

Submission on Draft Proposal to Simplify Local Government

Attn: Department of Internal Affairs

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From: Northland Regional Council

NRC Contact: Tami Woods
Policy & Planning Manager
tamiw@nrc.govt.nz

Introduction

1. Northland Regional Council (council) appreciates the opportunity to provide feedback on the draft proposal to simplify local government.
2. Council agrees there is need for local government reform and strongly supports enabling development of 'bespoke' local government arrangements in each region - we see this as a once in a generation opportunity to improve the cost-effectiveness of service delivery and better support national priorities.
3. We are committed to working collectively with our district councils on a reorganisation approach that achieves the best fit for Northland, optimises outcomes for our constituents and delivers on the government reform objectives.
4. Prior to the reform announcement, northland councils had already begun the discussion around local government reorganisation; and the Triennial Agreement between the four northland councils includes a commitment to work together to develop a reorganisation option that delivers improved outcomes for northland communities. This agreement builds on progress already made in working collectively – recent examples include collaborative approaches to civil defence emergency management and economic development.
5. With the above in mind, council supports reform of the local government system and government objectives for the reform (reduced duplication, improved service delivery and efficiency, being more responsive to local needs). However, we see some significant risks associated with the draft proposal as it stands. We expand upon these below.

Capacity and Representation

6. The draft proposal includes establishment of a Combined Territories Board (CTB) made up of the district Mayors in a region to replace regional councillor governance and develop a 'bespoke' regional reorganisation plan. The CTB will be expected to fulfil a range of complex and challenging functions including:
 - a) Develop and consult on regional reorganisation plans within a two-year timeframe (and associated financial and organisational transition plan).

- b) Oversee implementation of the new resource management system (or parts thereof) such as development of regional spatial plans and natural environment and land use plans (within challenging timeframes).
 - c) Gaining familiarity with regional council functions, structures and funding and financing (which differs significantly to those of district councils).
 - d) Conducting the business-as-usual operations of both district and regional councils.
 - e) Meeting expectations that rate rises will be kept between 2-4% a year.
7. The proposal would mean the nine current Northland Regional Councillors would be replaced by a CTB made up of the three district Mayors (as a minimum). Replacing nine councillors with three Mayors will create significant capacity demands on the already busy portfolios of Northland Mayors. It would also mean reduced democratic representation and accountability to our community for oversight of critical regional functions.
8. Mayors (and district councillors) have sworn an oath to act in the interests of their district, not the region as a whole. This could present challenges for Mayors on the CTB. For example, they would need to demonstrate they were acting in the best interests of both the region and their district.
9. The additional workload on Mayors as CTB members would be significant and extremely challenging in the context of the above. Retaining the elected regional councillors in their governance roles during the transitional period (potentially with a Crown-appointed Commissioner) would reduce the risks outlined above. This would:
- a) Ensure the demands on Mayors / CTB is sustainable and that they can focus on the development of the regional reorganisation plan and delivering for their districts as they were elected to do.
 - b) Mean that the expertise and knowledge of regional councillors would be available to perform regional governance, support the development of regional reorganisation plans and implementation of the new resource management system.
 - c) Be simpler, faster and reduce the complexity of transitional governance, as it requires less legislative change and means reorganisation planning could start earlier relying on existing reorganisation provisions in the Local Government Act (E.g. CTBs could be established by Order in Council / secondary legislation and start in October 2026, and finish by October 2028). This would also maintain continuity / avoid disruption to the process due to local government elections in October 2028 (a change in Mayors may delay the process).
 - d) Appointing Crown Commissioners (should government consider it necessary) to the regional council would provide assurance that regional council decisions during the transitional period will deliver on government objectives.
10. Recommendations
- 10.1 That elected regional councillors be retained in their governance roles (with a Crown-appointed Commissioner if necessary) to maintain capacity, expertise and continuity until the regional reorganisation plan receives ministerial approval and is implemented.
- 10.2 That the Chairs of regional councils are appointed as members of the CTB, to support development of regional reorganisation plans.

- 10.3 That legislative change in the short term (e.g. through secondary legislation / order in Council under the LGA) focus solely on establishing the CTB, with its primary purpose being the development of the regional reorganisation plan (meaning that reorganisation plans may be able to be completed by October 2028 and avoid loss of governance continuity).
- 10.4 If regional councillors are not retained in governance roles, we do not support appointment of Crown Commissioners, due to the reduction in democratic representation within the region (i.e. the Mayors undertake this governance role, potentially with Crown appointed commissioners).

Te Tiriti o Waitangi

11. NRC has committed to fostering meaningful, active partnerships with tāngata whenua – the progress made and learning gained in Te Taitokerau will be invaluable in designing a bespoke local government system for the region.
12. Regional reorganisation plans could result in the biggest change in the local government system since the 1989 reforms and could have significant implications for Māori and how Te Tiriti o Waitangi responsibilities are met by local government in the future. We note that there is no explicit requirement for Māori representation on the CTB — instead, the draft proposal suggests that Mayors will be expected to represent Māori interests in regional reorganisation plans and the other functions of the CTB.
13. The absence of any reference to local government responsibilities under Te Tiriti o Waitangi in the draft proposal is concerning. Omitting any reference to Te Tiriti o Waitangi risks a reorganisation approach that could make it more difficult or costly to implement mechanisms to address Māori rights and interests.
14. Recommendations
 - 14.1 That the CTB be explicitly required to establish mechanisms for Māori representation and involvement in the regional reorganisation plan (e.g. provide for Māori membership on the CTB and/or require the CTB to establish a Māori advisory group).
 - 14.2 Include a requirement that CTBs and regional reorganisation plans must uphold Te Tiriti o Waitangi obligations, and that regional reorganisation plans include mechanisms for Māori to represent their rights and interests.

Regional Ratepayer Assets

15. NRC manages a range of assets/property and financial portfolios on behalf of regional ratepayers. These assets/portfolios represent significant investment by ratepayers – the returns from which substantially offset rates. The CTB approach outlined in the discussion document would result in reduced democratic representation and accountability to the regional community. We therefore consider that any significant decisions on these assets / portfolios should take place only after new local government arrangements have been approved and implemented, and following consultation with Northland ratepayers.
16. Recommendation
 - 16.1 If regional councillors are not retained in governance roles during the transition, provide legislative checks to ensure that the CTB (or Crown Commissioners) cannot transfer, dispose of/sell or reallocate regional council assets or financial portfolios until

reorganisation plans are approved and new fully representative governance arrangements are in place.

Review of Regional Functions

17. We understand a ‘rapid review’ of regional functions is underway to determine what functions, if any, should cease or be reallocated. We believe there would be merits in this review being broadened to include district council functions and some central government functions. A ‘whole of system’ approach is more likely to identify overlaps/duplication and achieve the efficiency, effectiveness goals of government. The regional sector holds significant knowledge and experience on what works well, and what doesn’t, which should be utilised in the review. We also recommend that consideration be given to two reports commissioned by the regional sector on regional council functions (the Winder and Wilde Report¹ and the recent Castalia Report²).
18. A structural solution for local government should only be decided after this review, considering functions in the new resource management regime and the nature and scale of delivery that achieves the best outcomes – in other words, the form of local government should follow function.
19. Recommendations
 - 19.1 Broaden the scope of the rapid review to include the functions of district and regional councils and some central government roles (especially where there are overlaps or duplication) in the context of the new resource management regime.
 - 19.2 Provide avenues for regional sector experience / knowledge to be considered in the rapid review, and for the regional sector to provide feedback on draft recommendations prior to advice being presented to Ministers (e.g. a regional sector advisory group).

Local Government Reform and Regional Reorganisation Plans

20. As noted in the introduction, Northland councils have already started the process for delivering on local government reorganisation; and the Triennial Agreement between the four northland councils includes a commitment to work together to develop a reorganisation option that delivers improved outcomes for Northland communities.
21. The Local Government Act 2002 (LGA) includes ‘local government reorganisation’ provisions (Part 3, Subpart 2 and Schedule 3). As part of the Government local government reorganisation approach, it will be important to confirm whether these existing provisions would be applied by the Commission / Minister in considering regional reorganisation proposals or if these are to be substantially amended. We believe there would be significant value either retaining those provisions; or providing a pathway for consideration of reorganisation proposals prepared under the current legislation. This approach would provide certainty in respect of the reorganisation programme we already have underway.
22. We note that Clause 10 of Schedule 3 of the LGA sets out the objectives that the Commission must consider in assessing / investigating reorganisation proposals) – the objectives in Section 10 Schedule 3 of the LGA appear well aligned with government objectives for reform and reorganisation. These objectives provide clear focus on the outcomes that must be demonstrated when preparing a reorganisation proposal. Given the commitments we have

¹ Local Government Futures: A Discussion Paper. Hon. Dame Fran Wilde and Peter Winder (2021)

² Functions of Regional and Unitary Authorities in New Zealand. Report prepared by Castalia (2025)

made to delivering on local government reform, it is important to confirm early on the principles or objectives that to be demonstrated. We therefore recommend confirming these objectives as early as possible.

23. We also recommend that the Local Government Commission be resourced to support the process for 'early movers' such as Northland.
24. It is unclear why the development of reorganisation plans is to be resourced solely by regional councils, given that each council in a region has a role and stake in the outcome. We recommend that this be shared equally between councils – especially if rates capping is to be applied, as this will spread the 'load' across all stakeholder councils.
25. Recommendations
 - 25.1 That government confirms the principles / objectives of reforms and reorganisation plans as early as possible, and in particular advise whether councils can rely on existing reorganisation provisions of the LGA to make early progress on reorganisation planning.
 - 25.2 That the reforms and any legislative changes explicitly provide for those regions/councils that wish to start reorganisation planning early and that the Local Government Commission is adequately resourced and prepared to support these councils through the process.
 - 25.3 All councils within a region collectively 'resource' the development of, and consultation on, reorganisation plans.

Conclusion

26. Northland Regional Council strongly supports the opportunity to develop bespoke local government reorganisation plans, but note that demands on councils will be significant given it is likely to coincide with implementation of resource management reforms – this will be challenging with current governance capacity and significantly more so if regional councillors are not available to support the process. Therefore council believes retaining regional councillors during the transition, with regional Chairs on CTBs, will address capacity, continuity and representation risks and ensure the best outcomes for ratepayers / constituents while meeting government reform objectives.
27. This approach would maintain local knowledge and leadership through the change process, reducing disruption and safeguarding progress on key regional priorities. It is also likely that reorganisation could start and be delivered earlier, due to the less complex legislative changes required.
28. Council is committed to constructive engagement and would welcome the opportunity to explore this option further with Ministers and officials, to ensure a smooth, effective, and locally responsive transition.

Signed on behalf of Northland Regional Council

Chair Pita Tipene



Dated: 19 February 2026