



Submission on Local Government Reform (Head Start Programme)

June 2026

1. Introduction

The Wellbeing Waikato Charitable Trust (Wellbeing Waikato) is an organisation which undertakes research, knowledge and storytelling projects focused on community and social equity in the Waikato. The Trust was incorporated on 19 February 2026 and is the successor to the Waikato Wellbeing Project (WWP).

Our Vision: Our mokopuna are thriving.

Our Mission: To hear our people and transcend their lives through positive impact.

Our work illuminates the deeper stories of our regional wellbeing challenges, to awahi the real-life initiatives, people and projects imagining, creating and leading positive alternatives to the status quo.

Wellbeing Waikato is a suite of integrated focus areas and projects across the region, with the common theme of listening deeply and facilitating impact, through:

- Research on the region's pressing social and environmental wellbeing challenges, their upstream causes and innovative ways ahead.
- Wellbeing knowledge which brings together existing and new data and information at a range of scales and locations.
- Storytelling - shining a light to support the invisible labour which leads to tangible grassroots change in our communities.
- Advocacy and communications - sharing the knowledge and insights we have gained and to encourage positive change.

The impacts we are aiming to achieve are:

- Better informed policy, funding and services in the Waikato.
- Whānau voice being heard - communities empowered and supported to make decisions about their future.
- More effective support and resources for communities and those working in the social, environmental and community sectors.
- Collective wellbeing leadership across all sectors of our communities.

Our Core Purpose: Household-Level System Insight

Wellbeing Waikato exists to strengthen upstream decision-making by grounding it in independent, household-level system insight. Our primary scale of inquiry is the household and whānau. We focus on what it takes for people and families to live lives they value, beginning with whether essential needs are affordable, accessible, and sustainable over time.

Wellbeing Waikato is neither an economic think tank nor an economic development agency. We do not design macroeconomic strategy or promote particular economic, social or cultural

models, although we are fully aware of the spectrum of models that are commonly referred to. Our role is practical and grounded. We examine how current system settings affect real households/communities and whether those settings enable material stability, participation, and long-term wellbeing.

2. Our Submission

This submission provides commentary on the Government’s proposed local government reforms under the “Head Start” programme. The programme is premised on the assertion that New Zealand’s local government system is “too complex, too costly, and too hard to navigate¹,” and proposes structural consolidation—fewer and larger councils—as the primary remedy.

Councils across the Waikato and New Zealand are currently assessing reorganisation options within a constrained timeframe. While the process is framed as locally led, the alternative of central government intervention creates a strong incentive for compliance. This dynamic risks shaping outcomes around structural acceptability rather than long-term effectiveness or demonstrable improvements in performance.

3. The Limits of Structural Reform

A central assumption underpinning the reform programme is that increasing organisational scale will improve efficiency and effectiveness. However, both New Zealand and international evidence²³ suggests that the relationship between size and performance is weak and highly context dependent.

Analysis from the New Zealand Initiative indicates that amalgamations do not consistently produce cost savings or improved service delivery. Expected efficiencies are frequently offset by transition costs, organisational complexity, and the harmonisation of wages and service levels. System alignment and amalgamation (especially IT and finance systems) is frequently underestimated and can turn out to be extremely expensive and technically difficult to achieve.

International experience reinforces this conclusion. Studies of municipal consolidation in Canada, Australia, and the United Kingdom consistently find that efficiency gains are modest, slow to emerge, and often outweighed by disruption and implementation costs.

4. Evidence from Organisational and Behavioural Science

Insights from organisational research provide a strong parallel to local government restructuring. Evidence published in Harvard Business Review demonstrates that structural change, in isolation, rarely delivers sustained performance improvement.

In “*Leading Change: Why Transformation Efforts Fail*”⁴, John Kotter identifies recurring causes of failure in organisational transformation, including weak leadership alignment, unclear vision, poor communication, failure to remove barriers, and an inability to embed change within organisational culture.

¹ [Councils invited to fast-track local reform | Beehive.govt.nz](#)

² [Head Start Done Right: A better way to reorganise local government | The New Zealand Initiative](#)
³ [does-size-matter.pdf](#)

⁴ [Leading Change: Why Transformation Efforts Fail](#)

Recent behavioural science research further reinforces this conclusion. A 2026 analysis by Boston Consulting Group, reported in Fortune⁵, finds that approximately 70% of corporate transformations fail to achieve their intended outcomes. These failures are not primarily due to flawed organisational design, but to a lack of attention to how change is experienced and implemented in practice.

Common drivers of failure include:

- Over-reliance on structural or strategic solutions rather than behavioural and cultural change
- Failure to translate high-level reform into day-to-day practice
- Insufficient attention to how people experience and respond to change
- A disconnect between leadership intent and operational reality

These findings are directly applicable to local government reform and reinforce the conclusion that structural change alone is unlikely to deliver meaningful or sustained performance improvements.

5. Lessons from Auckland Council

The creation of Auckland Council in 2010 provides a relevant New Zealand case study. The amalgamation was intended to address fragmentation, reduce inefficiency, and enable coherent regional planning.

While the new structure achieved some coordination benefits, many of the original criticisms of local government: cost pressures, perceived inefficiencies, and challenges in responsiveness remain evident more than 15 years later. This suggests that structural consolidation alone was insufficient to resolve underlying issues.

It is also notable that the Royal Commission on Auckland Governance⁶ recommended an alternative structural model, reinforcing that structural design is inherently contestable and does not guarantee improved outcomes.

6. Royal Commission on Auckland Governance: Problem Definition and Proposed Design

The Royal Commission on Auckland Governance (2009), chaired by Judge Peter Salmon, provides an important precedent for the current reform process. The Commission identified two primary systemic failures:

- **Fragmented and ineffective regional governance.** The existing structure lacked the ability to act cohesively at a regional scale, resulting in weak strategic alignment, inconsistent planning frameworks, delayed decision-making, and limited coordination of infrastructure investment.
- **Poor accessibility and democratic engagement.** The governance system was difficult for citizens and stakeholders to navigate, with unclear roles, barriers to participation, and weak connection between communities and decision-makers.

⁵ [We found the real reason 70% of transformations fail | Fortune](#)

⁶ [RC 142 Auckland Governance.pdf](#)

Importantly, the Commission did not frame the problem simply as one of scale. Rather, it identified a dual failure: insufficient regional coordination alongside inadequate local engagement. To address this, the Commission proposed a two-tier governance model:

- A single Auckland-wide unitary authority responsible for regional strategy, infrastructure, and economic leadership
- Six substantial local councils with meaningful decision-making powers and responsibility for local outcomes and community representation

...complemented by a raft of special purpose and statutory CCOs. This model was designed to balance the need for regional coordination with the need for local voice and democratic legitimacy.

7. Reframing the Core Question

The current reform process risks being driven by the implicit question: “How large should councils be?” A more appropriate framing would be: **“What problems are councils trying to solve, and what arrangements best enable those outcomes?”**

Evidence suggests that a wide range of structural models can function effectively if key conditions are present, including:

- Clear identification of root cause issues
- Strong political and administrative leadership
- Alignment of organisational capability, incentives, and culture
- Focus on outcomes that matter to communities
- Maintenance of democratic accessibility and local legitimacy

8. Māori and Te Tiriti o Waitangi Considerations in Governance Design

Any consideration of future local government structures in the Waikato must give careful and substantive attention to the role of Māori and to Te Tiriti o Waitangi.

Local government does not exist in a constitutional or historical vacuum. In the Waikato, iwi and hapū are foundational to the identity, wellbeing, and long-term future of communities, and are already significant partners in environmental management, social investment, infrastructure planning, and regional development. Any reform process that does not explicitly and meaningfully engage with this reality risks producing governance arrangements that are incomplete and ultimately unsustainable.

The experience of Auckland Council reform is instructive. Despite significant political contestation and subsequent modification, the reform process ultimately resulted in the establishment of a statutory Māori governance entity in the form of the Independent Māori Statutory Board. This occurred more than 15 years ago and reflected a growing recognition that effective regional governance requires formal mechanisms for Māori participation, voice, and influence at the strategic level—not merely consultation at the margins.

This precedent is important not because Auckland provides a template that can simply be replicated, but because it demonstrates an enduring principle: governance structures that operate at scale must also provide for meaningful Māori representation and influence in decision-making, consistent with Te Tiriti obligations and contemporary expectations of partnership.

In the Waikato context, this requires careful consideration of how iwi and hapū relationships are embedded within any future governance model. This includes not only representation arrangements, but also how decision-making authority, resource allocation, and accountability mechanisms are designed to reflect the enduring partnership between Māori and the Crown.

At the same time, it is important that the integrity of democratic local governance is maintained. Any future model must therefore balance two essential requirements:

- The need to honour Te Tiriti o Waitangi through meaningful and durable Māori participation in governance, rather than symbolic inclusion alone
- The need to preserve transparent, accountable, and democratically elected decision-making structures that are accessible to all citizens.

These are not competing objectives. Rather, they are interdependent foundations of legitimate and effective governance in Aotearoa New Zealand. The challenge for reform is not whether Māori participation should occur, but how it is structurally embedded in a way that is durable, meaningful, and consistent with both Treaty obligations and democratic principles.

Accordingly, any evaluation of structural options for Waikato local government should explicitly test how each model gives effect to Te Tiriti o Waitangi, and how it recognises the central role of iwi and hapū in the wellbeing and future development of the region.

9. Scale and Service Delivery

While some functions may benefit from operating at larger scales, many local government functions are not inherently dependent on organisational size or a single geographic construct.

Housing affordability provides a clear example. There is no strong evidence that larger councils, in themselves, produce more affordable housing outcomes. The primary determinants lie in land markets, infrastructure funding, planning frameworks, and national policy settings.

Some issues, such as catchment management, transport and logistics, economic development and biodiversity operate at completely different scales and timeframes from each other. An overriding principle must be that these issues are managed firstly in an integrated way, but secondly at the spatial and temporal scale at which they exist. For example, any suggestion that the Waikato River could be suitably managed in isolation from Lake Taupō or its headwaters in the Tongariro National Park are senseless.

10. The Role of Central Government

Many of the most significant constraints on local government performance are shaped by central government policy and legislation. Structural reform at the local level, without corresponding changes at the national level, is unlikely to address the root causes of current challenges. A key outcome here must be coherent allocation of roles, responsibilities and funding. The current government has consistently championed localism, but its implementation is patchy and inconsistent. While more coherent local government structures may be an important pre-requisite for greater devolution, this needs to be seen as a total package, not isolated interventions.

11. Risks and Opportunity Costs

Large-scale restructuring involves substantial financial and organisational cost⁷⁸, including transition expenses, disruption, and reduced focus on service delivery. There is a material risk that resources and leadership attention are diverted toward structural change at the expense of addressing substantive issues affecting communities.

Harvard Business Review research⁹ on restructuring and downsizing shows a consistent pattern of selective attrition following organisational change. Rather than losing people evenly across performance levels, restructures tend to trigger a self-selection effect in which more mobile, high-performing employees are often the first to leave, as they have stronger external opportunities and are more sensitive to signals of instability.

At the same time, employees who remain are more likely to be those with fewer external options, higher risk tolerance, or greater dependence on organisational security. This can be compounded by “survivor syndrome,” where morale, trust, and engagement decline among remaining staff, further weakening performance. The result is that restructuring can unintentionally erode organisational capability, leaving behind a workforce that is not necessarily lower in intent or effort, but often more constrained in mobility and less confident in the organisation’s direction

Councils should undertake at least a shortened version of a proper cost benefit analysis on the options being considered before deciding on a preference. The overriding question to ask from this process should be- what is the financial and organisational capability cost of implementing the reform, and what is the next best thing we could have done with those resources, which would have created real community value?

Based on a simple analysis, councils in the Waikato should assure themselves that this is the best use of what could amount to \$100m of cost and is the best way for them to attract, develop and retain the best talent they need to succeed.

12. Conclusion

The case for change in local government is beyond question. The current model is indeed “too complex, too costly, and too hard to navigate.” But care is needed at all levels to make sure that, in the rush to fix things, the cure is not worse than the disease. Focusing on structure alone is likely to at best lead to no material improvement in the things that really matter, and at worst be a massive waste of resources and time.

The available evidence does not support the view that structural consolidation alone will resolve the challenges facing local government. Performance improvements are driven primarily by leadership, clarity of purpose, organisational capability, and alignment with community outcomes—not by organisational size alone.

To put it bluntly- any structure can work if the underlying motivations and conditions for it are right. Similarly, the best restructure on paper will fail if they are not.

⁷ The cost of the Auckland governance reform including transition costs was approximately \$100m or about \$150m in today’s dollars. While a similar reform in the Waikato might cost less, many of the costs involved are inelastic and are not sensitive to scale.

⁸ [Auckland Council's IT project reassessed - NZ Herald](#)

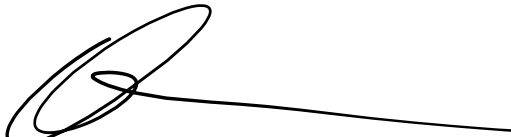
⁹ [Toward a Career-Resilient Workforce](#)

13. Recommendations

It is therefore recommended that:

1. Even if there is no choice but to commit to the Head Start programme, councils must treat structural reform as a secondary consideration
2. Greater emphasis be placed on addressing root cause issues - the things whanau care and talk about “at the kitchen table”
3. Proposed changes be assessed against their impact on community wellbeing and affordability, including an assessment of the opportunity cost of reform and the risk of losing valuable talent.
4. Central government be engaged as a critical partner, with a view to designing a fully integrated and enduring devolution model which creates lasting value.

Without this focus, there is a significant risk that the reform process will result in substantial cost and disruption without delivering meaningful benefits. In that scenario, structural reform risks becoming a costly distraction from the issues that matter most to communities across the Waikato region, and leads to a decade or more of lost opportunity.



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