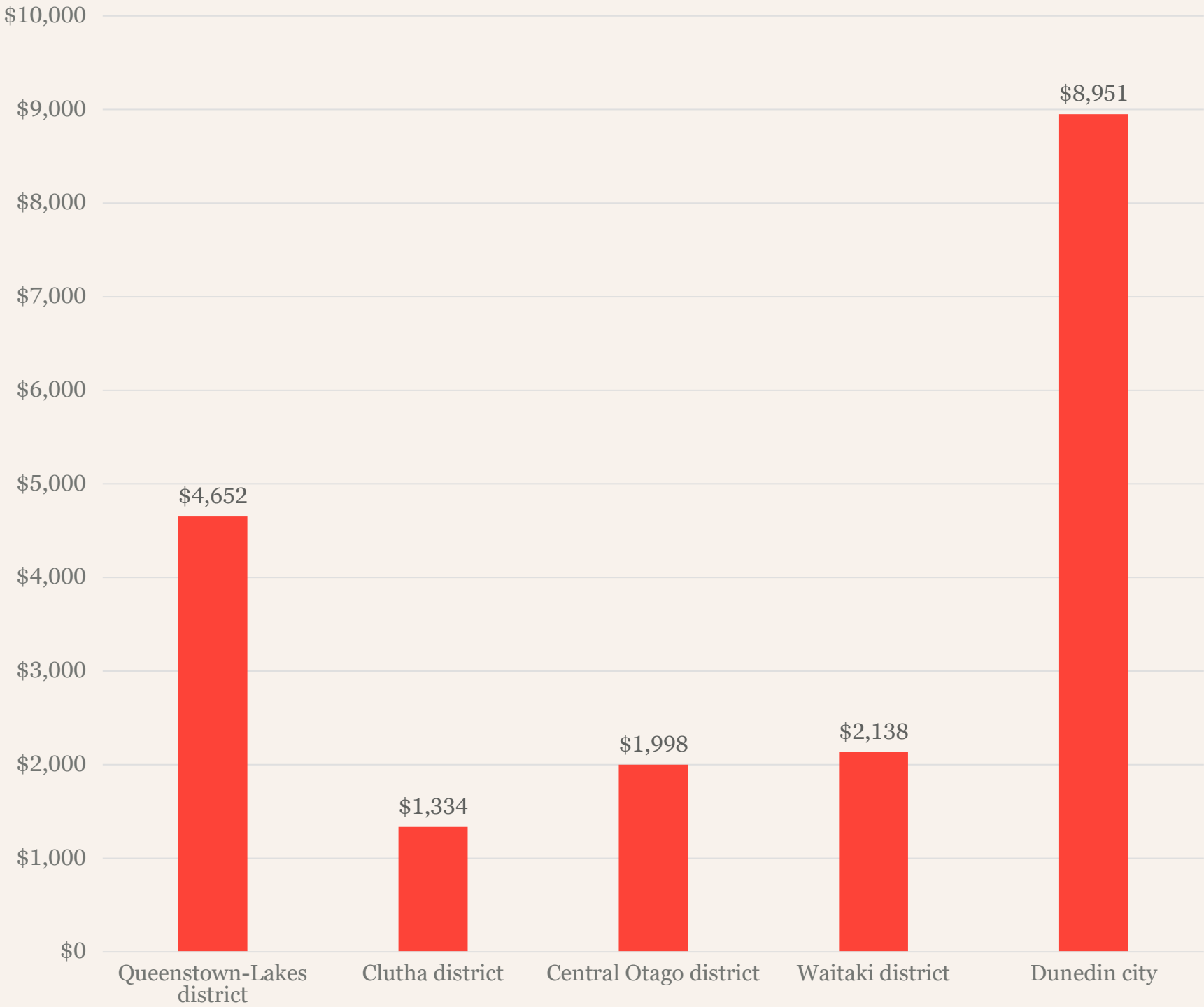


Household income and home ownership

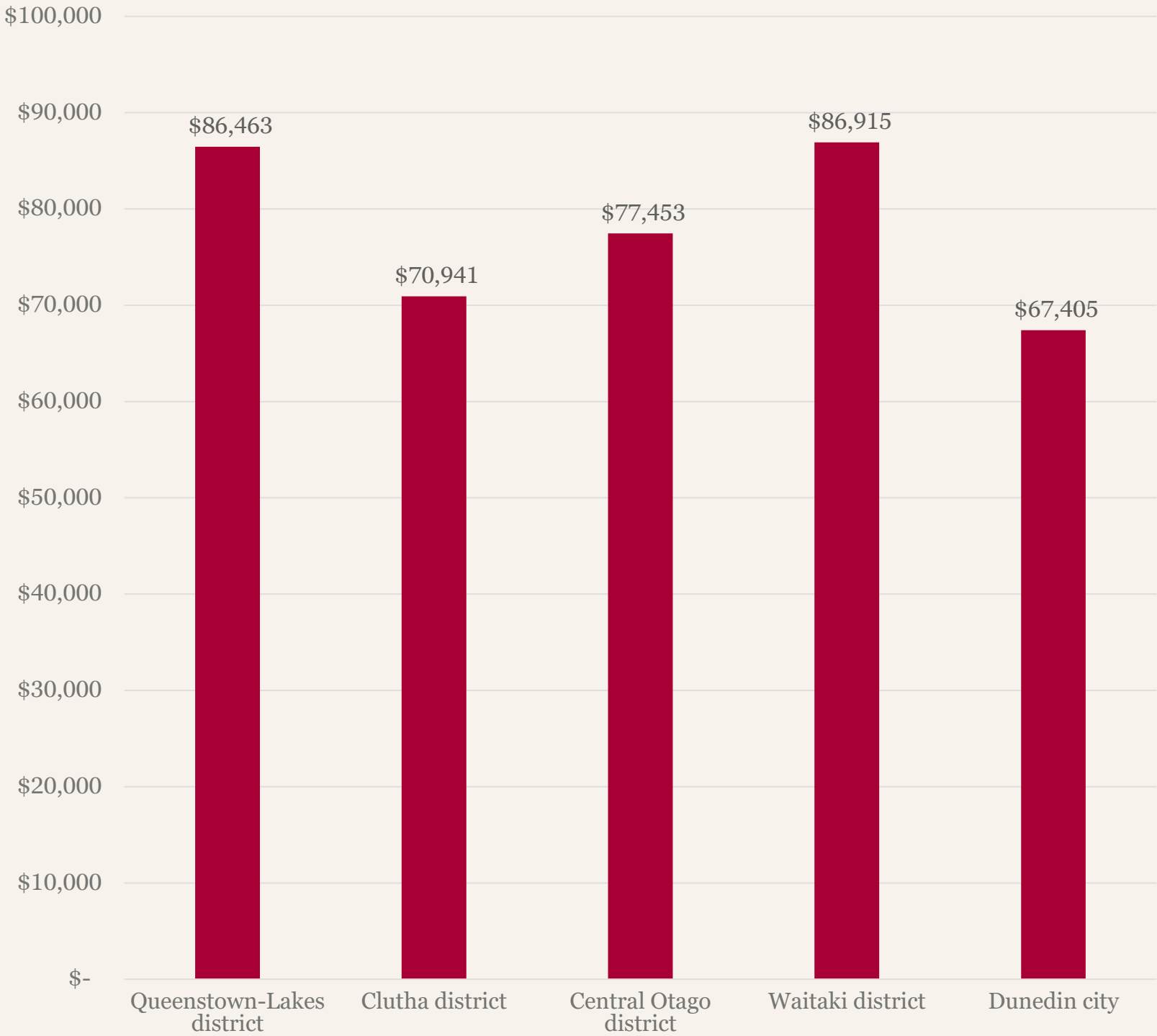


GDP

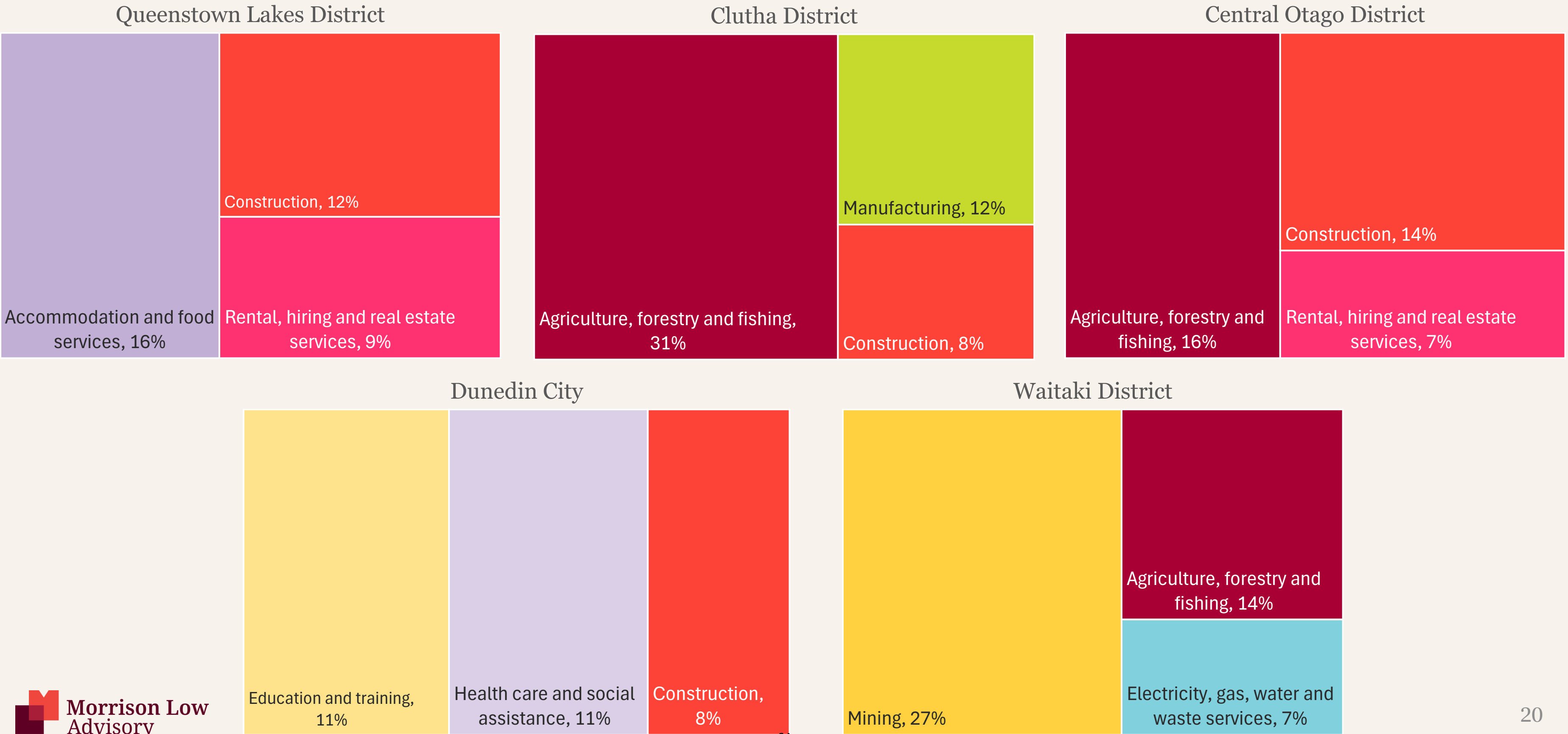
Total GDP (\$M)



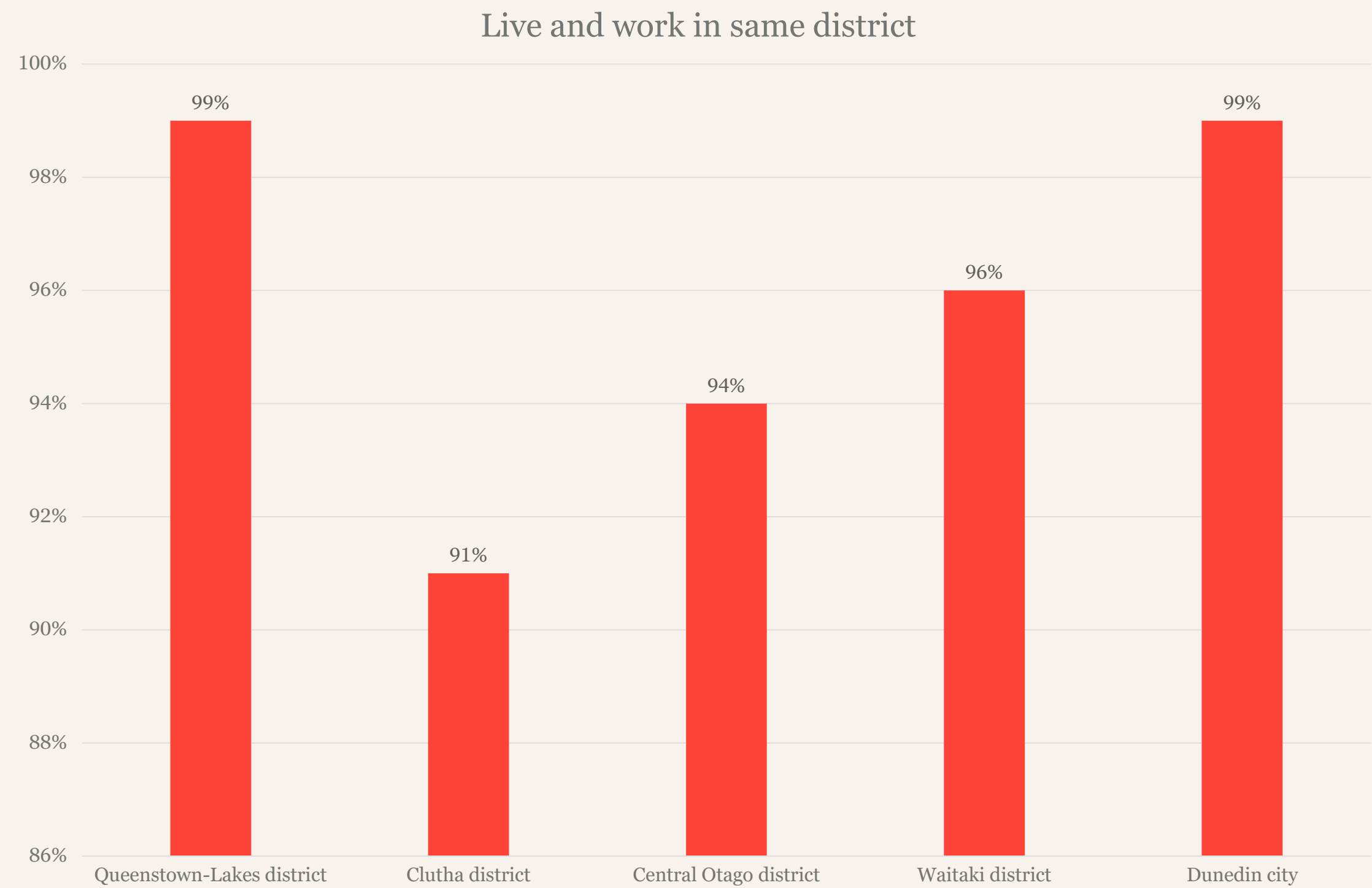
GDP per capita



Top three industries by GDP

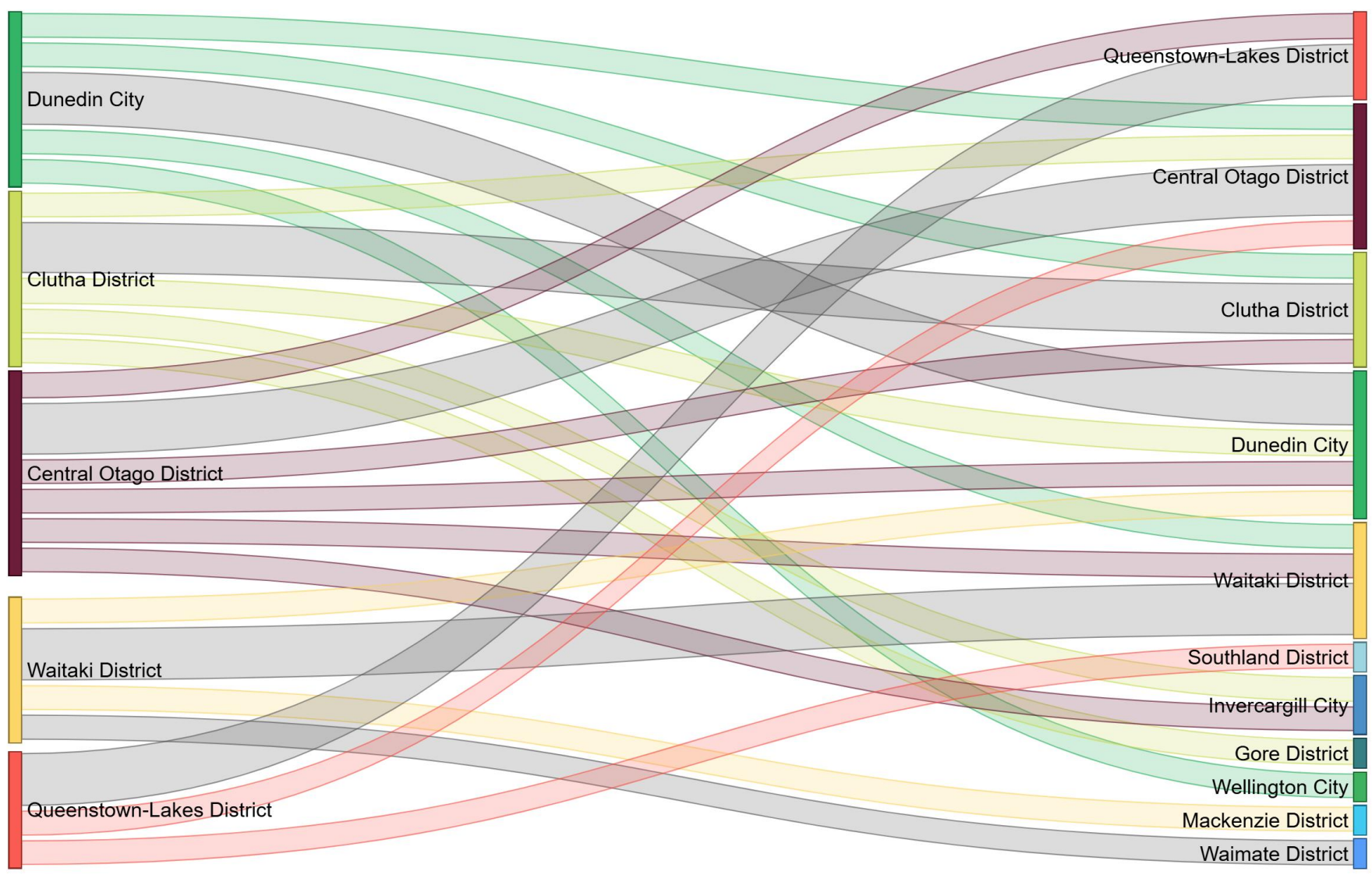


Commuter movements

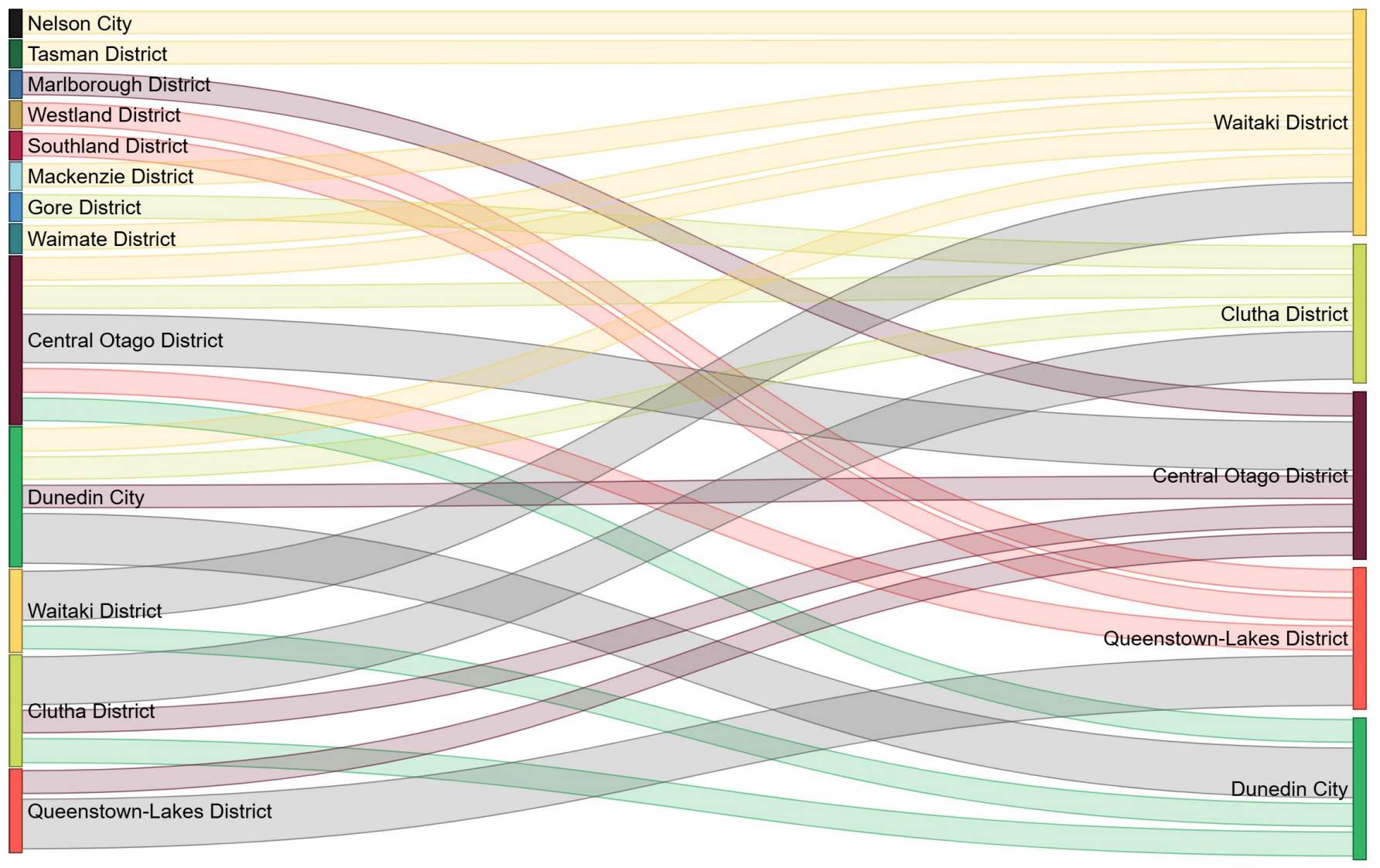


Labour movements

Labour movements out



Labour movements in



Communities of interest

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

Representation, governance and delivery

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

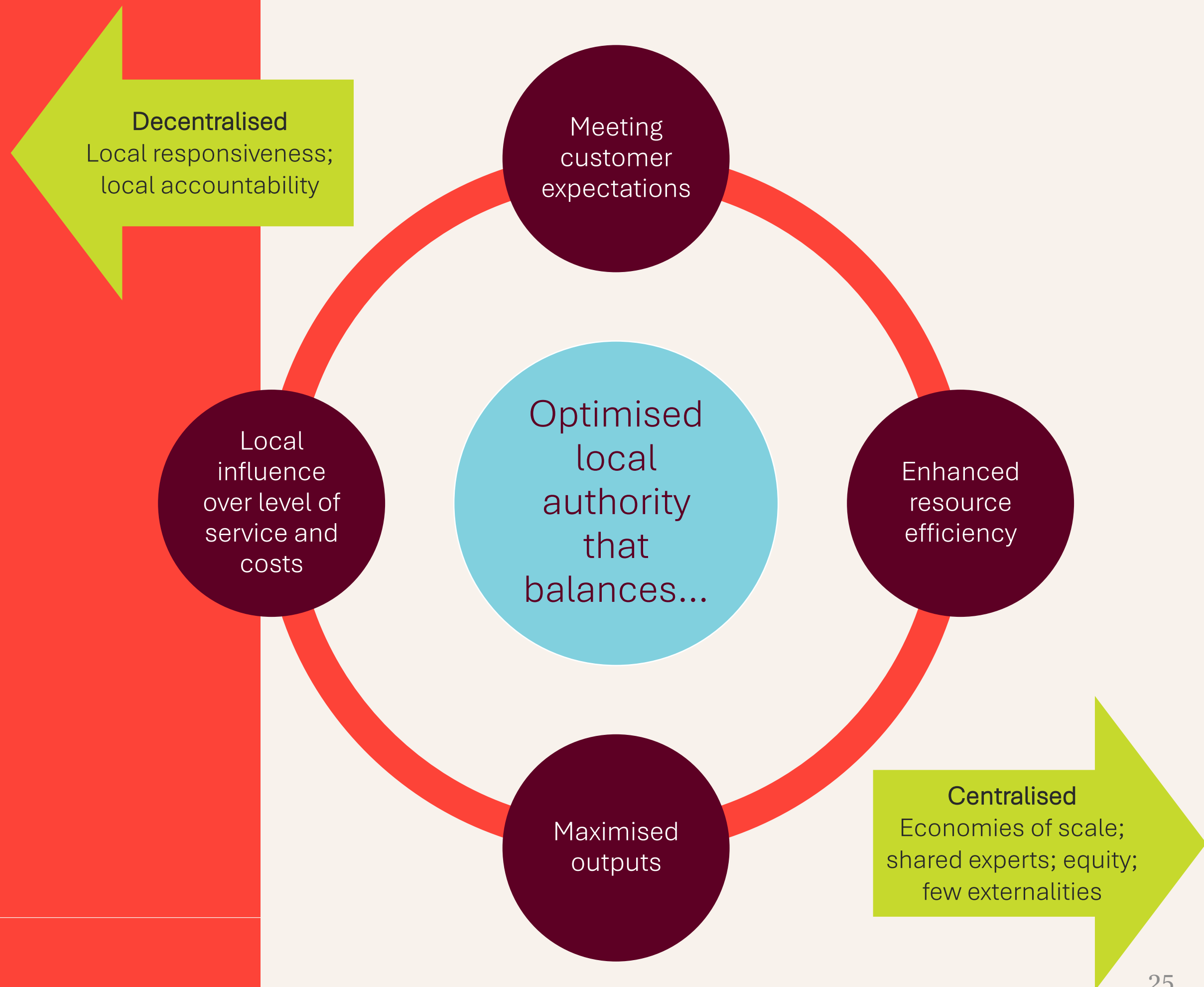
Optimisation challenge

Centralisation supports:

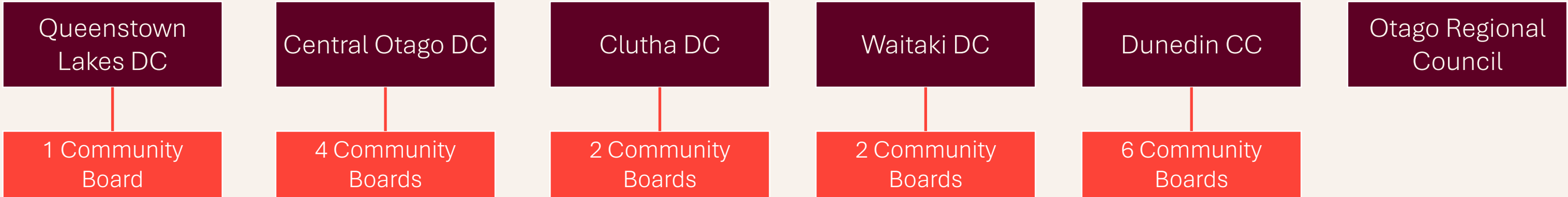
- Resource efficiency and maximised outputs

Decentralisation supports:

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



Current representation



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

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

Comparison of representation

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

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

Community boards vs Local boards

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

Dimension	Community Boards	Local Boards (Auckland Model)
Legal basis	Local Government Act 2002, Part 4, Subpart 2	Local Government Act 2002 (Part 4, Subpart 1A) + Local Government (Auckland Council) Act 2009
Status in governance	Subordinate to council	Part of formal governance structure (shared governance)
Core purpose	Representation, advocacy, local input	Enable democratic decision-making at local level
Strategic role	Limited, advisory	Recognised role in shaping local priorities and outcomes
Decision-making powers	Only what is delegated by council	Statutory decision-making responsibilities + delegated powers
Durability of powers	Delegations can be changed or removed at any time	More stable — embedded in governance model
Budget control	May be given a delegated budget (revocable)	Allocated local board budgets as part of council planning framework
Ability to influence LTP / plans	Provides submissions and advice only	Has formal input rights into regional strategies and plans
Service delivery responsibility	None	Decide on local services, delivery by council staff / CCOs
Revenue raising	None	Not directly, but can influence targeted rates and budgets
Asset ownership / control	None	Not directly, but can influence local asset use
Staff / contracting authority	None	None directly (via council systems)

Local representation is not limited to formal boards

Alternatives:

1. Targeted engagement with affected groups

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

Provides issue-specific expertise and representation

2. Statutory consultation processes

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

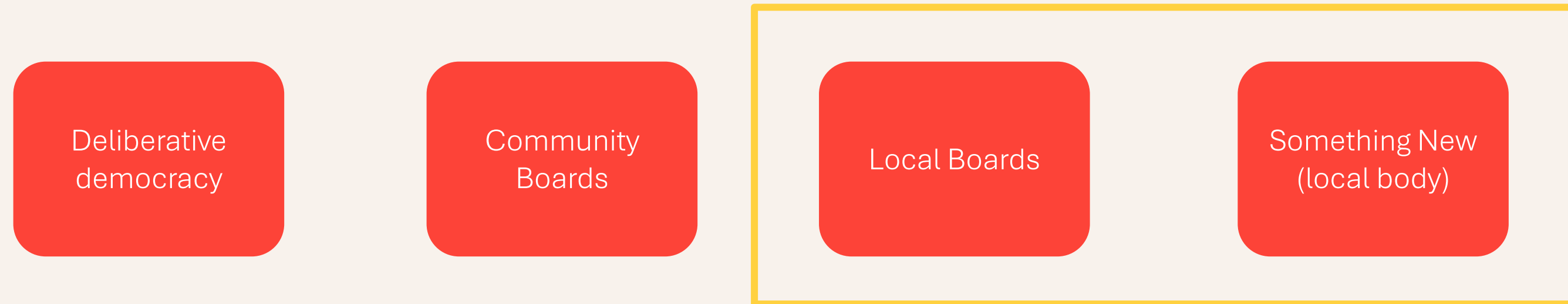
Provides formal, open public input at key decision points

3. Deliberative democracy approaches (emerging)

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

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

Local representation options



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

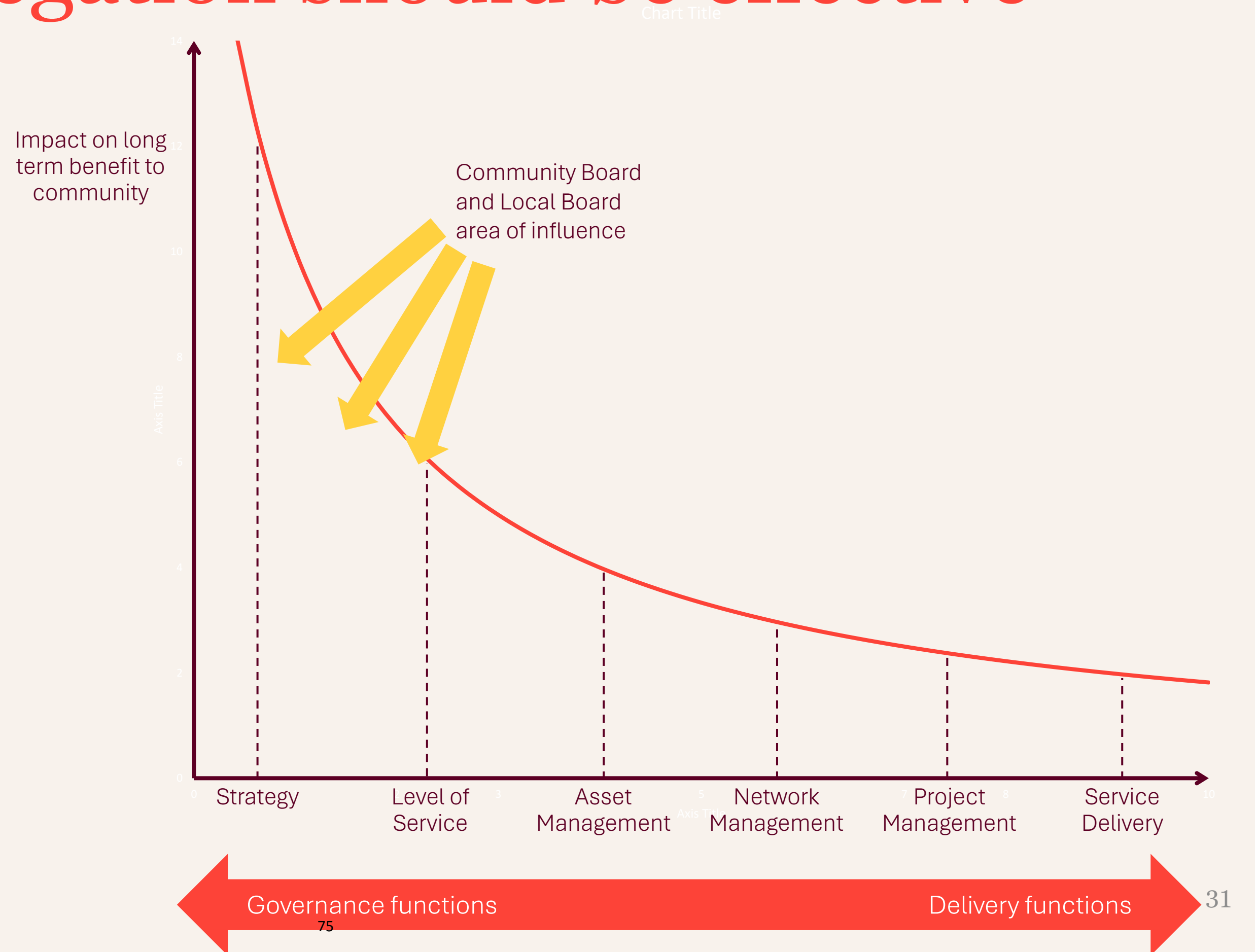
Local body delegation should be effective

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

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

Decisions on the RHS of the graph

- Deliver the outcomes
- They are the ‘How’ questions



Delegation to local bodies

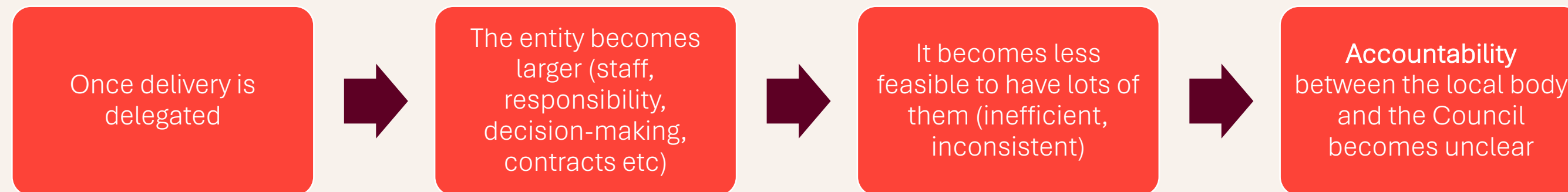
Governance only

Current community boards and local boards sit here

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

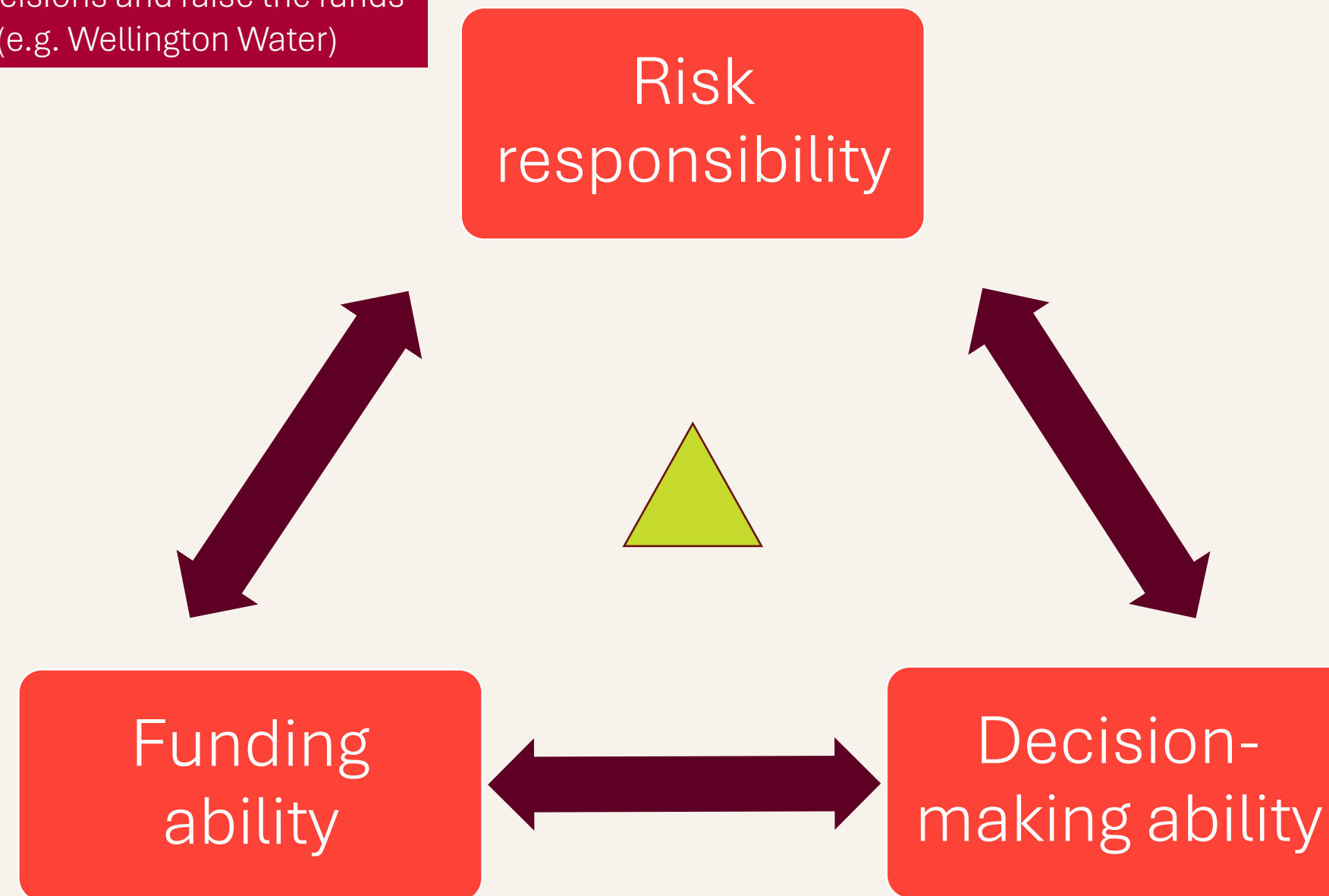
Governance + Service Delivery Responsibility

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



Creating clear accountability

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



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

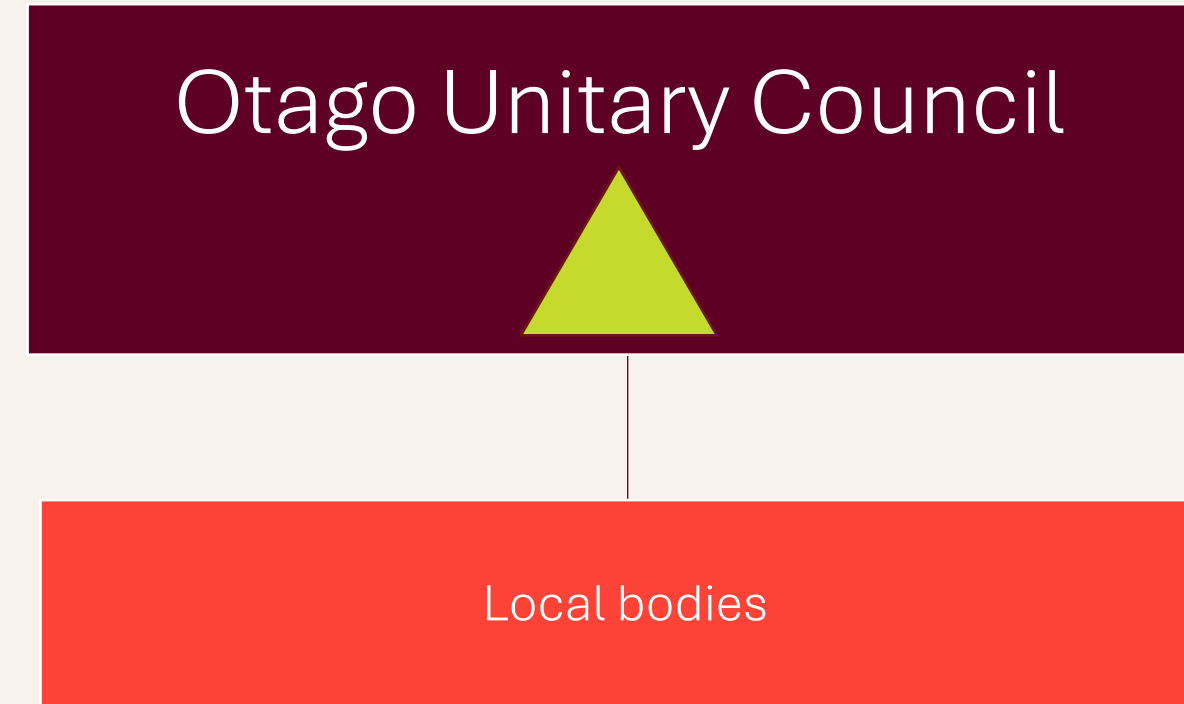
Relevant when considering:

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

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

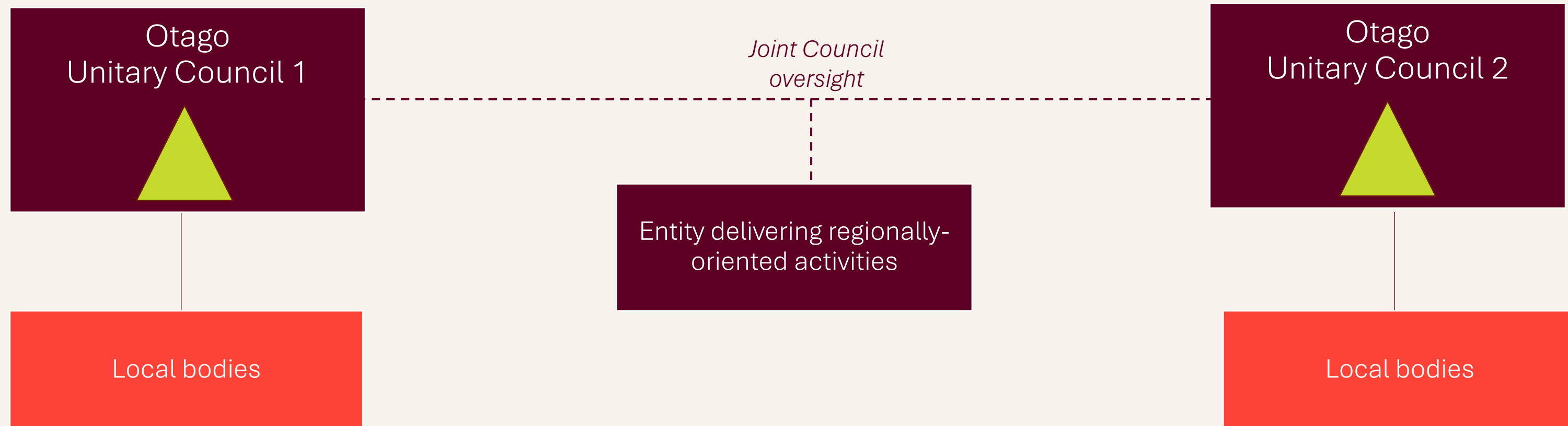
A decision-making entity without responsibility may prioritise spending according to 'want' not 'need'

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



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

Two or three Unitaries (Option 2, Option 3)

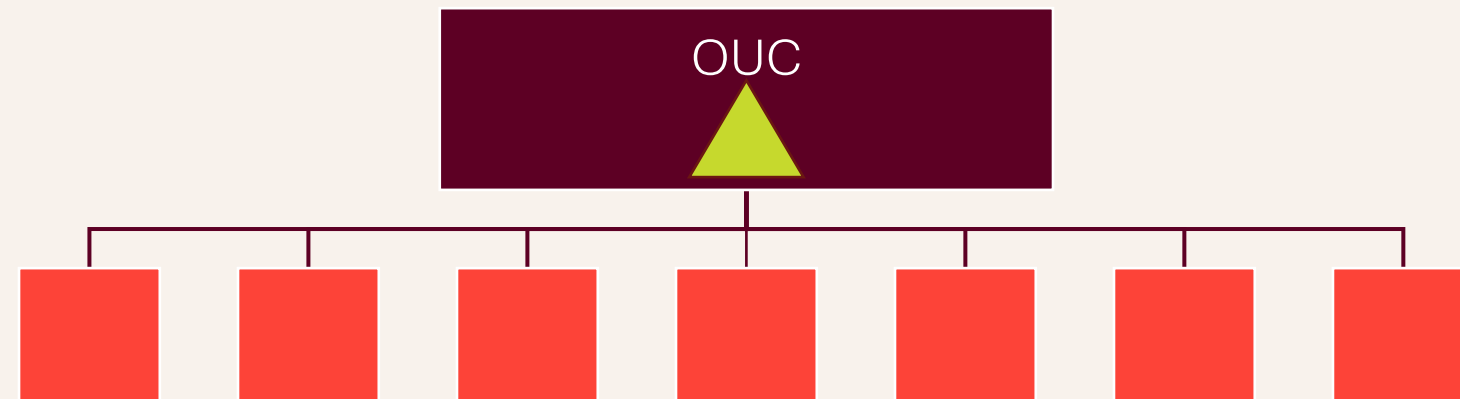


An entity delivering regionally-oriented activities is recommended when there are two or more unitary authorities to:

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

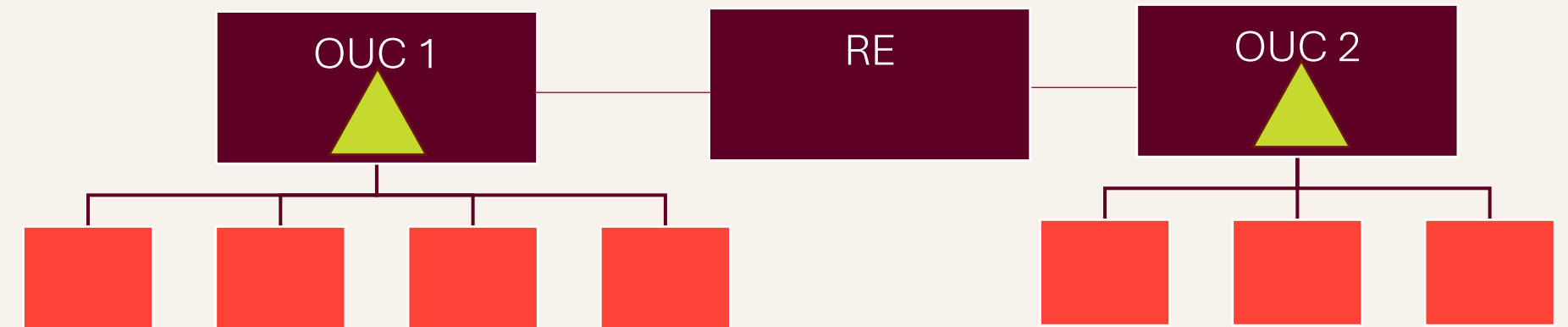
Representation

Single Unitary



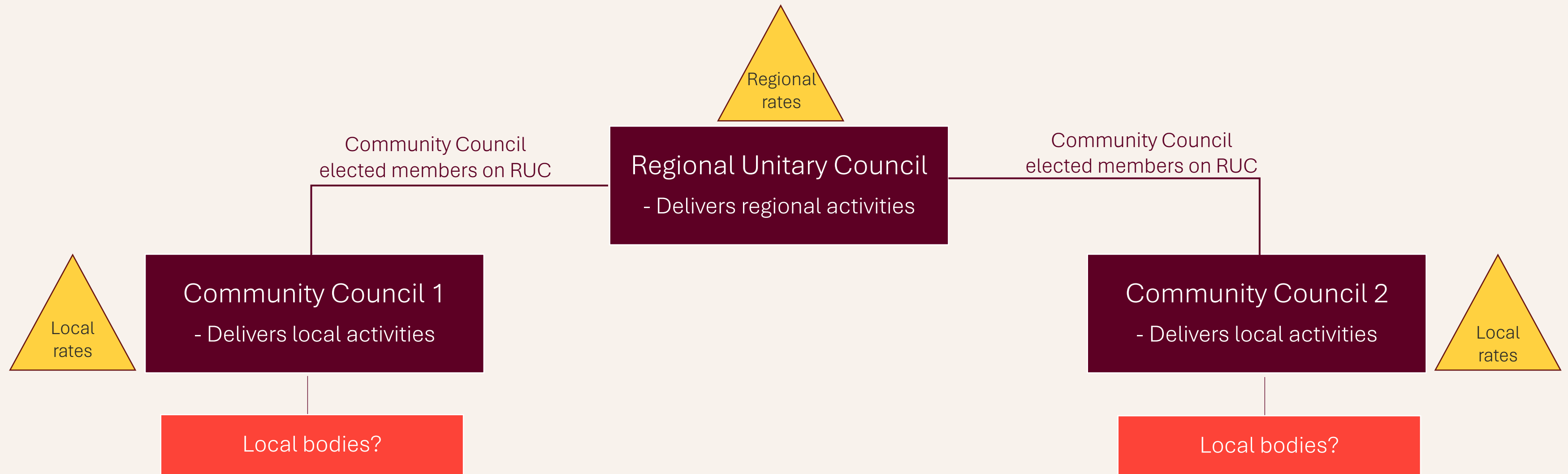
- Simpler governance structure, but less flexibility in local design
- Determined **once** at the unitary council level:
 - Whether local bodies exist or not
 - The population each local body represents
 - Level and scope of delegation
 - Function defined in legislation or determined by unitary council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

Two or Three Unitaries



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

Hybrid model



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

Regional council functions

Example (from ORC):

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

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

Existing Council Controlled Organisations

Otago Regional Council

Port Otago Limited

Queenstown Lakes DC

Queenstown Airport Corporation Ltd
(75% share)

Queenstown Events Centre Trust
(dormant)

Dunedin City Holdings Ltd

City Forests

City Treasury

Aurora Energy

Delta Utilities

Dunedin Ventures Management

Dunedin Stadium Property

Dunedin Railways

Dunedin International Airport Ltd
(50% share)

Waitaki DC

Tourism Waitaki

Waitaki District Council Services Ltd

Whitestone Contracting

Waitaki Whitestone Geopark Trust

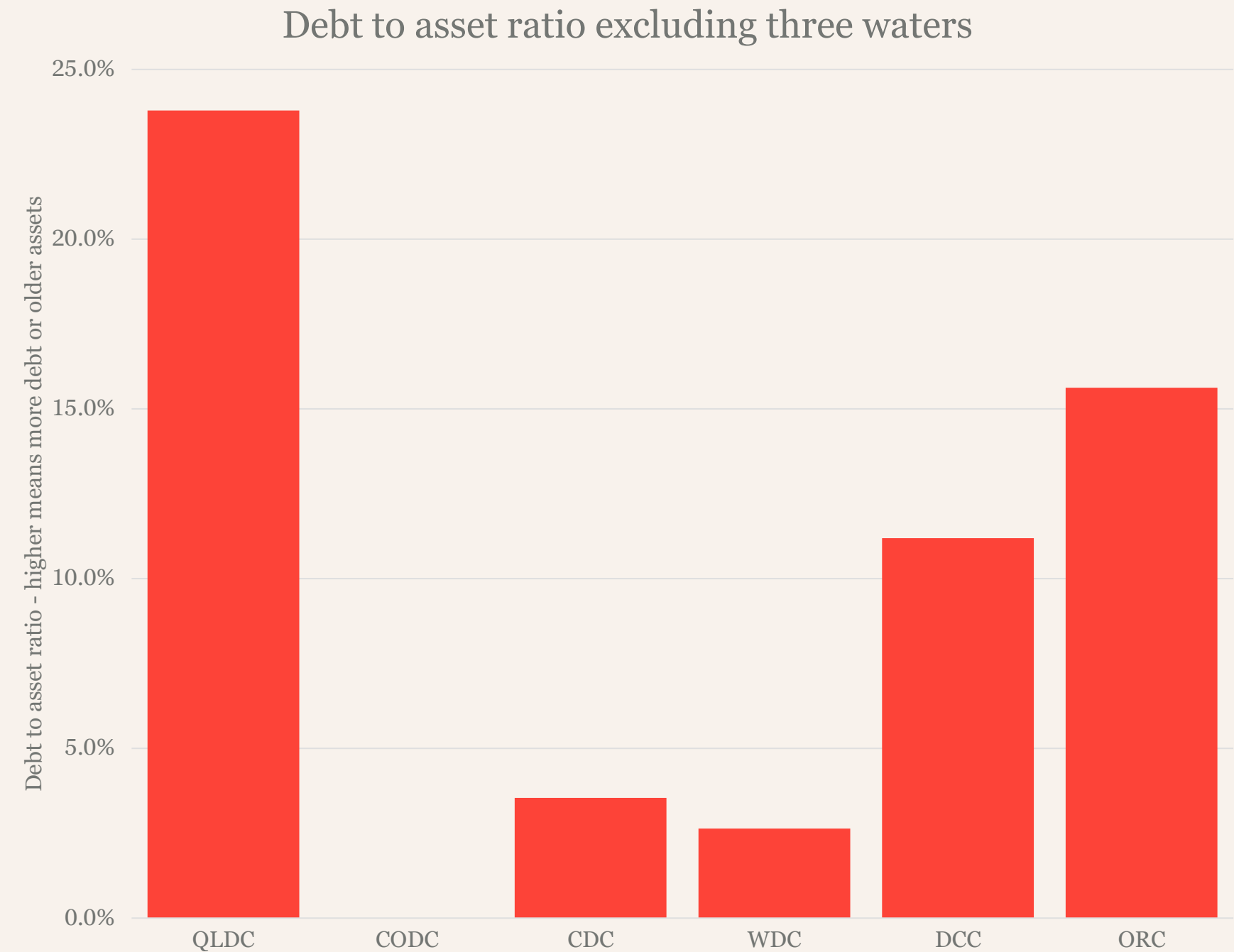
Omarama Airfield (50% share)

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

Financial benchmarking

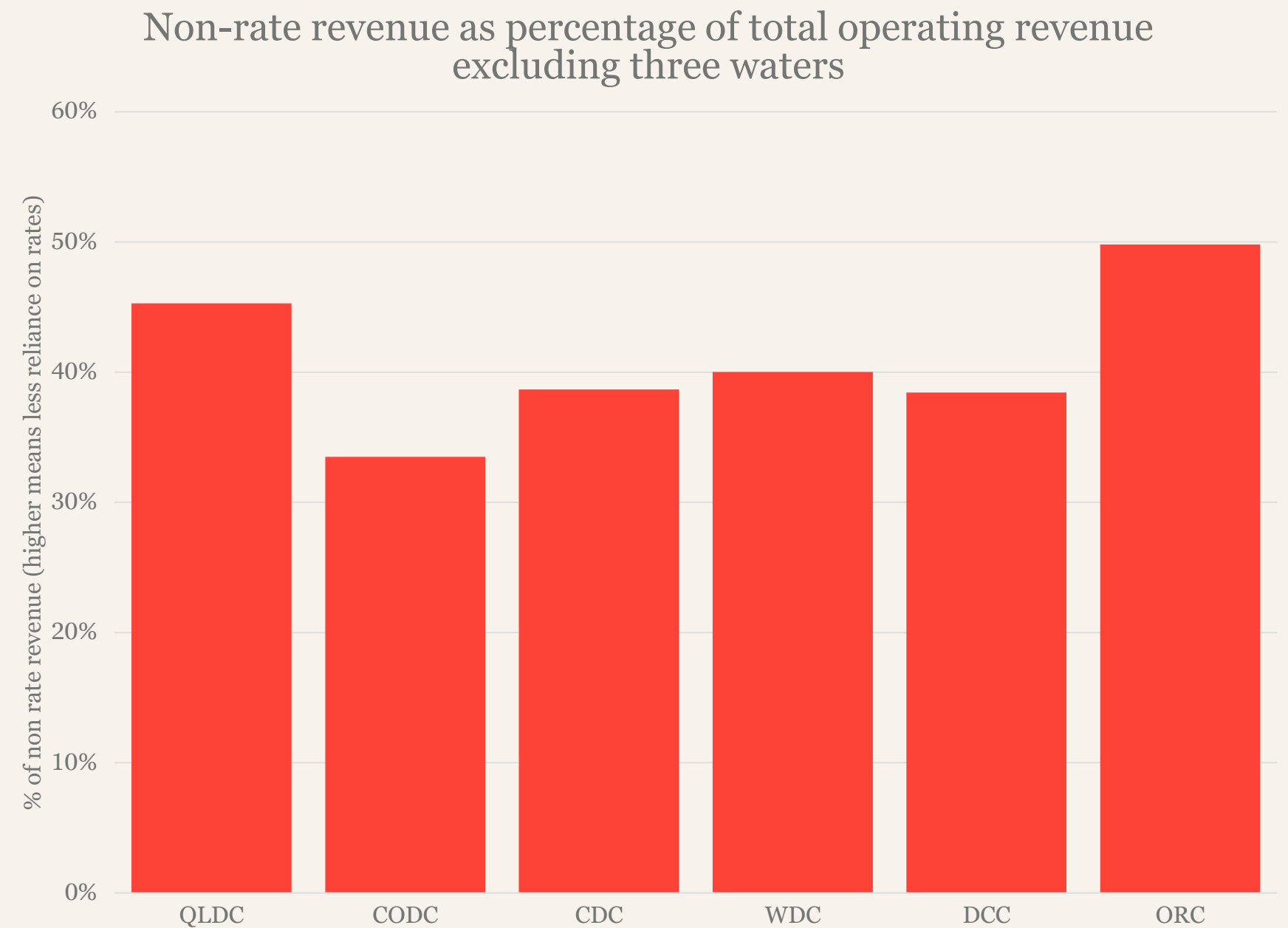
Current state comparisons - debt

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



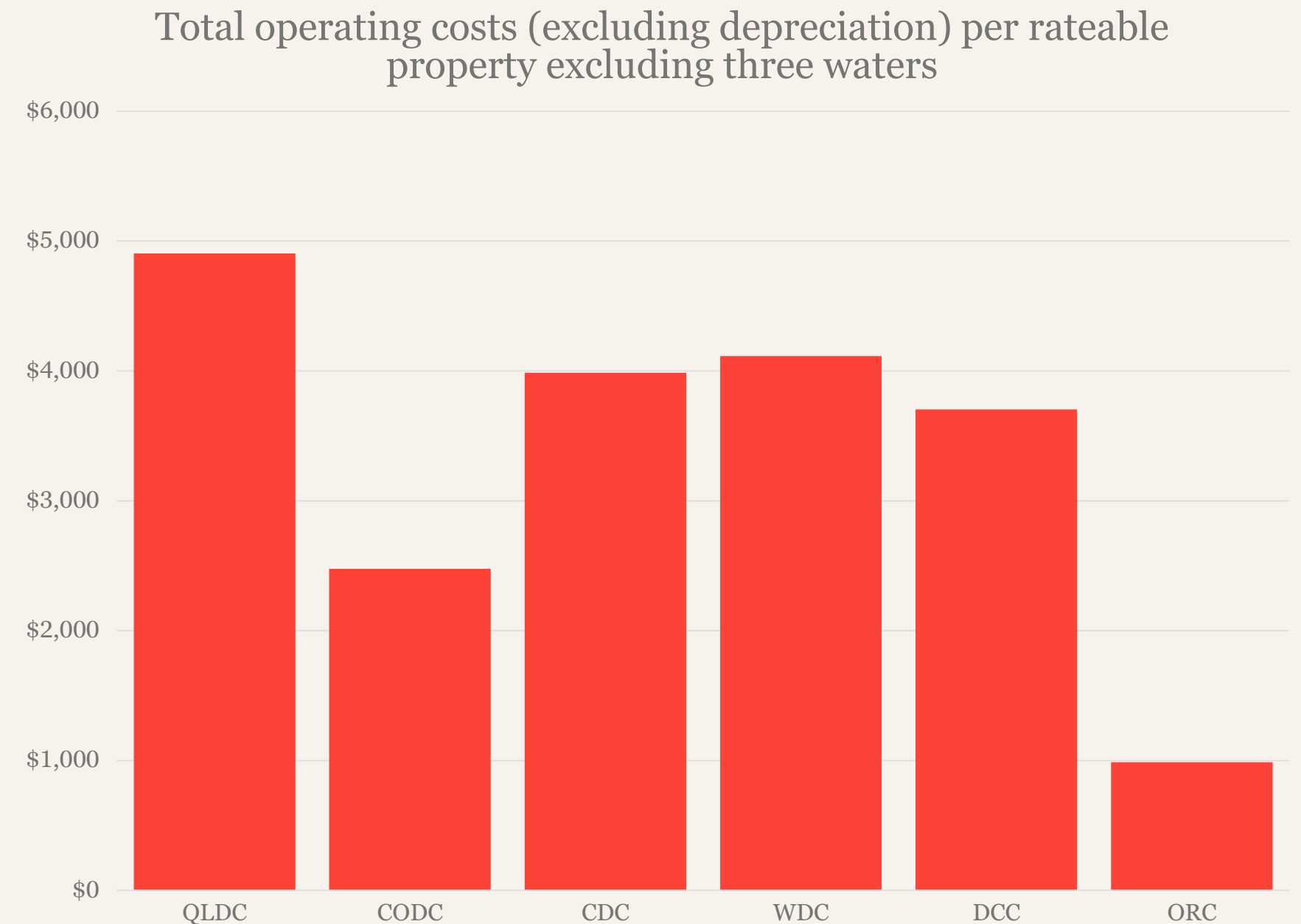
Current state comparisons – non rates revenue

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



Current state comparisons – operating costs

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



Approach to estimating economies of scale

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

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

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

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

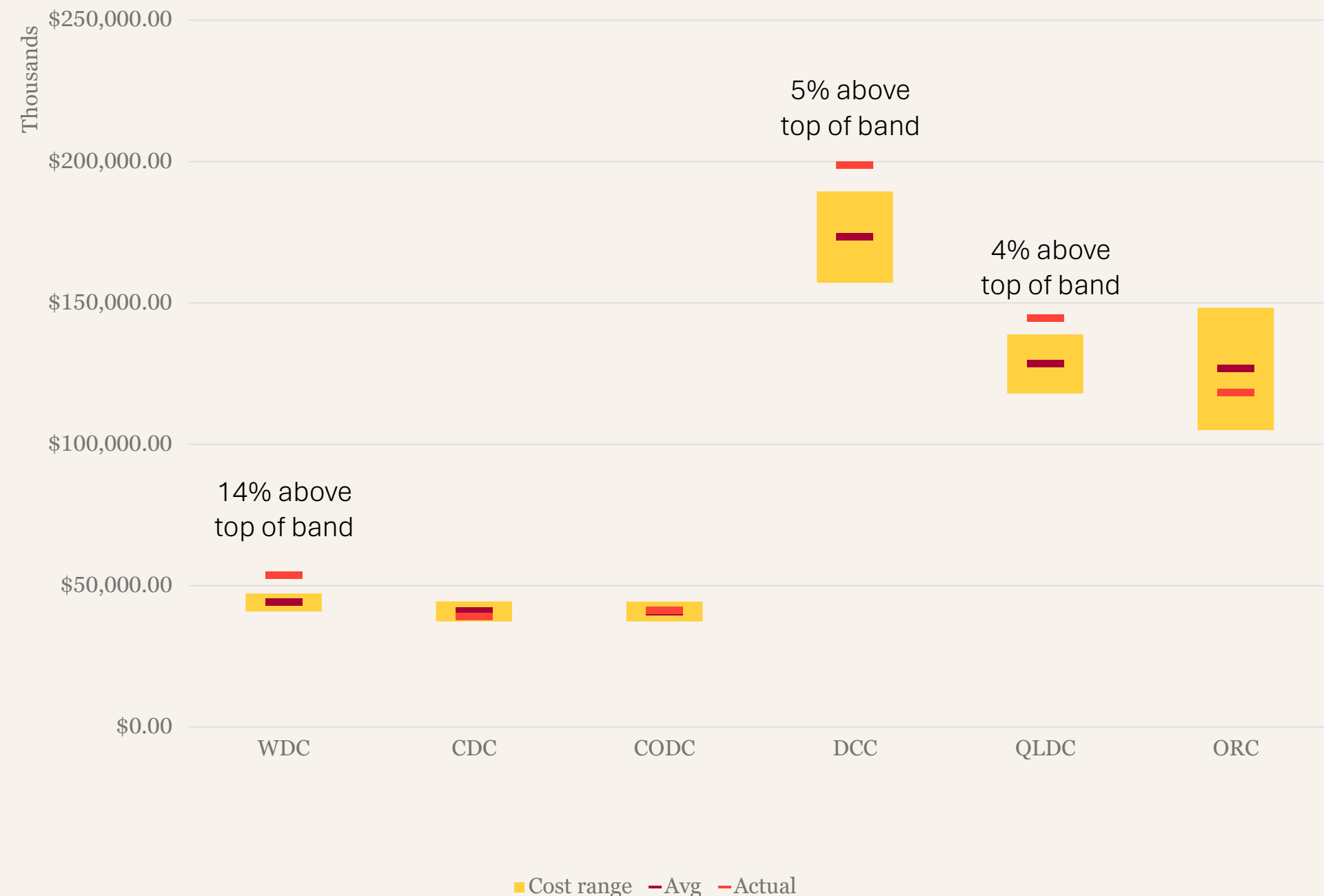
Interpreting the data

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

Considering model fit

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

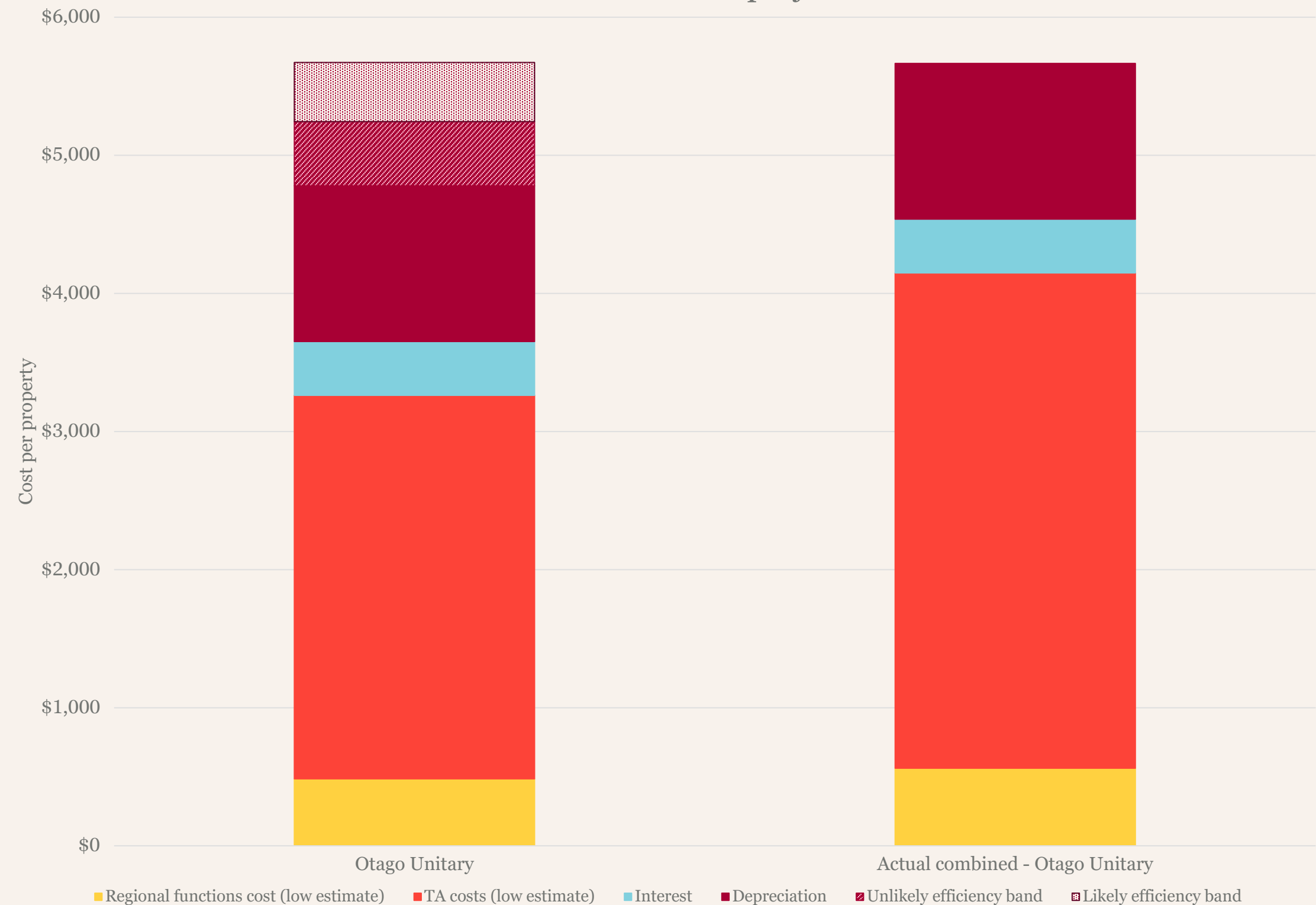
Testing fit – benchmarked costs versus actual costs for included councils



Option 1

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

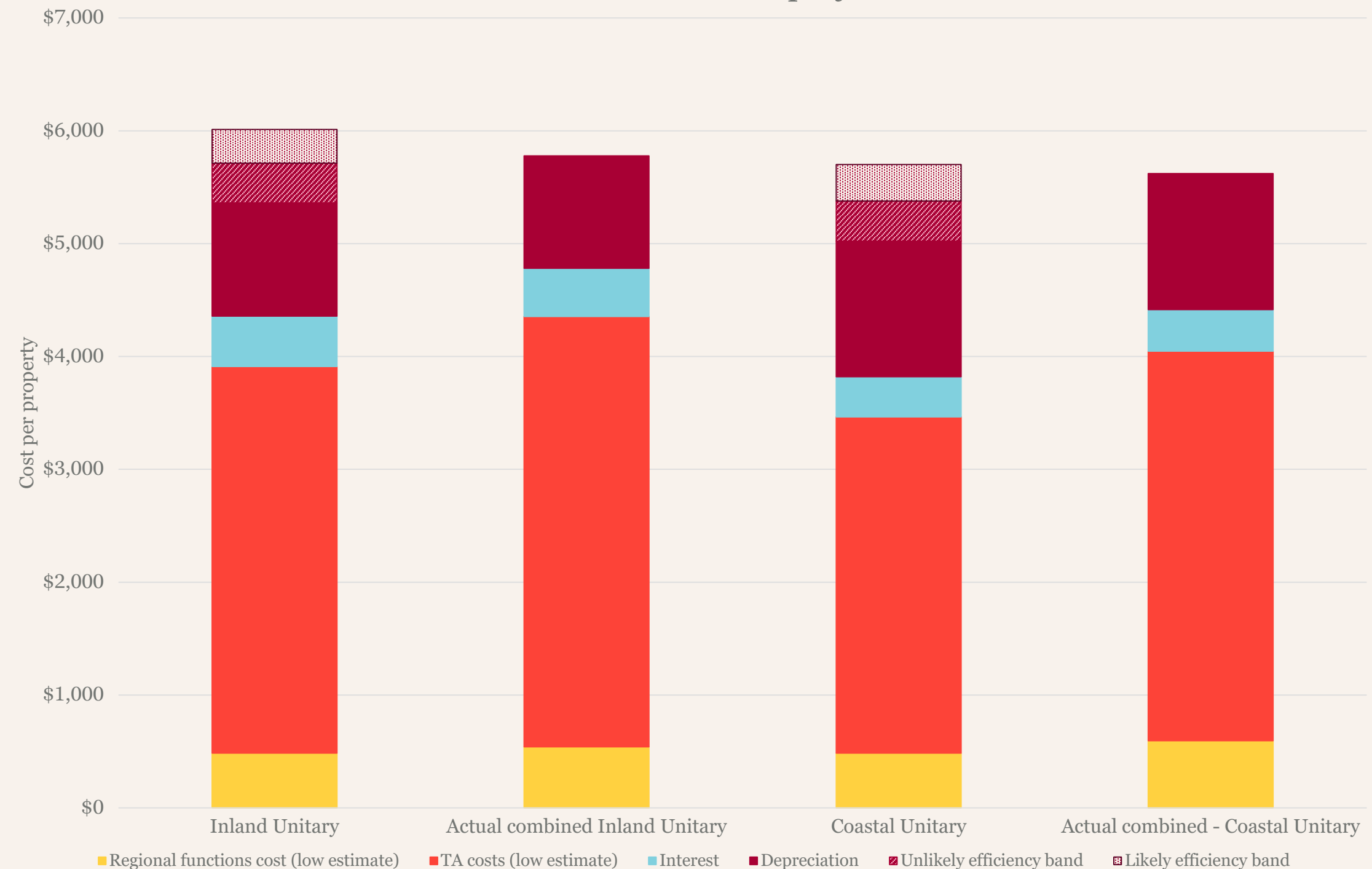
Option 1 comparison of existing cost per rateable property versus benchmarked projection



Option 2

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

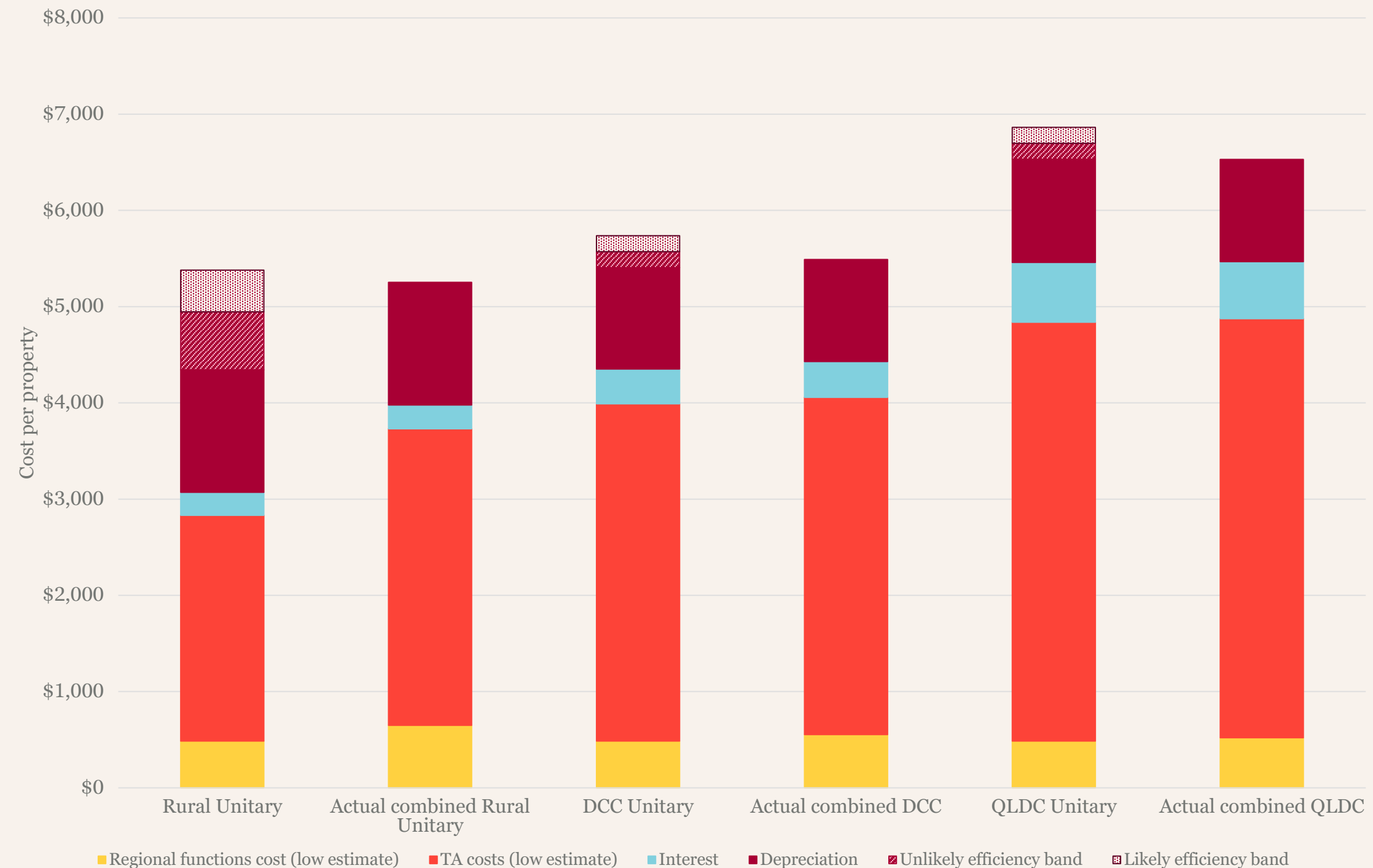
Option 2 comparison of existing cost per rateable property versus benchmarked projection



Option 3

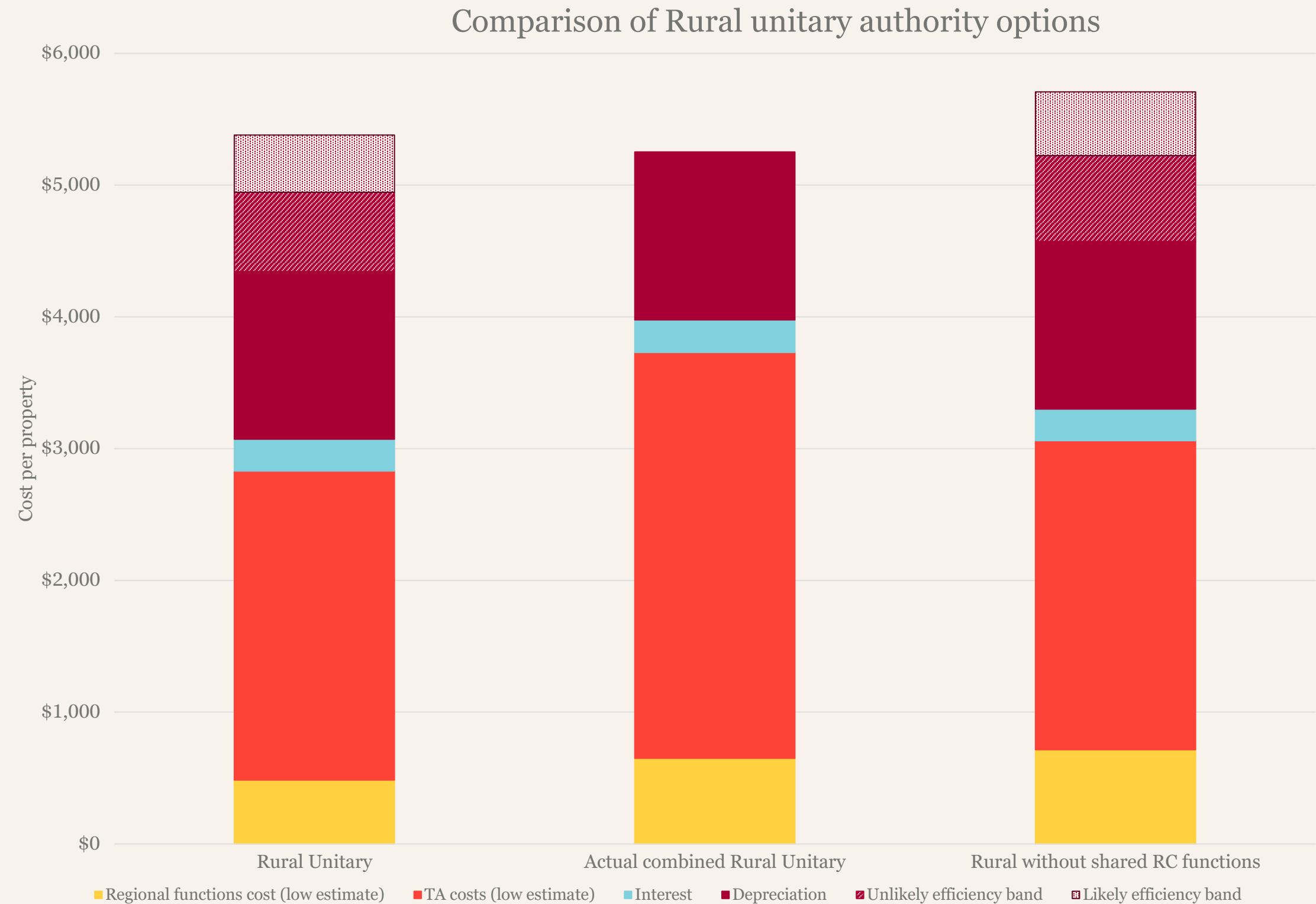
- Costs for a Rural Unitary are between 2% higher and 6% lower than the actual combined costs.
- Costs for DCC and QLDC Unitary authorities are essentially the same as the status quo, with some uncertainty regarding the regional council functions
- Assumes no efficiencies on WDC's, DCC's or QLDC's existing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

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



Rural unitary without shared regional functions

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

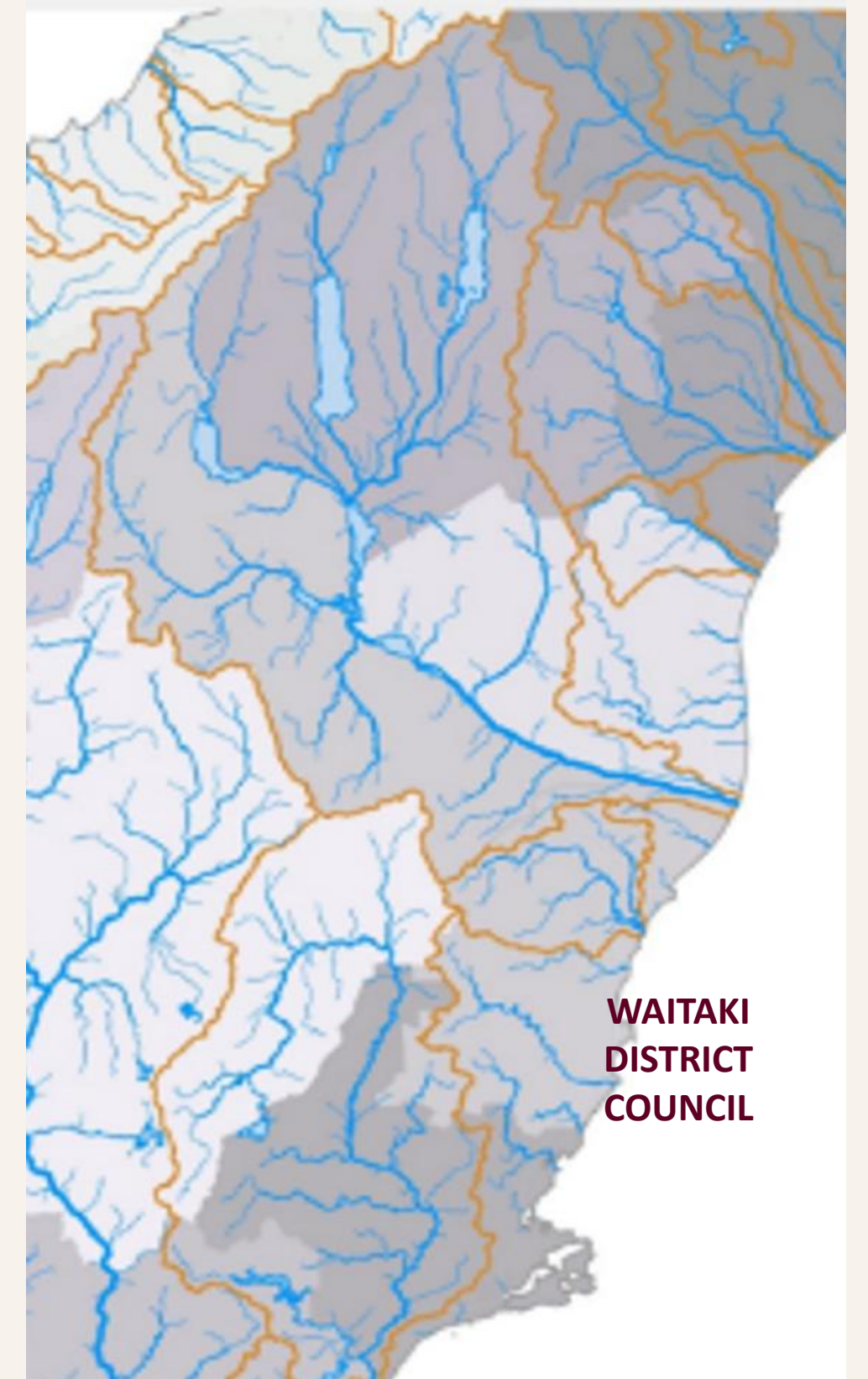


All options compared

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

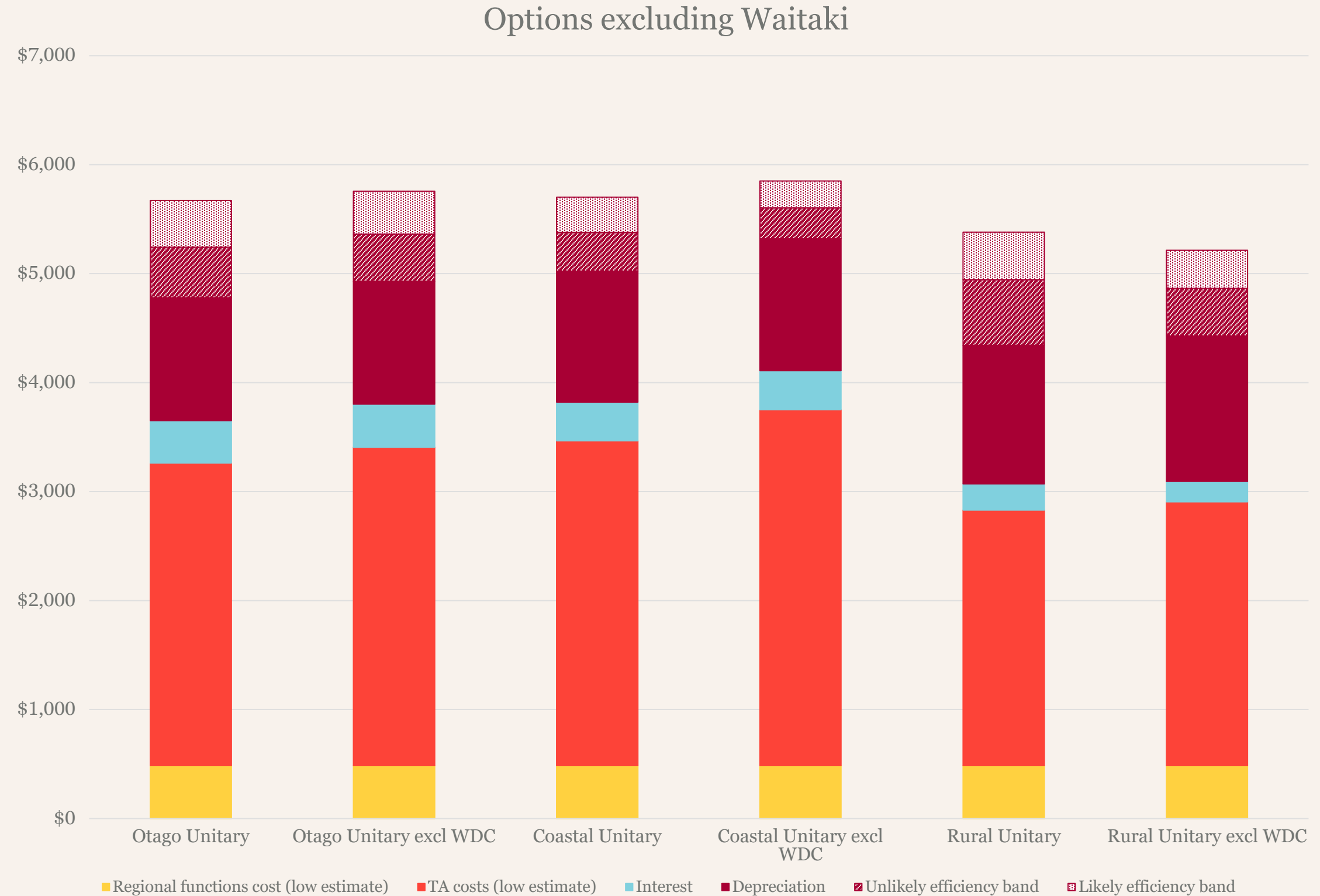
Waitaki considerations

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



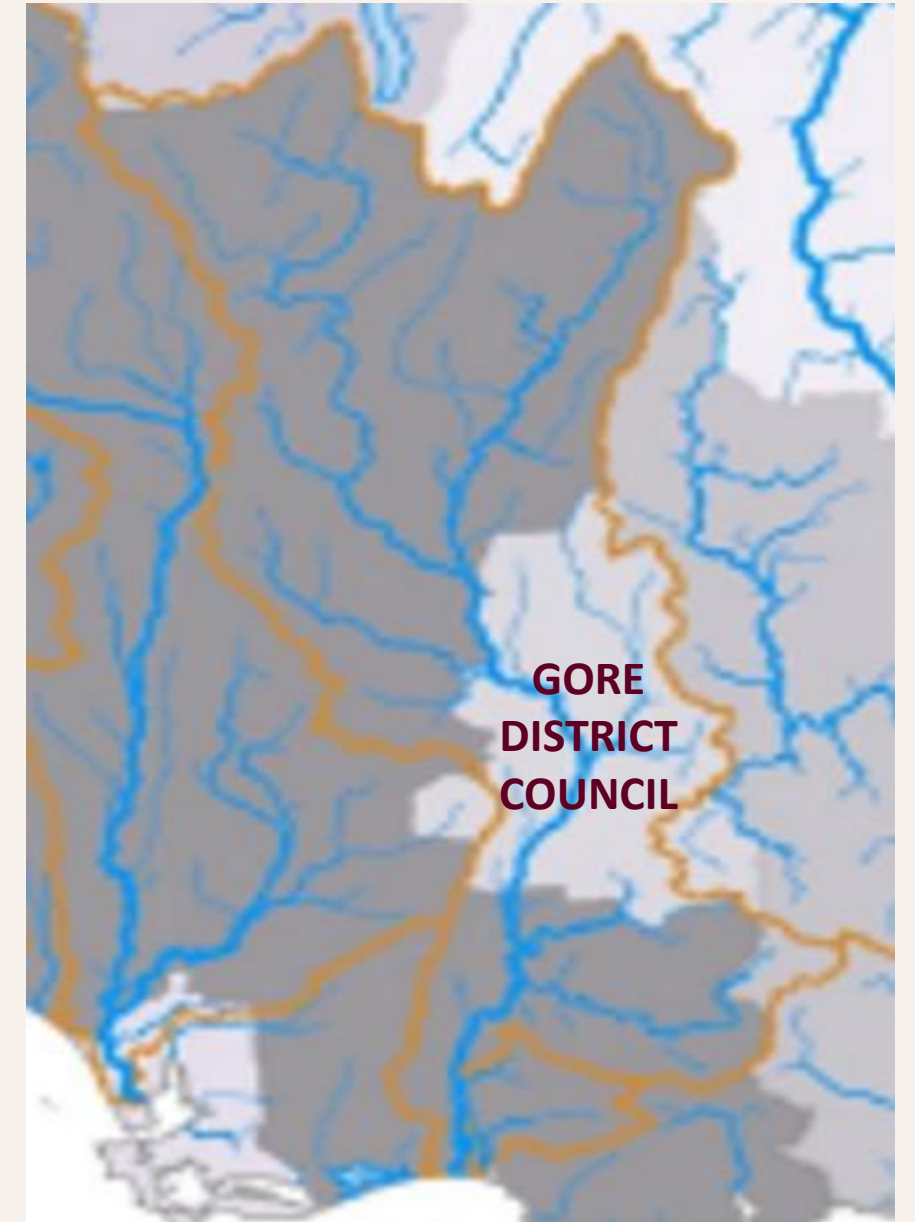
Options excluding Waitaki

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



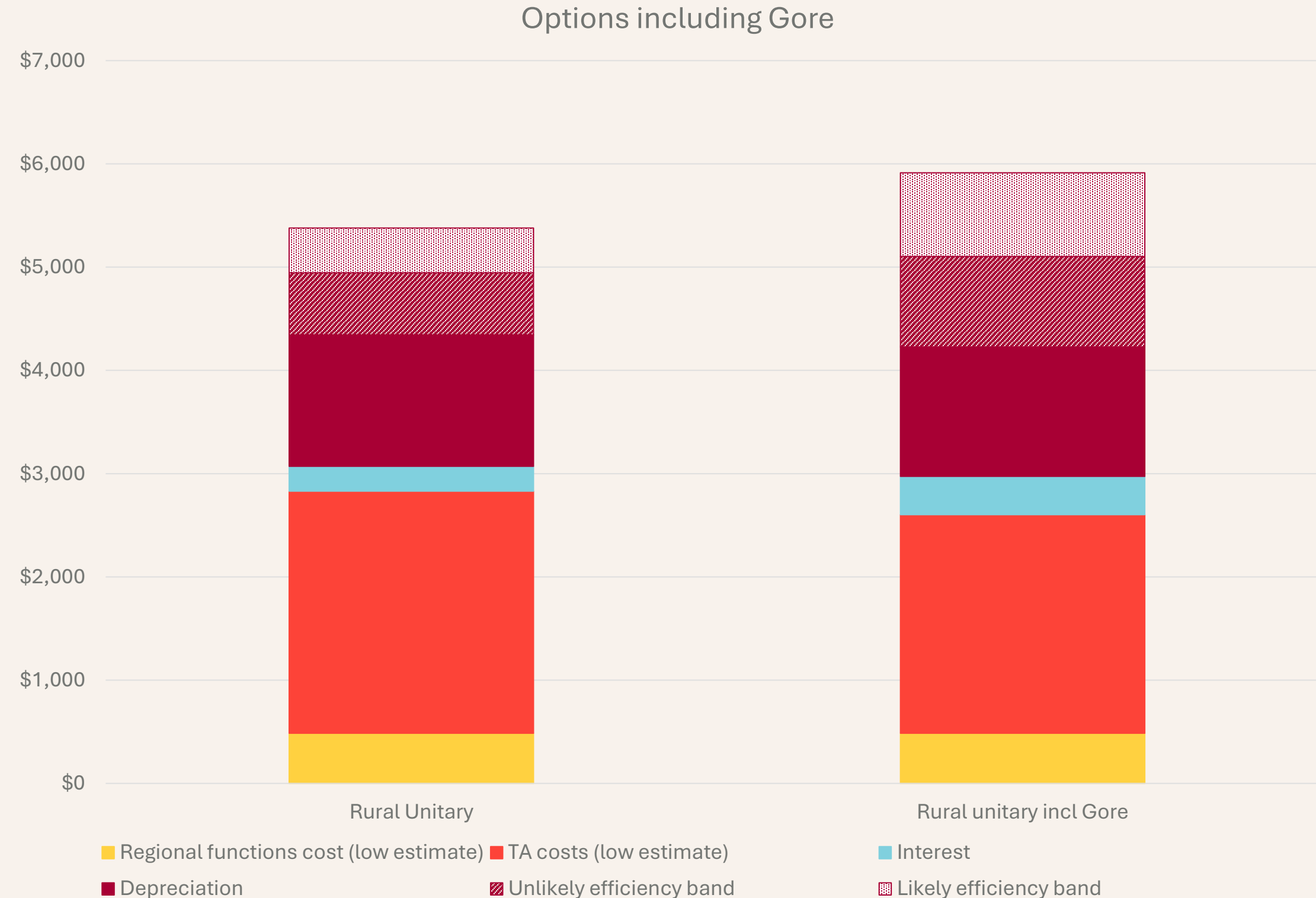
Gore considerations

- Gore is part of Southern Waters
 - Along with Clutha, Central Otago and Waitaki
- Regional functions for Gore are delivered by Environment Southland not ORC
- Mataura River flows through Gore
 - Most of this river's catchment is within Southland District
- Could be resolved with regional functions delivered to Gore by Southland
 - Similar to current Env. Canterbury arrangement for Waitaki
- An alternative to Option 3 could be established
 - Gore and Southland combined with the rural unitary authority
 - Invercargill remains a separate unitary authority
 - The Regional Entity crosses the two regions



Option 3 including Gore

- Inclusion of Gore results in costs per rateable property that are between 3% - 10% higher than a Rural unitary that excludes Gore.
- The difference in costs between options may not be evenly distributed.
- Cannot compare to actual costs because we do not have the Environment Southland share.
- Assumes a shared regional entity for delivery.
- The lower end of the benchmarking range suggests the inclusion of Gore could result in costs that are up to 3% lower than a rural unitary without Gore, however we consider this is unlikely.



Assessment against government criteria

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

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

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

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

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

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

Assessment against government criteria

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

Thank you

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