

Submission to the Department of Internal Affairs

Simplifying Local Government

20 February 2026



The Timaru District Council (the Council) thanks the Department of Internal Affairs (DIA) for the opportunity to submit on the “Simplifying Local Government” proposal.

The contact person regarding the submission content is Nigel Trainor (Chief Executive), who can be contacted via nigel.trainor@timdc.govt.nz.

We note that this proposal is one of a suite of inter-linked and inter-dependent reforms which would, cumulatively, transform the form and function of the local government sector. It is difficult to fully comment on these interdependencies because the reforms are at different stages of development.

Based on our initial analysis, we deem that the Simplifying Local Government will likely reduce expense for councils (over the long term), making meeting a rates cap more achievable than would otherwise be the case. Simultaneously, rates capping will drive councils to seek greater efficiencies through this structural reform, such as shared services and amalgamations.

Resource management reforms, by contrast, appear more likely to impact the role and responsibilities of regional councils rather than local authorities. We are doubtful that these reforms will result in the significant fiscal savings to councils to help facilitate rates capping as touted by central government, because this area is mostly funded via fees and charges. Further, the timeframe to complete the spatial plan process would appear to undermine – and be misaligned with the timeframe to complete – the Regional Re-organisation Plan (RRP).

This submission is based on the information available at the time of lodging, and Council’s views may change as more information becomes available on this and the other reforms.

Local government in the Timaru District

The Timaru District Council is a local authority in the South Island serving over 50,000 people in South Canterbury.

The main settlement is Timaru, with other smaller settlements of Geraldine, Pleasant Point and Temuka. The district is – by population – the fourth largest in Canterbury, with approximately 8% of the total, and – by economy – the third largest in Canterbury.

The district falls entirely within the area of the Canterbury Regional Council (Environment Canterbury).

Timaru District Council was formed by the amalgamation of four entities: Timaru City, Geraldine Borough, Temuka Borough and Strathallan County. We consider that this amalgamation has been successful, and that distinct communities of interest represented by these former entities are well represented under the current arrangements. We note that communities of interest can shift over time.

Council's 2024 Representation Review¹ retained three local community boards, being the Geraldine Community Board, the Pleasant Point Community Board and the Temuka Community Board.

We know that local democratic input is important to our residents – particularly those outside of our largest settlements – as this featured strongly in the Representation Review. Two key themes of the submissions received were: 1) the importance of not dividing communities of interest, and 2) the importance of a close proximity between communities and decision-makers.

General overview

Council supports the general intent of the proposal, but we have concerns about aspects of its implementation.

Council agrees that a first principles review of local governments structures – such as that offered via the RRP – is due. It has been over a generation since the last systematic review of the arrangements of local government.

Further, the review is timely considering the suite of local government reforms initiated by central government and wider pressures on the sector.

We agree that a key feature of the review should be achieving simplification, whilst maintaining genuine local input into decision making. The two are not mutually exclusive. There certainly are opportunities to streamline governance structures. If New Zealand was planning its government structures from scratch, it would *not* be set up in the relatively piece-meal and incrementalist way that currently exists.

Council's current preference is for a RRP to create meaningful structural reform, rather than to reconfirm the status quo. We would welcome exploring the opportunity of – at a minimum – a South Canterbury council to drive efficiencies for our residents via greater economies of scale. This is even more essential if a rates target model creates a more constrained fiscal environment for the sector.

¹ More information about the 2024 Representation Review is available via <https://www.timaru.govt.nz/tell-us/past-consultations/representation-review-2024>

We applaud and appreciate that the development of the RRP will be led by local government. It is certainly preferable to the alternative of a top-down design imposed by central Government.

However, we echo Taituarā's view that locally-led reforms can lead to sub-optimal outcomes nationally, as evidenced by the Local Water Done Well reforms. Therefore, it is crucial that the process is outcomes focused. This means that it needs to be driven by the "why" and that form should follow only once function has been clearly ascertained (we discuss the importance of a wider review of local government functions later in this submission).

It is important that central government provide clear direction to guide the RRP. The stated criteria are, we submit, a good starting point and can be expanded on as future policy decisions are made to ensure that they accurately reflect the outcomes desired. Yet as it stands, the proposal is likely to lead to a range of different local government structures nationally: for example, some regions may retain regional councils; other regions may have disproportionately large or small unitary authorities relative to other regions. If the government seeks more consistent outcomes through the RRP – for example, has a preference for unitary authorities –, then it needs to provide this direction more explicitly.

Stage Two timeframes and democratic mandates

In general, Council considers that the proposal timeframe for Stage two could be brought forward and achieved more quickly.

The proposal envisages work on the RRP starting in mid-2027 – in 18 months' time – with a delivery date of mid-2029. In reality, mayors could begin work (informally but valuably, whilst awaiting legislation) on the RRP through their relevant Mayoral Forums.

Most importantly, the development and finalisation of any RRP should not straddle a local election cycle, for two main reasons. First, speed and momentum will be key to delivering these reforms in an orderly way; the longer the reforms take, the greater the disruption. Local elections will necessitate a "distraction" from developing the RRP for a period of time and – depending on the results – could result in a change of direction for its content (including needing work to be re-completed).

Second, we consider that there is a risk that a local election straddling the development of the RRP can undermine electoral integrity and public participation, especially if it will be implemented partway during the following triennium. In the 2028 elections – if a partially completed but yet to finalised RRP looms to take effect during the following triennium – how will voters necessarily know what they are voting for, or how will candidates know what they are seeking to represent?

Council considers that there are several options to adjust the proposed timeframe to improve the likelihood of orderly reforms and mitigate risk:

- 1) complete the RRP in time to take effect for the 2028 local elections; or
- 2) deliver and approve the RRP earlier (for example, in 2028), extend the current local government term and elected member appointments for a year, and hold a 2029 election under the new arrangements; or
- 3) prepare the RRP according to, broadly, the proposed timeline, but be explicit that the new structure would be implemented in line with and via the 2031 local elections.

Each option has advantages and disadvantages. Option 1 is likely impractical, given the amount of time that it would take to introduce legislation and undertake a genuine and meaningful RRP with community participation.

Option 2 is more practically feasible from a time perspective, but has the disadvantage of delaying the ability for the public to hold elected members to account via the ballot box by approximately a year. Public accountability and holding a democratic mandate is very important to Council. Any changes to election dates must be considered carefully, particularly as the change would be imposed on the public after the 2025 election. It would also place both local and national elections in the same year, something that has been historically avoided to ensure that local elections do not get drowned out by national campaigns. This latter issue could be mitigated by, for example, a shorter two year initial local government term to return to the usual split voting cycle.

Option 3 could perhaps manage the time and accountability tensions more effectively, but the benefits of any changes may take longer to be realised. The proposal does not specify a planned implementation date for the new RRP, so it is unclear how Option 3 compares in this respect. Under Option 3, Council suggests that Combined Territories Boards (CTBs) are required to produce a draft RRP prior to the 2028 local elections so that it can be a clear focus of the local campaigns. The election could act, in effect, as a referendum on the plans so that the subsequently elected Mayors and Councillors have clear signals from their communities when negotiating the final proposed RRP for submission to the LGC and Minister. This would be in addition to required consultation on the draft RRP. Option 3 has the disadvantage of straddling the 2028 local elections – with the likely loss of momentum and focus, and potential post-election direction shifts in content – but this may be deemed preferable given the additional opportunities for the public to provide input.

On balance, we believe that Option 2 is the most feasible option to maximise the benefits of the reforms, create certainty, and allow for meaningful community participation.

CTB role and composition

We agree that a CTB is an appropriate mechanism to develop the RRP (stage two) if they are empowered and resourced to make decisions on the plan. There must be clear criteria to guide the RRP's development so that they can be as objective and outcome-focused as possible, rather than being politically negotiated compromises or accommodations that do

not improve on the status quo (as has arguably been the case with some Local Water Done Well arrangements).

Council supports stage one: the regional councillors should be removed from office and replaced by a CTB. This will enable the current regional council organisation to better align with territorial authority priorities, reduce fiscal waste and minimise any inconsistencies between the CTB developing the RRP and separate regional council activities.

Council notes that Mayoral workload and capacity might be unreasonably stretched under both stages, creating governance risk and decision fatigue. It is possible that the reforms could create a reduction in their effectiveness and successful participation across all of these roles. The *current* role of a Mayor is considered a full-time role – for example by the Remuneration Authority – yet the proposal seeks to add regional governance roles and the responsibility for participating in the development of the RRP. Of course, the urgent review of regional government roles may add or detract from this workload; meaningful comment cannot be provided as this work is yet to be completed.

The situation is further complicated as the Mayors will, effectively, be new Councillors in new roles on the regional council. Experienced elected members state that it can take months or years to “get up to speed” in the local government context, especially with the loss of institutional knowledge in the form of departing regional councillors.

We support:

- Mayors being permitted to appoint an elected representative (for example the Deputy Mayor) to share their CTB responsibilities²;
- Allowing the existing, regional Chairperson to be a non-voting member of the CTB to assist with retaining institutional knowledge, and to re-evaluate their role when it is time to develop the RRP.
- CTBs being permitted the option to establish a Transition Board to manage the regional council, answerable to the CTB (if the CTB considered it necessary to devote greater attention to the RRP).

Regardless of the role of the CTB, we consider that Crown Commissioners with voting powers should not be appointed to it. We think it is likely that their appointment would be negatively received by the community, adversely impact the community’s view of the CTB’s work, and undermine their participation in and ownership of the RRP. However, there may be benefit to appointing non-voting Crown Commissioners or LGC liaisons to ensure that the development of the RRP is undertaken in alignment with legislative requirements and timeframes, and which – at least in theory – smoothens the review and approval process. Finally, Council believes that CTBs should be funded through existing regional council budgets (including to complete the RRP). Governance savings due to stage one occurring should be

² In this situation, it would be necessary for consideration to be given to the appointee’s remuneration to reflect their additional responsibilities and time commitments.

sufficient to enable this. If stage one is not enacted, the regional council must be required to fund the RRP through existing budgets.

CTB voting power

We consider that the voting power models should be different for stage one (the CTB in place of the regional councillors) and stage two (the RRP): “one Mayor, one vote” for stage one, and a dual mandate for the RRP.

Council acknowledges the importance that the voting power model broadly reflect population size, but this must be carefully moderated to ensure that provincial and rural voices are not dominated by urban concerns.

This is particularly challenging in Canterbury, given that we are the geographically largest region in the country but also have a significant population imbalance (approximately 80% of population living relatively densely in the Greater Christchurch area).

A voting power model that allows for Greater Christchurch domination of the regional council is not in the interests of provincial and rural Canterbury. Representation Reviews have long held that urban-based decision makers cannot effectively represent provincial and rural communities; we see no reason why it would be different on the CTB if the Greater Christchurch councils effectively had the majority of voting power.

It is proposed that the LGC could devise a method of weighting voting power to ameliorate these concerns. If this occurs, the LGC should ensure that proportional and per capita economic contribution is a factor in determining voting power. Timaru plays an outsized role relative to population in the regional economy through its food production and processing, industrial manufacturing, port and airport. This is indicated by our GDP per capita being 10% higher than the regional average. Reflecting this via the allocation of voting power will more likely allow for economically successful districts to be better protected and appropriate policies set regionally to raise wider economic performance.

We are concerned that, in practice, LGC involvement at this stage will add an additional layer of complexity that will slow the reforms down, when we have previously identified that retaining momentum will be key to an orderly process and outcome.

Therefore, to facilitate a simple voting process that retains necessary momentum, Council supports a “one Mayor, one vote” system for stage one.

For stage two, we strongly believe that decisions on the RRP (preparing a draft plan for community consultation, and a final proposed plan for LGC review and Ministerial approval) should be made in the same way as is proposed for certain resource management decisions: a dual mandate requiring both a majority of population and a majority of voting members. We consider that this is an essential requirement to ensure a broad mandate for the RRP and to protect smaller communities.

We note that, within our context, this provides Christchurch City Council with an effective veto on the RRP, but are confident that our mayors can work constructively so that this does not become an issue.

Regardless, we suggest that the following measures be available to mitigate any potential problems that arise within CTBs when developing their RRP:

- Allow the public to provide feedback on multiple options (at least via early engagement prior to consultation on one, preferred draft RRP).
- Provide for CTB members to lodge a minority opinion (for example on the draft or proposed final RRP) so that dissenting views can be publicly expressed, inform submissions, and contribute to LGC and Ministerial review.
- Establish definitive steps and milestones for the CTB to meet in the development of the RRP, with clear indications about Crown intervention if these are not met.

Uncertainty for Council “business-as-usual”

In addition to the concerns raised above about the impact on the 2028 local elections, the proposal raises significant questions and uncertainty about Council’s “business-as-usual” over the next several years. This has been identified as a critical operational risk. It must be a priority of the government to provide clarity and guidance as soon as possible.

All councils will have begun planning their next Long Term Plan (LTP), to cover 2027-37. This is a significant undertaking involving considerable cost and resource, and built on a number of assumptions such as population projections and government structures.

How can elected Councillors and officers meaningfully prepare an LTP for the district for this period if it is unclear whether the entity will exist for this period? How can it be audited? How can the community provide input if it has no clarity or confidence about the delivery of mooted projects?

Similarly, approximately half of councils will be legislatively required to complete a Representation Review in 2027 for the 2028 local elections. How could this be undertaken with any credibility? This does not include Timaru District Council.

Options (not necessarily mutually exclusive) to mitigate this include:

- Developing a LTP that only applies for the time period from 1 July 2027 until the RRP comes into effect (which we need to be clearly articulated imminently by the government to support orderly LTP development).
- Not require a LTP 2027-37 to be developed, and instead require ongoing, enhanced Annual Plans based on years 4 onwards of the 2024-34 LTP.
- Minimising the consultation and audit requirements for the next LTP or enhanced Annual Plans.
- Not require any LTP amendments to the LTP 2027-37 to be audited, similar to the approach taken during the Local Water Done Well reforms.

- Do not require local authorities to complete any scheduled Representation Reviews.

Local government role, and local community participation in decision making

The government – through the urgent review of regional governance roles and responsibilities – are reviewing both the form and function of local government. However, it should broaden the scope to consider the roles and responsibilities of central government that may be better delivered at the local level, and that territorial authorities undertake that may be better delivered at the national level.

A first-principles review of local government structures via the RRP would be best accompanied by a first-principles review of the central-local government inter-relationship. To not do so would be a missed opportunity and could undermine the effectiveness of the new entities.

We also note that a one-size-fits-all approach to function will not be successful for our communities. What is appropriate for metros will unlikely be appropriate for provincial or rural areas due to differences in scale, capability and capacity. For example, in a metro it may be possible to run public transport entirely in-house; in a provincial or rural area it would likely require outsourcing, a shared services agreement, or not providing the service. The Local Water Done Well reforms have reflected this, and it currently appears that this proposal will facilitate similar flexibility.

Council is broadly comfortable with the RRP criteria stated in the proposal. They are – prima facie and considering the context of other government reforms – clearly geared towards the centralisation of services and probable amalgamation of councils, whilst including a reference to “local say”. The inevitable tension and trade-offs between theoretical centralised efficiencies and “local say” will only be able to be properly considered once the RRPs have been drafted and communities have provided feedback.

Efficiencies are not always possible without compromising levels of service to our communities. The simultaneous aspirations of delivering 'better services' while ensuring they 'cost less' may be contradictory in practice. Quality improvements often require investment, and cost-reduction measures can compromise service standards. We urge the government to acknowledge these tensions honestly and develop realistic expectations about what reform can achieve, rather than presenting these potentially competing objectives as easily reconcilable.

If centralisation and amalgamation do eventuate through the RRPs, “local” voices will become even further removed from the location of decision-making and budget-setting, and may likely feel more marginalised and less prioritised.

New entities (especially if amalgamated and centralised) need to have mechanisms available via legislation to sufficiently connect with “local” communities to enable their meaningful participation in decision-making processes, and to ensure that the communities

feel that their voices are represented. In short, to provide fair and effective representation to communities as required under the Local Electoral Act 2001.

These mechanisms can surely be more effective and nuanced than the current ward councillor and community board systems. The DIA should look internationally for innovative methods to engage communities, particularly for entities governing large geographical areas with significant urban-rural splits. This should include investigating the efficacy of, for example, citizens assemblies and participatory budgeting.

Conclusion

Thank you again for the opportunity to submit on the “Simplifying Local Government” proposal.

We look forward to providing further, more detailed input via a select committee process as more specific information becomes available.

Please do not hesitate to contact us if you have any questions or wish to discuss aspects further.

Ngā mihi

A handwritten signature in blue ink, appearing to read 'Nigel Bowen', with a small flourish at the end.

Nigel Bowen
Mayor