
Simplifying local government explainer

Introduction

Government's draft proposal *Simplifying Local Government* seeks to reform the structure of local government. As an interim step, it would form a new governance entity (the Combined Territories Board) to take over the governance of regional councils and then develop regional reorganisation plans.

The Government has given two reasons for its proposal:

- Its view that having two types of councils operating in the same area is unnecessarily complex, confusing and costly.
- That forthcoming resource management reform and other changes (like water services reform and climate adaptation) will change how councils operate in the future.

Key elements of the proposal

Key stages

This reform has three main stages. We have summarised the stages in detail in Appendix 1.



Councils that would be affected

All councils within one of the 11 regional council areas would be affected. The six unitary authorities do not have to complete reorganisation plans; however, they can choose to.

Impact on regional councils

Regional councillors would cease to hold office, including councillors elected or appointed under specific legislation (as is the case for Environment Canterbury and Bay of Plenty Regional Council).

The work of regional councils would continue until Regional Representation Plans were implemented, and regional council staff would be unaffected during this time. Although it's not stated explicitly, the intent seems to be that regional councils would not form part of future regional local government arrangements.

However, regional councils' operations would continue, including:

- all public consultation requirements under the Local Government Act 2002;
- functions under the Resource Management Act 1991 (until that Act is replaced);
- stakeholder groups, advisory panels, and joint committees; and
- Treaty settlement commitments, arrangements and obligations.

The Government would also review regional council functions to see if any are no longer necessary or should be reallocated to another agency or delivery model (e.g., where national consistency is needed). This review would guide the final Regional Reorganisation Plans.

Treaty of Waitangi and Māori representation

Current Māori representation on regional councils, either elected through Māori Constituencies or elected or appointed through Local Acts, would be removed alongside other elected members.

Other existing arrangements for Māori engagement and participation would continue, including:

- appointments to council committees;
- participation in joint committees;
- involvement in joint entities established under Treaty settlements; and
- membership of advisory groups.

All existing provisions of the Local Government Act 2002 would still need to be complied with, including:

- establishing and maintaining processes for Māori to contribute to decision making; and
- ensuring opportunities for consultation with Māori.

The Combined Territories Board (CTB)

Roles and funding

The CBT for each region would have two functions:

- Governance of the regional councils; and
- Development of regional reorganisation plans.

Funding for the development of regional reorganisation plans would be provided by the regional councils.

Membership

The Government has proposed the CTB be made up of the Mayor of each territorial authority in the region. The Government is seeking feedback on options for the Crown to have a stronger role on CTBs. For example, through including a Crown commissioner (with options as to the weight that commissioner holds in decision making). Another option proposed is not having a CTB and instead appointing Crown commissioners to perform both functions.

Seven territorial authorities are in more than one region. All of these councils have most of their population in one region but smaller, isolated populations in other regions. The proposal suggests two options to address this:

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- District adoption – isolated populations are ‘adopted’ by adjacent districts, with the Mayor of the ‘adopting’ district getting a ‘top up’ of voting power to account for the extra population.
 - Additional representation – districts split across multiple regions could have representation on all CTBs (perhaps via a ward councillor instead of the Mayor).

The proposal says the Local Government Commission could determine which approach is taken, or a population threshold could be set in legislation for the additional representation approach.

Voting power

Each member of the CTB would represent communities of different population sizes. The proposal recommends finding a balance between two approaches: weighting Mayors’ voting power to reflect population (which would give significant weight to mayors of metropolitan areas) and “one Mayor one vote” (which would give significant weight to smaller councils).

The proposal suggests starting with population weighting but having the Local Government Commission adjust votes based on an ‘effective representation’ test, to strike a balance between the two extremes. Objectives would be set to guide the commission’s decision making.

Regional reorganisation plans

Purpose

These plans are about designing the best way for councils in a region to work together to deliver effective and efficient services and functions. The approach is designed to enable a different set of arrangements for each region, to accommodate its particular needs.

Process to develop plans

CTBs would have up to two years after the legislation is passed to develop a regional reorganisation plan.

In developing the plans, CTBs would have to:

- consider the likely impacts on cost, service quality, and local representation of different options;
- consult the public, iwi/Māori, and regional stakeholders; and
- work with post-settlement governance entities in relation to any relevant Treaty settlement arrangements.

Contents of plans

Plans would be broad and flexible, so they could reflect the specific needs and preferences of a region.

They would have to:

- map all current functions across councils in the region, assess how well councils are working together and consider opportunities to do better. Where appropriate, CTBs might look at certain functions across more than one region (with another CTB) or sub regionally.
- set out options for future delivery, such as:
 - shared services arrangements

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- creating joint council-owned organisations to deliver specific services (e.g. solid waste)
 - combining to form one or more combined ('unitary') councils for the region (or parts of it)
 - designing new ways for the community to input into decisions
 - a financial and organisational transition plan.

Structure options

It appears the Government intends that plans use the current range of options enabled by the Local Government Act. These include unitary councils, local or community boards, joint CCOs and shared services, and structures that support community input and decision making.

Depending on the region, the CTB might be kept, dissolved or repurposed under the new structure. The Government is also considering whether to legislate for new options for communities to make decisions on local issues. These could be adopted as part of a regional reorganisation plan.

Review and approval process

Revised regional reorganisation plans would be provided to the Minister of Local Government (the Minister). The Minister would receive advice from the Local Government Commission on these plans. It does not seem intended that there would be public consultation as part of the review and approval process.

The Local Government Commission would assess each plan against the following criteria:

- Big-picture fit
- Affordability now and in the future
- Better services
- Clear leadership
- Local say
- Treaty arrangements
- Whether it can be done

The Local Government Commission would make a recommendation to the Minister on the quality of the plan, how it could be improved, and whether it strikes a suitable balance between the criteria.

The Minister could then either:

- approve the plan;
- provide feedback on the plan, and request changes;
- make changes to the plan directly; or
- appoint a Commissioner to draft a new plan.

Once the plan has been approved, the decision is final. Implementation would begin in line with the approved financial and organisational transition plan.

Appendix 1: key process steps

Timings in italics are estimates based on current available information.

Phase	Timing	Milestone
Phase 1: enabling policy and legislation	Until 20 February 2026	Consultation on the draft proposal
	March 2026	Cabinet policy decisions
	March onwards	Development of legislation
	By mid 2026	Rapid review of regional functions to determine what, if any, functions should be ceased or taking over by central government
	Mid/late 2026 (affected by the central government elections)	Introduction of legislation
	<i>Estimated at Mid 2027</i>	Passing of legislation
Phase 2: interim arrangements	After legislation passes (<i>estimated at mid 2027</i>)	<p>Elected (and appointed) members of regional councils are removed from office.</p> <p>Combined Territorial Boards are established with two main functions:</p> <ul style="list-style-type: none"> • To develop regional reorganisation plans • To act as the governing body of regional councils until regional reorganisation plans are implemented
	No later than two years after legislation passes (<i>estimated at mid 2029</i>)	The Combined Territorial Board submits its regional reorganisation plan
Phase 3: assessment and approval	After the regional reorganisation plan is received	The Local Government Commission assesses the plan against specified criteria and provides advice to the Minister
	After the Local Government Commission has assessed the plan	The Minister either: approves the plan or uses a number of options to improve it.
Phase 4: implementation and transition	After the plan is approved (probably late 2029 at the earliest)	The plan would be implemented resulting in a change of local governance arrangements for the region.