

Local Government Reform – Fact Sheet

The Government is directing councils to work together on what the future of local government could look like.

As part of this, they want to:

1. Disestablish regional councils, and
2. Join local councils together and amalgamate them into bigger unitary councils

No decisions have been made by Manawatū District Council. However, the Government has asked councils to consider reform options now.

This decision is bigger and longer lasting than any one Mayor, Elected Member, or Council Officer. Potential changes could affect who represents our communities, how decisions are made, and how services are delivered into the future.

What is the Government proposing?

The Government has laid out two pathways:

Head Start

Councils work with neighbouring councils to develop amalgamation proposals before 9 August 2026.

Back Stop

A later process expected to begin in 2027 for councils that do not participate in Head Start. The Government has advised this process will be compulsory.

What is Council Considering?

While no decisions have been made about the future of Manawatū District Council, it is clear that these decisions have long-term impacts on how our communities are represented, how local decisions are made and how services are delivered in the future. There are also concerns about:

- The short timeframe councils have been given for the Headstart process
- The lack of detailed information currently available
- Whether enough information exists to fully understand the long-term impacts of amalgamation.

That is why it is important the community has the opportunity to be part of the conversation before any future direction is considered.

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What approaches are being considered?

Approach 1: Oppose Amalgamation

Oppose compulsory amalgamation while exploring alternative reform options that aim to meet the Government's objectives around efficiency, coordination, regional planning and regional council functions, while retaining local representation, local decision-making, and local accountability.

This could include models such as a Manawatū Unitary Council, shared services with neighbouring councils, or other collaborative arrangements for regional council functions.

This approach would also aim to preserve local control while keeping future amalgamation options open if further reform discussions continue through the Government's "Back Stop" process.

Approach 2: Head Start

Actively pursue a unitary amalgamation proposal with one or more neighbouring district and/or city councils through the Government's Headstart pathway before the 9 August 2026 deadline.

Approach 3: Back Stop

Do not participate in the Headstart pathway before the 9 August 2026 deadline but continue working on possible amalgamation options with neighbouring councils through the compulsory amalgamation Backstop process.

Approach 4: Other

Consider suggestions from the community around alternative approaches.

Don't sit this one out – have your say

It is important Council hears from as many people in our community as possible to help understand what direction we should take.

Whether you already have strong views, are still learning about the topic, or simply want to ask questions - you are welcome.

There are plenty of ways to be part of the conversation:

- Attending a public meeting.
- Making a submission.



To join the conversation online, scan the QR code or visit: www.mdc.govt.nz/localgovernmentreform

Questions people are asking

What does amalgamation mean?

Amalgamation is when two or more councils combine into one larger council.

For example, the Manawatū-Whanganui region currently has:

- 1 regional council.
- 7 local councils.

Under the reforms, the regional council will be disestablished and the Government would like the remaining 7 local councils to submit proposals to form one or more unitary councils.

What is a unitary council?

A unitary council combines both local council and regional council responsibilities. Currently, there are 6 unitary councils in New Zealand (Auckland, Chatham Islands, Gisborne, Marlborough, Nelson and Tasman).

The Government's reforms would remove all regional councils, and require existing local councils to adopt these responsibilities.

Does local government reform mean the current system is broken?

Not necessarily. While the Government believes local government structures should be simplified, council performance and financial health vary significantly across New Zealand.

Some councils face substantial infrastructure, affordability or financial pressures. Others, including MDC, currently perform strongly across many financial, infrastructure and customer service measures.

This raises important questions about whether large-scale amalgamation would improve outcomes for Manawatū communities.

Has MDC made a decision already?

No. Council is currently seeking community feedback before deciding what position to take.

Why are councils concerned about the timeframe?

Many councils believe the timeframe is very short for such significant long-term decisions. Councils have been given approximately three months to consider reform options.

Will the Government make the final decision?

Yes. The Government will decide whether amalgamation proposals proceed.

Could MDC be forced to amalgamate?

Yes. The Government has indicated there will be a compulsory process in 2027 for councils that do not participate in the Head Start pathway.

Even under the Head Start pathway, there is the potential for MDC to be included in a proposal from other councils.

Why is Council engaging the community if the Government makes the final decision anyway?

While the Government will ultimately decide whether reform proposals proceed, Council believes it is important the community has a chance to understand the issues and share its views before any position is taken. Potential changes could affect local representation, infrastructure, services, and decision-making for decades to come. Community feedback will help guide Council as to what option to take.

What would actually change if the Council had to amalgamate with other councils?

Manawatū District Council as it currently is would no longer exist.

Potential changes could include:

- Different council boundaries.
- Decisions being made across a larger area.
- Changes to how services are delivered.
- Shared funding and infrastructure priorities.
- A new governance structure to represent the newly established council, made up of elected members across a wider geographical area. This could mean the current Manawatū District may end up with as few as 1 or 2 Elected Members depending on the size of the new unitary Council.

What regional council functions would Council need to deliver if we became a unitary council?

Council would need to deliver environmental regulation, freshwater management, public transport planning, biosecurity and flood protection.

Could MDC become a standalone unitary council?

This would not align with the Government's stated reform direction. The Government's current proposals focus on larger regional or sub-regional unitary councils involving multiple councils joining together.

However, MDC may be in a sufficiently strong financial, infrastructure and organisational position to investigate whether regional council functions could instead be delivered locally within the Manawatū District.

This would require much more detailed analysis to understand the cost of delivering those functions locally, the amount of Horizons Regional Council revenue currently collected from Manawatū ratepayers, and whether this could offset the risk of Manawatū ratepayers subsidising infrastructure, debt or services in other districts under a larger regional unitary council.

While some financial modelling has started, the Government has not allowed sufficient time for detailed modelling of this approach.

Why is there concern about "cross-subsidisation"?

The councils across our region currently have different levels of debt, infrastructure investment and financial pressure, with the Manawatū District in a stronger position than many of our potential partners.

Some people are concerned that amalgamation could result in Manawatū ratepayers helping fund infrastructure, debt or services in other parts of the wider region.

Would larger councils be more efficient or reduce rates?

Not necessarily, although it is difficult to know without proper modelling. Council does not have enough time under the Head Start pathway to properly assess this, although the information currently available suggests MDC may already be in a comparatively strong financial and infrastructure position relative to many potential amalgamation partners.

Why do some people oppose amalgamation?

Some people are concerned that larger councils could reduce local representation and decision-making, particularly for smaller rural communities.

Others are concerned that amalgamation could lead to:

- shared debt and infrastructure costs across a wider region
- less local influence over spending priorities
- more centralised decision-making
- and reduced local accountability.
- Some also believe there is not yet enough detailed information available to properly understand the long-term impacts of reform.

Would amalgamation reduce costs?

Not necessarily. At this stage, there is not enough information available to know whether amalgamation would reduce costs or improve services for communities.

What questions remain unanswered by the Government?

At this stage, a number of important questions about local government reform remain unclear, including:

- how debt and infrastructure costs would be shared
- whether rates would increase or decrease
- how local representation and decision-making would work within larger councils
- what protections would exist for smaller rural communities
- how regional council functions and costs would transfer
- and what role communities would have in influencing final decisions.

There is also still uncertainty regarding:

- how Māori representation arrangements would work
- how existing water reform arrangements would be treated
- and what criteria the Government will ultimately use to assess proposals.

Council believes these unanswered questions are important and should be better understood before any long-term decisions are made.

Council considers however that because the Backstop policy is not yet developed there is a reasonable chance of being able to help shape the Backstop policy by proposing a model that achieves what the Government wants to achieve as well as retain local representation, local decision making and local accountability.

What happens next?

Community feedback will help inform future Council discussions and decisions. MDC will need to decide soon whether to submit a proposal for the Headstart process.