



JANUARY 29, 2026

Simplifying Local Government Reform

ANALYSIS & INSIGHTS BRIEF

CORPORATE POLICY

1. Context & Purpose

The Government has released a draft proposal, *Simplifying Local Government*, for consultation. The proposal aims to reform the structure of local government, particularly the regional tier, by replacing elected regional councillors with new governance arrangements and requiring each region to prepare a regional reorganisation plan.

The rationale for the proposal is: that having both regional councils and territorial authorities operating in the same geographic areas is seen as “complex”, “confusing” and “costly”; and that wider system reforms currently underway – including resource management reform, water services reform and climate adaptation – will change the future role and workload of councils, making it timely to reconsider institutional arrangements.

For councils within regional council areas, including Dunedin City Council, the proposal would change how regional functions are governed in the short term and could reshape local government structures in the medium to long term.

2. Key Insights

What is being proposed

Most of Aotearoa New Zealand currently operates with two overlapping systems of local government: 11 regional councils and 67 territorial authorities (city and district councils), alongside six unitary authorities that combine both roles. The draft proposal would simplify this structure in regions that

currently have both a regional council and territorial authorities, through a two-step process:

- **Step 1 – Replace elected regional councillors with a new regional governance body.**

Regional councillors would cease to hold office once legislation takes effect. A new **Combined Territories Board (CTB)** in each region – made up of the mayors of territorial authorities in that region – would assume governance of the regional council and its functions on an interim basis. An alternative option in the consultation is to appoint Crown Commissioners either to sit on the CTB (with different levels of voting power) or to replace the CTB entirely.

- **Step 2 – Require each region to produce a regional reorganisation plan.**

Each CTB (or Crown Commissioners, under the alternative model) would be required to prepare a **regional reorganisation plan** within two years of the legislation passing. These plans would map current local government functions, consider options for future delivery, and recommend structural and service changes intended to improve efficiency, clarity and service quality. Once approved by the Minister for Local Government, the plans would be implemented, changing local governance arrangements in each region.

Combined Territories Boards (CTBs)

CTBs would have two core roles: governing the regional council and developing the regional

reorganisation plan. They would be funded from existing regional council revenue. CTBs would:

- take over all current regional council functions (e.g. environmental management and regulation, regional transport planning, civil defence and emergency management, management of regional assets, and implementation of Treaty settlement commitments administered by regional councils)
- meet regularly and be required to comply with the same statutory obligations that apply to regional councils now, including consultation requirements and environmental considerations
- be able to establish committees, including appointing territorial authority councillors as delegates and maintaining existing committees set up under Treaty settlements.

Membership would comprise the mayors of each territorial authority in the region. For districts that straddle more than one region, the proposal canvasses two options: *district adoption* (where a neighbouring district’s mayor is given additional voting power for an adopted population) or *additional representation* (where the district is represented on more than one CTB, potentially via a ward councillor). The Local Government Commission could determine which approach applies, or legislation could specify a population threshold.

Voting arrangements and Crown role

The proposal recognises that mayors represent communities of very different sizes and therefore suggests that voting on CTBs should balance population-based weighting with effective representation for smaller districts. The starting point would be to weight mayors' voting power by population, with the Local Government Commission then adjusting this using an "effective representation" test so that metropolitan areas do not dominate, and smaller councils retain a meaningful voice.

The Government is also consulting on options for a **stronger Crown role** on CTBs, including: a Crown Commissioner as an observer with no vote; a Commissioner with veto power; a Commissioner holding a majority of votes; or an alternative model in which Crown Commissioners replace the CTB entirely during the interim period.

Regional reorganisation plans

CTBs (or Crown Commissioners under the alternative model) would be required to prepare a **regional reorganisation plan within two years** of the legislation passing. These plans are intended to design the best way for councils in a region to work together to deliver effective and efficient services, with flexibility for different regions to adopt different arrangements.

In developing plans, CTBs must map all current council functions, assess how well councils are working together, and identify opportunities to improve, including options such as shared services, joint council-controlled organisations, combined

(unitary) councils for parts or all of a region, and new mechanisms for community input.

They must consult the public, iwi/Māori, post-settlement governance entities and other regional stakeholders, and include a financial and organisational transition plan.

Once a regional reorganisation plan is submitted, the Local Government Commission will assess it against criteria including big-picture fit, affordability now and in the future, better services, clear leadership, local say, Treaty arrangements and feasibility. The Commission will then advise the Minister of Local Government, who may approve the plan, request changes, make changes directly, or appoint a Commissioner to draft a new plan.

After approval, implementation would proceed in line with the agreed transition plan, resulting in new local governance arrangements for the region.

Impacts on Māori, mana whenua relationships, and indigenous land and biodiversity

The draft *Simplifying Local Government* proposal would remove elected regional councillors, including those elected through Māori constituencies created under general and local Acts, and replace them with CTBs made up primarily of mayors. In this model, the mayor of each territorial authority would represent voters on both the Māori and general rolls at the regional governance table, while Māori wards would remain available only at the city and district level. Existing mechanisms for Māori participation that do not depend on regional councillor seats – for example appointments to committees, joint

committees and advisory groups – are intended to continue under the new arrangements.

The proposal states that CTBs (or Crown Commissioners if that option is used) will inherit all regional council obligations, including Treaty settlement commitments and other agreements with iwi and Māori, and that all Local Government Act duties to establish and maintain processes for Māori to contribute to decision-making will continue to apply. Regional reorganisation plans must be developed in consultation with iwi, hapū, Māori and post-settlement governance entities and must demonstrate how Treaty settlement arrangements will be given effect to or improved.

CTBs would also assume regional councils' environmental and resource management roles, including responsibilities for rivers, lakes, coastal marine areas, freshwater, air quality and other biodiversity-related functions, while a separate review considers whether some regional functions should shift to national delivery or other models. Treaty settlement-based co-governance and co-management entities for rivers, lakes or other taonga are expected to continue, as Treaty commitments are to be carried over into the interim and future arrangements.

4. Key Sources

Official government release

Simpler, more cost-effective local government – Beehive media release announcing the Government's proposals to replace regional councillors and require regional reorganisation plans (25 November 2025).

<https://www.beehive.govt.nz/release/simpler-more-cost-effective-local-government>

Simplifying Local Government – Department of Internal Affairs information and proposal hub, including the draft proposal PDF and consultation details (submissions open until 20 February 2026).

<https://www.dia.govt.nz/simplifying-local-government>

Simplifying Local Government – consultation site – DIA's online portal for making submissions on the draft proposal.

<https://consultations.digital.govt.nz/simplifying-local-government/proposal>

News articles & Analyses

LGNZ Explainer

https://d1pepq1a2249p5.cloudfront.net/media/documents/Simplifying_local_government_process.pdf

Simpson Grierson Analysis

https://www.simpsongrierson.com/insights-news/legal-updates/proposed-regional-governance-overhaul-implications-and-opportunities?utm_source=chatgpt.com

Govt plans sweeping changes to how regional councils work

<https://www.1news.co.nz/2025/11/25/govt-plans-sweeping-changes-to-how-regional-councils-work/>

3. Process and timeline

The draft proposal is open for consultation until **20 February 2026**, after which Cabinet is expected to make policy decisions in March 2026 and direct the development of legislation.

A rapid review of regional council functions is planned by mid-2026 to identify which functions may be discontinued or shifted to central government or other delivery models, with legislation introduced in mid/late 2026 and, if passed, coming into force around **mid-2027**.

From that point, elected regional councillors would leave office, CTBs (or Crown Commissioners) would be established as interim governors and plan-makers, and they would have up to two years (likely to **mid-2029**) to submit regional reorganisation plans.

The assessment, approval and implementation of these plans would then follow, with new regional governance arrangements expected to be in place from **late 2029**.