

20 February 2026

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Simplifying Local Government team
Department of Internal Affairs
via: simplifyinglocalgovernment@dia.govt.nz

Dear Minister,

HORIZONS REGIONAL COUNCIL SUBMISSION – SIMPLIFYING LOCAL GOVERNMENT: DRAFT PROPOSAL

Thank you for the opportunity to submit on the draft proposal to simplify local government.

Should you have any queries regarding the content of this document, please contact us by email on help@horizons.govt.nz.

If the opportunity arises, we would like to be heard in support of our submission.

This submission provides an overview of Horizons' key points, outlines the regional context relevant to the matters raised, and responds to the questions posed throughout the *Simplifying Local Government: Draft Proposal* discussion document.

INTRODUCTION + KEY SUBMISSION POINTS

1. The DIA's draft proposal to simplify local government would replace elected regional councillors with a Combined Territories Board (CTB) of mayors and would require each CTB to produce a Regional Reorganisation Plan (RRP) within two years. The proposal's stated intent is to reduce duplication, improve clarity and accountability, and deliver better value for money.
2. **Horizons' welcomes change and supports local government reform that clarifies accountabilities, improves outcomes, and strengthens long-term capability—** especially in functions where the impacts are regional or catchment-scale (freshwater, flood protection, biosecurity and biodiversity, regional transport planning, and emergency management. The overarching theme in this submission is that any proposal to reform local government should address a well-defined problem, be future focused and prioritise the following:
 - a. **Local Voice and Democracy:** Community voice and accountability, retention of Māori partnerships and representation of smaller communities must remain at the heart of decision-making. Local government is the closest tier to the people and given local government funding comes from the people, the reforms must protect democratic representation and accountability.
 - b. **Service Quality and Outcomes:** Quality and efficiency are not mutually exclusive. Both are required in order to achieve "bang for buck" and effective results. Combining efficiency (the *means*), quality (the *standard*) and effectiveness (the *end* result) creates a high-performing organisation.

Efficiency therefore cannot be at the cost of quality environmental and community outcomes. Essential services must remain accessible, reliable and responsive to local needs.

- c. **Partnership with Māori:** Te Tiriti o Waitangi must be honoured. Partnerships with iwi and hapū must be honoured and strengthened. Recognition and provision for multi-authority or unique governance arrangements are vital to ensure reforms reflect shared aspirations, deliver equitable outcomes and are accountable.
 - d. **Affordability and Transparency:** Given a key focus of this proposal is ensuring value for money, any changes to the current system must achieve that without compromising local responsiveness. Much of local government services are shaped by key infrastructure investment. For example, at a regional level flood protection infrastructure forms a large part of cost drivers. Given community expectation and anticipated impacts from things like climate change, there are fundamental questions about the sustainability of rates as the key revenue source if local government is to meet the infrastructure needs to protect future generations. The principle of localism is highly aligned to financial transparency. Activities such as flood protection, pest control, land management and environmental initiatives are undertaken at a regional scale financially enabled by cost socialisation across the districts. Thought needs to be given to how this will be provided under the governance of new service delivery models.
 - e. **Enduring Design:** Reform must be future-fit and resilient, the system will need to anticipate demographic, environmental and technological changes to ensure resilience for future generations.
3. We hold a strong view that democratically elected regional governance is integral to the development and implementation of any new local government system. The success of reform will depend heavily on transition design; if managed poorly, there is a significant risk of losing institutional knowledge, disrupting service delivery, and creating unclear accountability.
 4. It is imperative that critical regional services—such as flood protection, emergency management, regulatory delivery, and public transport planning and delivery—are not destabilised through reform.
 5. The proposed interim solution of a Combined Territories Board (CTB) risks weakening both regional and local voices in decisions relating to the management of natural resources. We therefore advocate that the transition must retain the incumbent regional council governance (and therefore institutional knowledge about the management of natural resources), particularly during the development of Regional Spatial Plans and Natural Environment Plans under the new Resource Management System.
 6. We therefore recommend that the incumbent regional council governance be actively involved in transition design, working alongside central government. The knowledge, expertise, and regional perspective it provides will be critical to the success of resource management reform. This “resource” should be leveraged into the design of any new CTB, or other interim structure, to ensure effective and enduring outcomes. We have included a suggestion of how this might be done, while still achieving the intent of the DIAs proposal. In short, we propose the following:

- a. Retaining existing regional governance arrangements for regional council functions and powers as the interim measure, not a CTB (in the proposed form).
 - b. During the interim period, territorial authorities and regional councils work together on a Regional Reorganisation Plan. This could be done under a CTB concept, created specifically for this purpose, and be made up of Mayors, Regional Council chair and potentially a commissioner.
 - c. Territorial authorities and regional councils submit a proposal (or investigation request if assistance is required) to the local government commission, as per the current Local Government Act process.
 - d. The Local Government Commission ultimately approves the Regional Reorganisation Plan (RRP), as per the current Local Government Act process.
7. The above is discussed in further detail later in this submission.

ABOUT OUR REGION

8. Horizons Regional Council (Horizons) is the regional authority for the Manawatū-Whanganui Region, extending from south of Levin to north of Taumarunui and from Whanganui across to the east coast, covering an approximate 22,000km² in total or approximately 8% of New Zealand's total land area. The region's population is approximately 260,000.
9. Our region consists of seven territorial authorities; six districts councils– Ruapehu, Whanganui, Rangitikei, Manawatū, Tararua and Horowhenua as well as one city council – Palmerston North. Horizons maintains strong relationships with its territorial authorities and has many joint ventures. One of these is the Manawatū Whanganui Local Authority Shared Services (MW LASS) which provides high-quality shared services in an efficient and cost-effective way, not only to its member councils, but also others around the country. The region also contains parts of three other district councils, Stratford, Waitomo and Taupō; these parts are either sparsely populated or uninhabited. The urban character of the region is diverse, ranging from one Tier 2 urban environment (Palmerston North) to three districts which contain no urban environments.
10. Our region is home to appropriately 35 formal iwi groups. Some of these groups have unique and complex Treaty of Waitangi settlements with the Crown. Two that have resulted in specific statutory arrangements related to the governance of rivers are; Te Awa Tupua (Whanganui) under the Te Awa Tupua (Whanganui River Claims Settlement) Act 2017, and Te Waiū o Te Ika (Whangaehu) under the Ngāti Rangi Claims Settlement Act 2019. The majority of iwi in our region have yet to settle with the Crown.
11. Horizons' responsibilities include the management of our region's natural resources, including freshwater, land, coastal environment and air. We manage biosecurity (pest control) and biodiversity; flood protection and river management, including \$1.2 Billion of flood protection and drainage infrastructure. We lead regional land transport planning, contracting passenger transport services. We play a pivotal role in regional emergency management primarily by administering and coordinating the Manawatū-Whanganui Civil Defence Emergency Management (CDEM) Group for response to natural disasters. Our operations are delivered at regional, catchment

based and local scales as appropriate, reflecting identified needs and towards the achievement of our community outcomes.

12. The regional economy is predominantly driven by primary industries, logistics, warehousing and distribution, and government services. Nationally significant infrastructure in the region includes three New Zealand Defence Force (NZDF) bases (Waiouru, Linton, and Ohakea), several hydroelectricity and wind generation assets, and transport infrastructure reflective of the region's key freight distribution role for the lower North Island. Horizons is a member of Accelerate35, a regional economic growth programme that involves all its territorial authorities. With significant co-investment from central government, this programme has enabled tens of millions of dollars of investment in the region, resulting in successful outcomes for the regional community.
13. Over the last 35 years of our Council's work in this region, the landscape has changed and evolved. We continue to adapt and progress in the work we do through our relationships and the progression of best practice in the activities and work we undertake to achieve better outcomes for our communities and region.

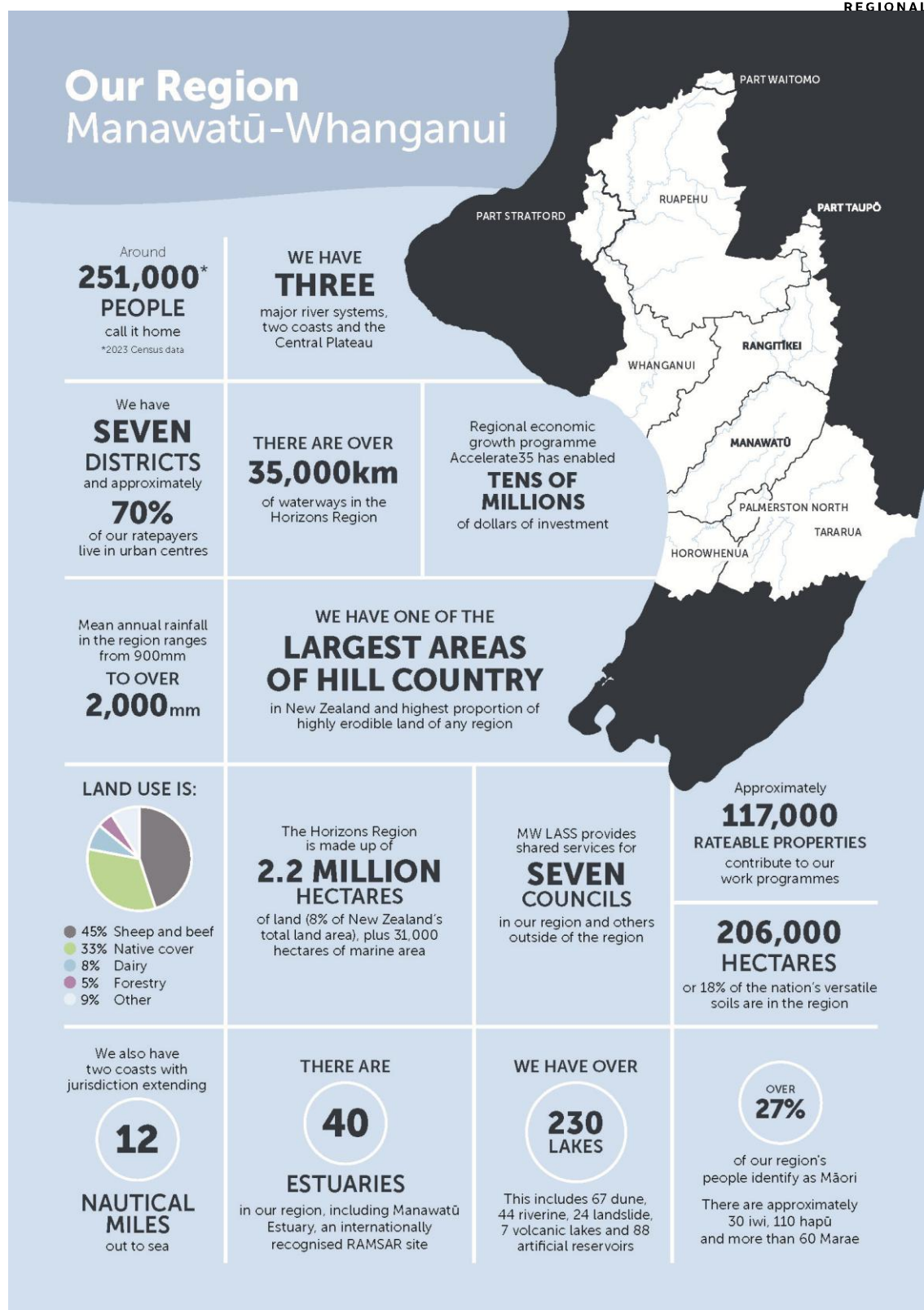


Figure 1: Snapshot of the Horizons Region

THE VALUE OF A REGIONAL PERSPECTIVE

14. To assist Ministers in understanding the matters raised in this submission, we have prepared a series of maps that demonstrate some of the work undertaken by the regional council across the region and how resources—particularly funding—are distributed with the wider regional benefit in mind.
15. Regional councils are enabled to collect funding on a region-wide basis via the Local Government (Rating) Act and allocate it according to need, which is based on an assessment of who benefits from the service and can be individuals, targeted groups or the region as a whole. This enables a holistic approach to addressing issues at scale and achieves economies of scale. This model is a core strength of regional councils.
16. Some key areas of regional council business that are considered to result in regional benefit, are funded from the general rate contribution or a Uniform Annual Charge. We have provided a visual example of this in a series of maps attached in Appendix 1 to this submission. Regional benefits from the general rate contribution include possum control [map 3], environmental data collection [map 4], surface water monitoring [map 5], and river management [map 6]. These activities, and many others that the regional council deliver, receive general rate funding to reflect the regional benefit everyone receives through increasing regional resilience (economic and environmental) and community wellbeing. Maintaining the regional lens for decision making is vital – not only for rates collection and delivery, but also when considering services that cross boundaries. For example, public transport [map 2] which is funded by targeted rates and central government subsidies.
17. It is unclear how a CTB could replicate, or adequately replace, the holistic, regional lens approach when its governance would be led by currently elected mayors who have not previously been required to consider prioritisation and funding decisions at a regional scale – unlike regional council governance who have been sworn in to act in the best interests for the entire region. This represents a fundamentally different way of thinking and presents a risk to effective region-wide planning and investment. For example, 17 per cent of the general rates collected for the region funds biosecurity and biodiversity activities such as possum control to protect agricultural and horticultural production, and native biodiversity at a regional scale. For the last financial year, approximately \$2.1 million of regional funding contributed to possum control via general rates. As can be seen in map 3, this funding has been used more in the Ruapehu District comparative to other districts. This has enabled a smaller community to protect property value and farm production by managing possums on farmland and other private property on a scale that they would not otherwise have the resources to deliver independently.
18. There are also countless examples of communities approaching the regional council to identify work that needs doing in their areas. Often communities are willing to contribute through a 'user pays' portion or targeted rate towards this work, which is then further supplemented by region-wide rates collection. For example, Horizons' Sustainable Land Use Initiative [map 1] receives funding from a Uniform Annual Charge to reflect the regional importance of keeping soil on hills and out of waterways – which improves both water quality and the flood carrying capacity of rivers for all. That regionally collected funding is then combined with central government funding and landowner contributions. This approach allows groups committed to improving the regional environment that start on private land, or

locally driven initiatives, to have the opportunity to get work delivered at a scale that would otherwise be unattainable by smaller communities. It is unclear how a CTB may support these smaller communities that can only draw from a small pool of ratepayers, or rely on a small majority vote at the table, versus the 115,000 ratepayers that the regional council can draw on. This also demonstrates the potential for local input in decision-making to be diminished under the CTB proposal.

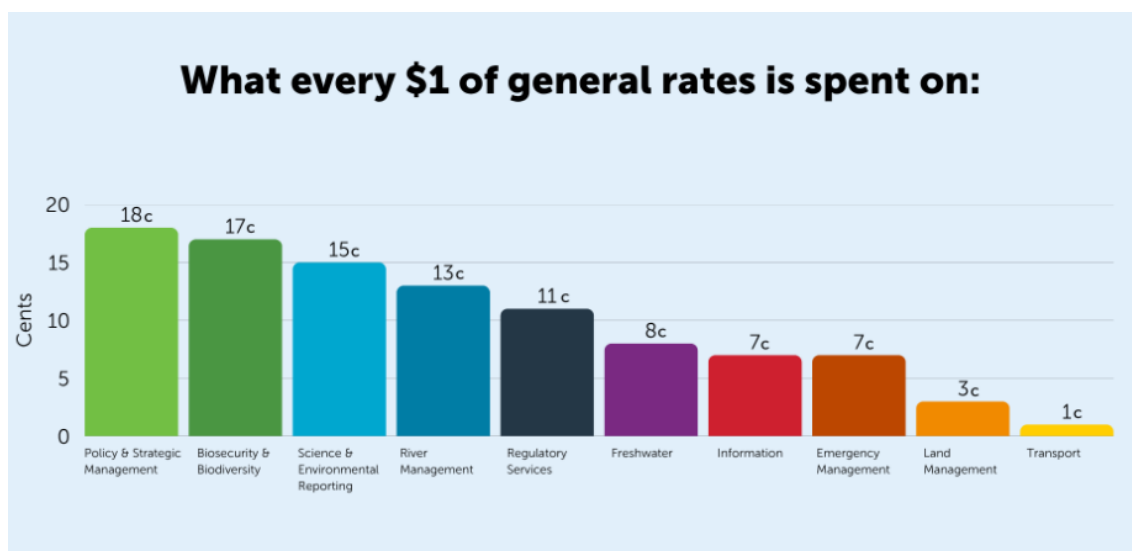


Figure 2: image showing work areas where general rates (collected regionally) are spent. The general rate contributes roughly 34% of Horizons' total revenue. Source: Horizons Regional Council [website](#).

RESPONDING TO QUESTIONS IN THE DRAFT PROPOSAL TO SIMPLIFY LOCAL GOVERNMENT

In the following sections, we provide a more fulsome outline of our views, responding to the questions raised in the *'Simplifying Local Government: A Draft Proposal'* document.

Overarching comments

19. In general, we agree there is a need to simplify local government. We support the intent of the proposal to reduce duplication and costs, improve efficiency, be responsive to local needs and achieve better coordination at local government level. However, we submit that the proposed approach will not achieve all of this. We also question whether the problem the draft proposal is trying to fix is a failure of local government systems or whether it is a symptom of other legislative systems, such as the Resource Management Act. We recommend that a detailed review be undertaken to more clearly define the problem within local government and guide any future proposals, or legislation changes regarding local government reform.
20. We note the existing Local Government Act processes for reorganisation which are fair, prescriptive and robust and appropriately utilise the Local Government Commission. Established in 1947, the Local Government Commission was designed to address perceptions that New Zealand was "over-governed" and incurring excessive administrative costs due to overlapping functions and jurisdictions. The Local Government Commission played a pivotal role in the comprehensive reorganisation that consolidated around 850 local bodies into 86 multi-purpose authorities by October 1989. The Commission also has the ability to hear appeals on draft reorganisation schemes, proposals for the constitution of new authorities, and proposals for the reorganisation or abolition of communities.
21. The Local Government Act 2002 made significant changes to the framework governing local authorities. The Local Government Commission was defined under the Act as a body corporate with full powers and perpetual succession, consisting of three members appointed by the Minister of Local Government, one of whom was to be conversant with tikanga Māori. The Commission's powers were also significantly redefined. In 2012, amendments to the Act strengthened community involvement and streamlined local government reorganisation processes. Reorganisation was aimed at improving effectiveness and efficiency by enabling communities to initiate and participate in proposals and requiring the Commission to identify and implement the best option for good local government in consultation with those communities. The Commission was given responsibility for considering reorganisation initiatives, including mergers, new authorities, boundary changes, transfers of functions, and applications by district councils to become city councils (subject to population and urban criteria).
22. Commission decisions do not require the Minister of Local Government's approval before being implemented, but some may require Orders in Council to be implemented. Commission decisions can be appealed to the High Court on a point of law, and the Commission's work may be subject to judicial review.
23. In our view, the existing role and powers of the Local Government Commission are robust and fair. The draft proposal appears to shift away from this existing process and ignores the role of the Commission itself. It is not clear why. We seek further information identifying what the DIA considers the issues to be with the current

process via the Local Government Commission and justification provided for any change.

Recommendation:

The objectives of the proposal should consider and rely on existing Local Government Act processes for local government reorganisation.

Local government reorganisation planning should be driven collectively by both elected regional representatives and Territorial Authority elected representatives, rather than only mayors and/or commissioners.

A detailed review should be undertaken to more clearly define the problem within local government and guide any future proposals or legislation changes regarding local government reform.

24. As elected members representing a diverse region consisting of a mix of urban and rural areas, we express concern about loss of regional representation and expertise and the rushed implementation suggested in the proposal. The local voice and democracy must be protected. With that, we seek clearer justification for the CTB proposal, stronger safeguards for local, rural and iwi voices, and more transparency about how Combined Territory Boards (CTB) will function in practice.

Questions and clarification sought:

We seek more clarification about how CTBs will function in practice to provide appropriate safeguards for representation of local, rural, urban, and iwi voices.

We seek clearer justification for the CTB proposal.

25. **Timeframes** the timeframes are ambitious and may be challenging to achieve - particularly developing a regional reorganisation plan within two years, alongside the development of regional spatial plans, natural environment and land use plans. Transitioning away from existing regional governance arrangements prior to completion of new spatial, natural environment, and land use plans risks the likelihood of effective development and implementation of those plans.
26. We note the proposal to replace regional governance with individuals who were not elected to perform that role. We also have questions about how investments and assets funded by regional ratepayers would be redirected or managed under this approach.
27. Rural and environmental decision-making has national consequences for exports, food security and sustainability. It is imperative that the new system is set up to protect the long-term economic, environmental and sustainability impacts.

Replacing Regional Councillors with a Combined Territories Board

28. On the whole, we do not support replacing regional councillors with a Combined Territories Board (in its current proposed format) for the following reasons:
- Replacing elected regional councillors with CTBs risks loss of expertise and democratic mandate. Regional councillors hold specific knowledge of environmental management, biosecurity, water, coastal and land systems.

This institutional knowledge risks being lost with the transition to a CTB led by mayors, which in turn risks continuity of service delivery and environmental management.

- b. The CTB composition will not provide effective regional representation. Iwi voice, rural and environmental management perspectives and place-based decision making could be weakened or lost. Regional councillors bring a region-wide perspective that supports strategic, big-picture decision-making for the collective good. Mayors and district councillors, by comparison, are typically driven by local constituency priorities and may lack the specialist expertise needed to effectively navigate the complex rural–urban dynamics that exist across an entire region.
- c. Population-based voting is how the system currently operates for regional councils. Representation reviews, required under the Local Electoral Act 2001, ensure residents have fair and effective representation through a robust process designed to achieve approximate equality of population representation by each member of a council. While it generally works well, it requires smaller communities to undergo a formal process to be recognised as a constituency and therefore gain representation. An example within the Horizons Region is the Ruapehu District. Although the Ruapehu District covers a large and strategically important geographical area, its small population meant it does not meet the 10% threshold set out in the Local Government (Electoral) Act as a standalone constituency. Regardless, Horizons chose to designate Ruapehu as a constituency, receiving approval from the Local Government Commission to ensure this distinct community's voice was represented. Without this process, smaller communities risk being under-represented and marginalised. Under the CTB, there is a risk that communities like Ruapehu may not be sufficiently recognised if their representative's vote does not carry sufficient weight.
- d. Mayors may not have the mandate, expertise or regional perspective to adequately address regional council functions, which could make consistent delivery of environmental management more challenging. When regional councillors are sworn in, their declaration specifically states they will act in the best interest of the entire region and are elected on those grounds.
- e. The timing of the transition to a CTB alongside the Resource Management reforms is a risk for both processes. Setting up CTBs as an "interim measure" will likely divert time and energy away from development of the Regional Spatial Plans and Natural Environment Plans proposed by the Natural Environment and Planning Bills. It is critical that existing regional council governance arrangements (not CTBs) govern the development of Natural Environment Plan and develop the Spatial Plan with territorial authorities. This is what regional councillors were democratically elected to do, and they generally include a large proportion of environmental/resource management focused voices and Māori representatives which will aid in, and add value to, the transition to the new resource management system.

Key Recommendation: In the long-term, there is some merit to the concept of a modified CTB or unitary type structure in that it could simplify decision-making, reduce duplication, and create a clear, unified structure. This alignment would ensure regional priorities are managed consistently and have better visibility. We support such goals,

however, we consider the proposed approach of a CTB as an 'interim' transitional measure to be premature and would not achieve the efficiency and unified structure sought by the draft proposal. We seek to build on the draft proposal and to strengthen it, with a focus on stability and ensuring fair and effective representation for our community, through the interim period and the longer-term changes ahead.

As a first step, we **recommend** existing regional governance arrangements be retained in the interim and be involved in both the development and transition to a CTB or unitary type structure. In practice this would mean:

- a. Retaining existing regional governance arrangements of regional council functions and powers as the interim measure.
- b. During this interim period, territorial authorities and regional councils work together on a Regional Reorganisation Plan. This could be done by a CTB created specifically for this purpose made up of Mayors, Regional Council chair and potentially a commissioner.
- c. Territorial authorities and regional councils submit a proposal (or investigation request if assistance is required) to the local government commission, as per the current LGA process.
- d. The Local Government Commissioner ultimately approves the regional reorganisation plan, as per the current Local Government Act process.

In our view the above will meet the goals and intent of the proposal in a way that is less disruptive, maintains a democratic process whereby people with the voted mandate are involved in developing a solution for their communities, removes the difficult issues around CTB voting, provides stability through resource management reform (and other reforms) and ensures retention of regional perspective, knowledge and expertise. Importantly, it will also enable action faster as territorial authorities and regional council governance could start working together on a Regional Reorganisation Plan now.

Crown appointed commissioners

29. In relation to Crown-appointed commissioners on the CTB, there may be merit in limited, short-term Crown involvement to support the transition process. However, any such representative should not hold voting rights, in order to preserve local democratic decision-making. The long-term objective should be full independence from central government once the transition is complete.

30. If government-appointed commissioners are included, their role, scope, and duration must be clearly defined. Without this clarity, there is a risk that such appointments will add cost without delivering commensurate value.

We have the following questions for Ministers developing this proposal:

- What evidence demonstrates that appointed boards deliver better outcomes than elected regional councils?
- How will democratic accountability be maintained during and after any Crown Commissioner period?
- How will investments and assets funded by regional ratepayers be redirected under the CTB approach?
- How will savings in Civil Defence Emergency Management (CDEM) be achieved, given that many CDEM roles are held by Council Staff and how will that align with a more centralised approach?

- How will Treaty settlement commitments and existing multi-authority governance arrangements with regional council appointees be reflected in appointed boards or commissioners?

Voting arrangements on CTBs

31. We hold mixed views on whether mayors on Combined Territories Boards should have a proportional vote adjusted for representation. While the proposal seeks to balance the interests of smaller communities with effective decision making, we have some concerns about how fairness, clarity and rural urban balance would operate in practice. Our views are outlined below:
- While there is merit in the proposed voting arrangement, greater clarity and safeguards may be needed to ensure the interests of locally affected communities, treaty partnerships, and locally funded schemes are appropriately recognised. Without this, the model may be perceived as procedurally fair but may face challenges in building public confidence and social licence.
 - Population-weighted voting, if not carefully designed, could be influenced by larger urban centres, which may marginalise smaller, rural, and provincial communities. Regional councillors bring experience in considering issues at a regional scale and allocating funding across diverse communities. For example, funding for flood protection in Ruapehu—an area with a relatively small population but significant and critical flood risks—was supported by Palmerston North councillors and endorsed by the wider Council. This illustrates how region-wide perspectives can support outcomes for smaller communities that may otherwise be difficult to achieve, and again demonstrates the mandate regional councillors accept when declaring to act on behalf of the region when sworn in.
 - Under the proposed voting model, funding for small but critical projects affecting fewer people may be more difficult to progress, even where impacts are significant. This raises questions about how fair representation for smaller communities would be ensured under the draft proposal.

We have the following questions for Ministers developing this proposal:

- How is the proposed CTB voting model intended to balance population-based representation with place-based impacts, so that both urban and rural communities have confidence in regional decision-making?
- What is the reason for applying a single voting approach across funding and strategic decisions, given the differing impacts and equity considerations associated with each decision type?
- What safeguards or decision thresholds are proposed for high-impact or locally funded decisions to help ensure communities and scheme ratepayers are not disadvantaged by regional voting outcomes?
- How will Treaty partnership commitments, including iwi and hapū roles in decision-making, be reflected within CTB governance and voting processes? In addition, clarity would be helpful on where decision-making mandates sit within the proposed framework.

Cross-boundary matters

32. We generally support the way the proposal could be represented; however, they must be clear, fair and protect smaller communities from being overshadowed by larger population centres.
33. We recommend that boundaries stay fixed once set to give communities certainty and avoid ongoing disputes. A one-off exemption could be allowed for genuine cross-boundary issues, but repeated challenges should be avoided. Any broader changes should occur only through long-term central government reviews to reflect major demographic shifts.

Development of regional reorganisation plans

34. While there is merit to the development of regional reorganisation plans, overall, we believe the criteria requires more detail, stronger safeguards for fair and effective representation and robust public consultation.
35. The regional reorganisation plan process appears to be misaligned with the Local Government Act (schedule 3, Clause 10) which sets out the "Objectives that Commission must consider in reorganisation investigation". For example, considerations currently include *(i) "effective provision for any co-governance and co-management arrangements that are established by legislation (including Treaty of Waitangi claim settlement legislation) and that are between local authorities and iwi or Māori organisations"*.
36. Ensuring fair representation for smaller communities and rural areas is critical.
37. We note that the process for regional reorganisation plans differs from what is in the Local Government Act currently; specifically, Schedule 3 which sets out the legislative requirements for reorganisation. It is unclear as to what issues have been identified within the existing Schedule 3 process that the draft proposal intends to fix. The proposed process increases central government involvement in local government matters, risking loss of the local decision making and democracy.

Recommendation: We reiterate our earlier recommendation to retain existing regional governance arrangements for regional council functions and power as the interim measure, rather than implementing a CTB at this stage. During this period, territorial authorities and regional councils could collaborate on a regional reorganisation plan. This collaboration could occur under a CTB-type model comprising mayors, the regional council chair, and potentially a commissioner. Under this approach, the regional reorganisation plan would then be submitted to the Local Government Commission in accordance with the current LGA process. The Local Government Commission would ultimately approve the regional reorganisation plan.

Question: We seek clarification on what issues have been identified within the existing Local Government Act Schedule 3 process for local government reorganisation that the draft proposal intends to fix.

Treaty arrangements and implications on iwi and hapū

38. We are concerned that the proposal does not fairly enable iwi and hapū input. It is essential that iwi who have not settled, should not be disadvantaged in future processes. New structures offer an opportunity to establish clear accountability and consistency in how iwi input is recognised and implemented. Purpose-built delivery bodies embed iwi environmental plans directly into operational programmes, funding decisions, and monitoring frameworks, rather than treating them as supplementary documents. Reform should also enable earlier and more structured engagement with iwi and hapū, with partnership roles that are clearly defined, adequately resourced, and extend beyond advisory panels. Ensuring these elements are incorporated will be critical to achieving effective and equitable outcomes.
39. Removing Regional Councillors and replacing their role with CTB's will by default eliminate Māori constituencies at the regional level, which erodes important existing mechanisms for Māori participation in local government.
40. We also note currently the regional council must appoint members to Te Kōpuka and Ngā Wai Tōtā strategy groups which have formed under Te Awa Tupua (Whanganui River Claims Settlement) Act 2017, and the Ngāti Rangi Claims Settlement Act 2019). Presumably the Manawatū-Whanganui CTB would appoint a member to these groups instead, however we encourage Ministers to consider whether this would be consistent with the intent of the relevant deeds of settlement.
41. We strongly recommend that government engage with iwi on this proposal and ensure the statutory requirements of Treaty Settlements are understood and provided for.

Timing alongside Resource Management reform

42. We are concerned that the timing of this proposal alongside the Resource Management reforms risks the successful implementation of both processes.
43. The timing and sequencing of the local government proposals alongside the Resource Management replacement Bills is critical. It is essential that elected regional councillors retain an active role in the development of the Regional Spatial Plan, the Natural Environment Plan, and any local government reorganisation plans. Regional and territorial authorities have separate, distinct functions under the RMA and the replacement Bills, therefore retaining governance with experience in regional council functions will be important to deliver the rapid implementation sought by the Bills. Central government is currently reviewing regional council functions, and the outcomes of this review should be known before any move to an "interim" CTB structure is considered.
44. Allowing existing, democratically elected territorial authority and regional council governance to lead directly into reorganisation planning—once the review and replacement legislation have progressed—would be more efficient, less disruptive, and more consistent with democratic principles. Regional reorganisation plans should respond to, and be informed by, these reforms rather than precede them, to ensure a coherent, system-wide approach.
45. The success of both the local government reforms and the Resource Management replacement legislation will depend on whether governance structures are designed

to complement, rather than displace, the regional role anticipated under the new legislative framework.

46. There is also potential tension in relation to Treaty partnership and iwi participation. The Resource Management Bills indicate recognition of Te Tiriti o Waitangi and an embedded role for iwi in environmental decision-making. Governance reforms that reduce partnership arrangements to advisory roles may be inconsistent with this intent and could weaken the meaningful integration of Treaty considerations into planning and decision-making processes.

Recommendation: To address the issues identified above, we reiterate our earlier recommendation to retain existing regional governance arrangements for regional council functions and powers as the interim measure, rather than introducing a CTB at this stage. During this period, territorial authorities and regional councils could collaborate on a regional reorganisation plan. This collaboration could occur under a CTB-type model comprising mayors, the regional council chair, and potentially a commissioner. Under this approach, regional consistency and democratic oversight would be maintained supporting successful implementation of the resource management system.

IN SUMMARY:

Horizons welcomes change and supports reform that clarifies accountabilities, improves outcomes, and strengthens long-term capability. We hold the view that any proposal to simplify local government must uphold:

- a. **Local Voice & Democratic Legitimacy:** Communities must remain at the heart of decision-making.
- b. **Service Quality & Outcomes:** Efficiency cannot be at the cost of environmental and community outcomes.
- c. **Partnership with Māori:** Honour Te Tiriti o Waitangi and strengthen multi authority and unique governance arrangements.
- d. **Affordability & Transparency:** Align funding with mandates; ensure fiscal accountability.
- e. **Enduring Design:** Reform must be future-fit and resilient.

We are of the view that the draft proposal will not uphold the above matters. Our concerns primarily revolve around:

- a. **Governance model:** Replacing elected regional councillors with CTBs could affect continuity of expertise and democratic mandate.
- b. **Representation:** reducing regional councillor involvement risk loss of the qualifications and experience they bring and impacting the input of rural communities and iwi under the proposal.
- c. **Timeframes:** The two-year deadline for reorganisation plans is challenging (under the current proposal) and places pressure on decision-making.
- d. **Treaty Obligations:** the proposal lacks clarity on how Treaty commitments will be upheld.
- e. **Asset Management:** the proposal is unclear about the transfer of regional assets and liabilities.

Possible solution: To resolve a number of the above concerns, we recommend the current CTB proposal be replaced with the following process:

- a. Retaining regional governance as the interim measure.

- b. During this time, territorial authorities and regional councils work together on a reorganisation plan. This could be done by a CTB made up of Mayors, Regional Council chair and potentially a commissioner.
- c. Territorial authorities and regional councils submit a proposal (or investigation request if assistance is required) to the local government commission, as per the current LGA process.
- d. The Local Government Commission ultimately approves the regional reorganisation plan.

Horizons recommends:

- Retaining existing regional governance arrangements for regional council functions and powers as the 'interim measure' during transition and utilise the experience of incumbent regional councillors to contribute to shaping the regional reorganisation plans alongside their territorial authorities.
- Strengthening iwi engagement and embed Treaty obligations in governance structures.
- Aligning timelines with Resource Management reforms for coherent implementation.
- Clarify CTB composition, voting rules, and commissioner roles.
- Use the existing, robust Local Government Act processes for local government reorganisation to ensure fairness and transparency.

Horizons Regional Council is committed to constructive engagement with central government and supports reform that strengthens local democracy, partnership with Māori, and service delivery. We also welcome system reform that enables efficiency, accountability and value for money. At present we do not believe the proposal will achieve this. Throughout this submission we have made recommendations and posed questions to support successful local government reform, while looking after the communities we are tasked with representing. We seek that the DIA addresses these concerns and answer the questions raised in this submission to ensure reforms are enduring, equitable, and effective.

We would welcome and readily participate in discussions with the DIA on the proposed solutions and recommendations presented in this submission. We would further welcome the opportunity to provide additional clarity or elaborate further if required.

Yours sincerely,

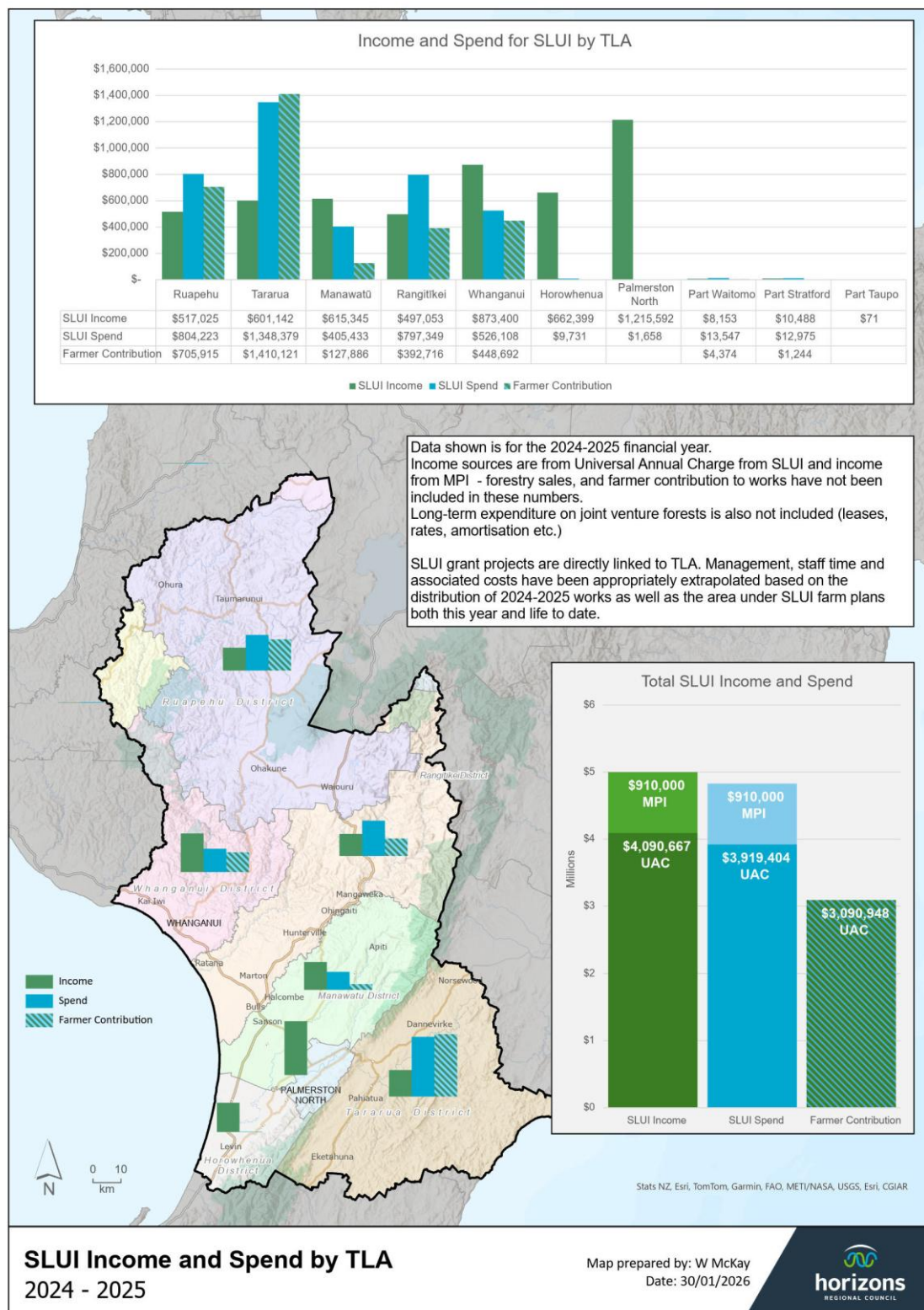


Nikki Riley, JP, BBS, MInstD
CHAIR

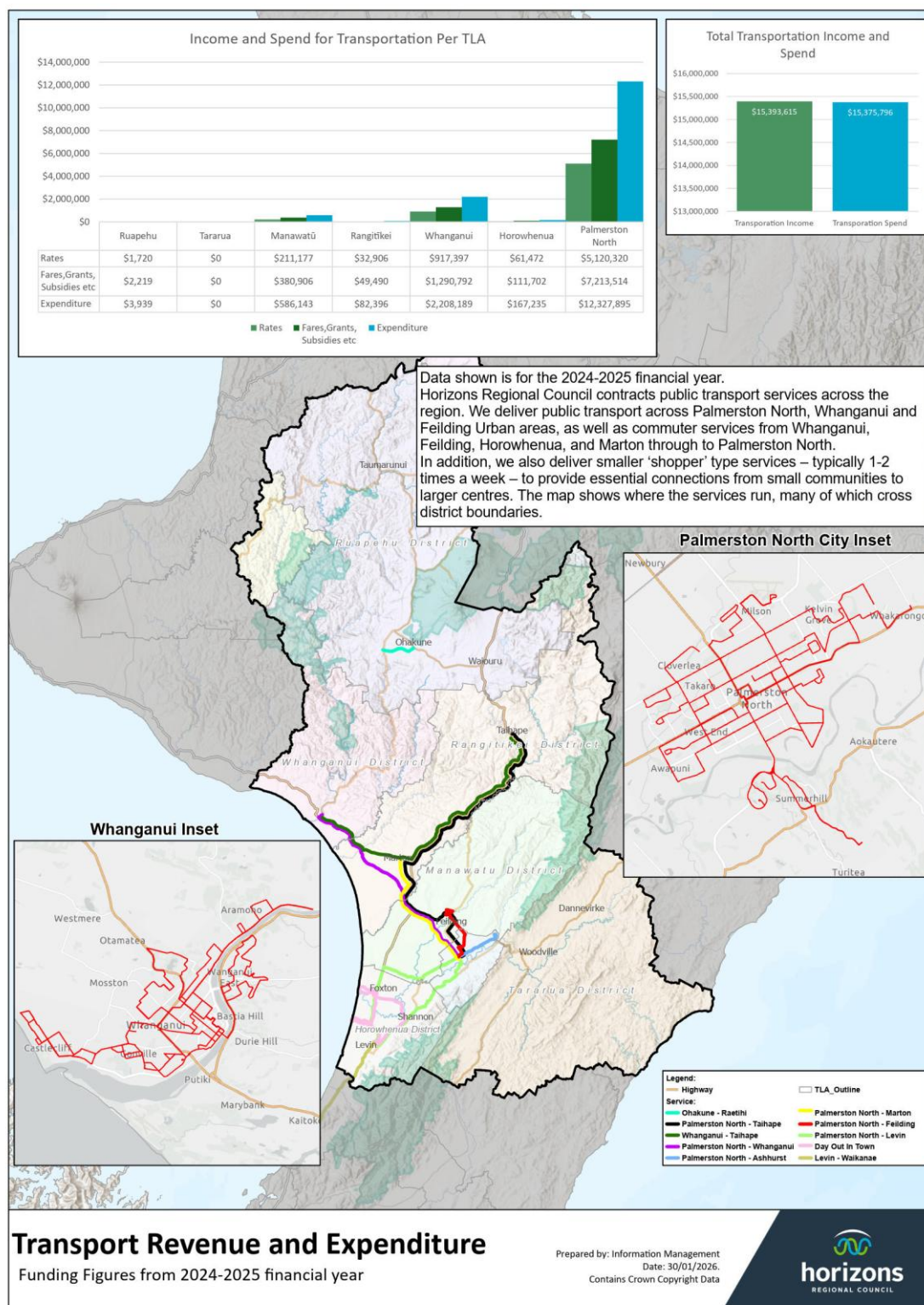
APPENDIX 1: HORIZONS REGIONAL MAPS – DISTRIBUTION OF UNIFORM ANNUAL CHARGES AND OTHER REGIONAL FUNDING ALLOCATIONS

The following pages provide a series of maps demonstrating how funding collected through rates and other funding sources is distributed in the Horizons Region. The maps highlight how funding is allocated to reflect the regional benefit everyone receives through this model. These maps are referred to in the section of this submission titled: 'The value of a regional perspective'.

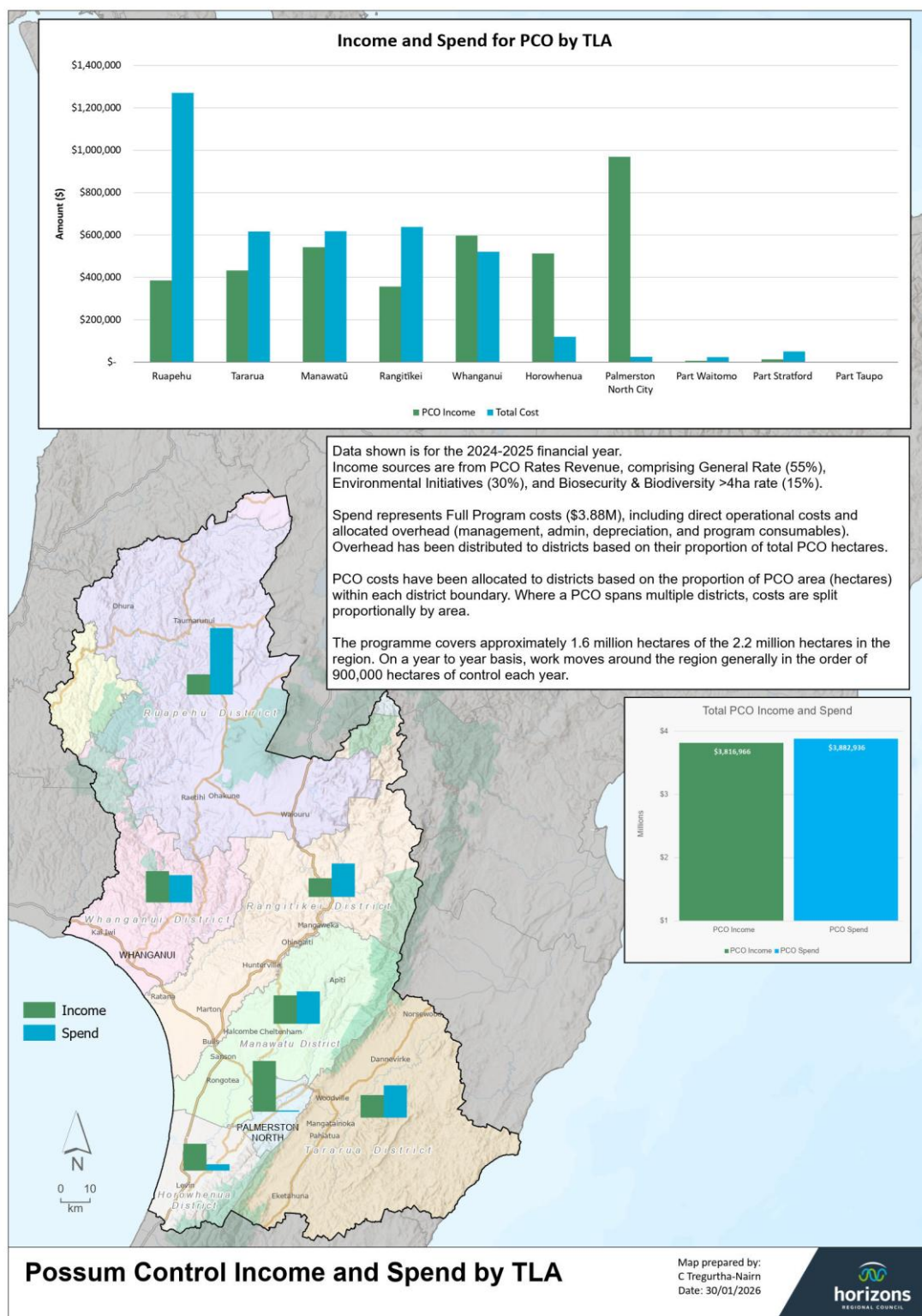
MAP 1: SUSTAINABLE LAND USE INITIATIVE



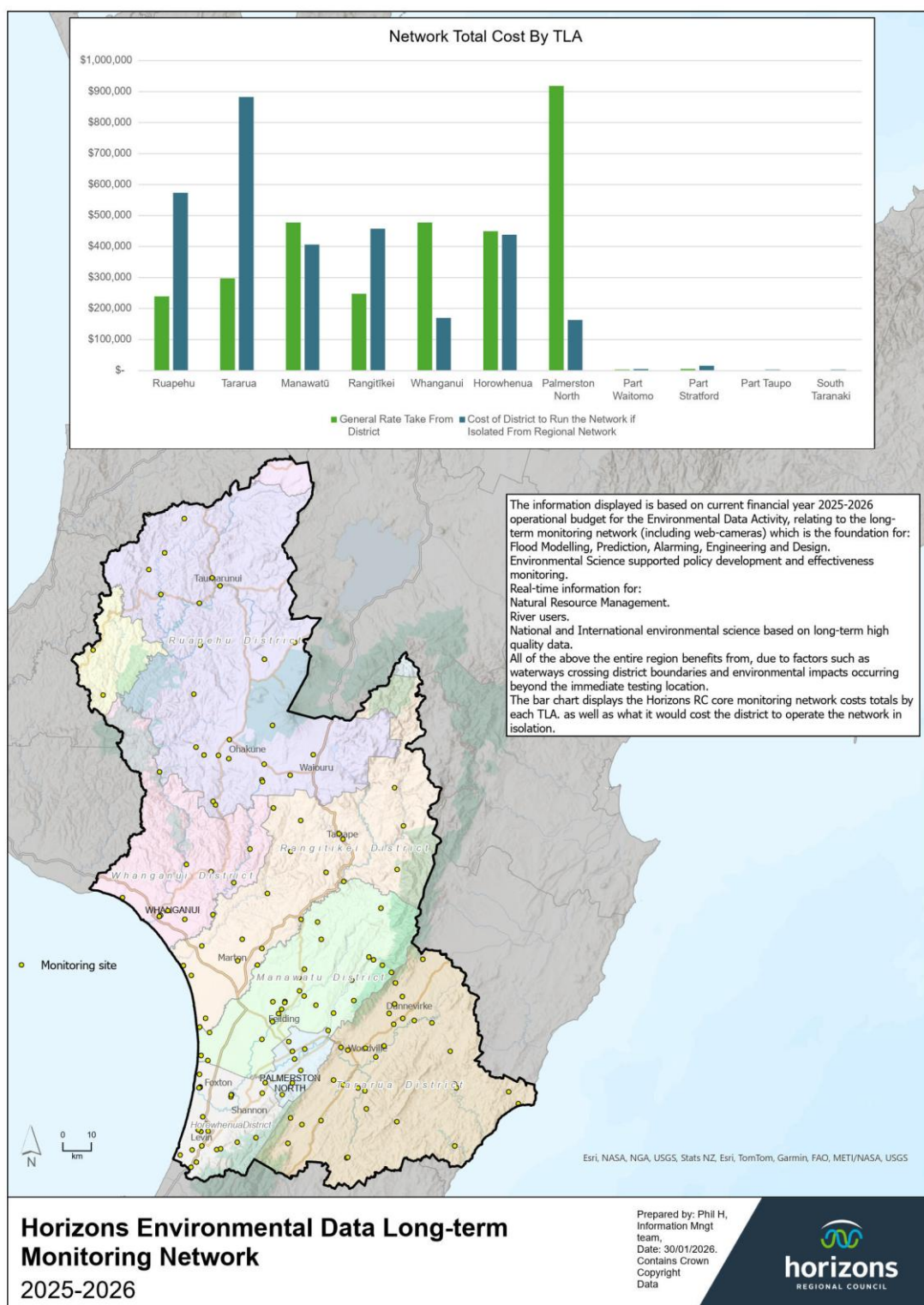
MAP 2: PUBLIC TRANSPORT



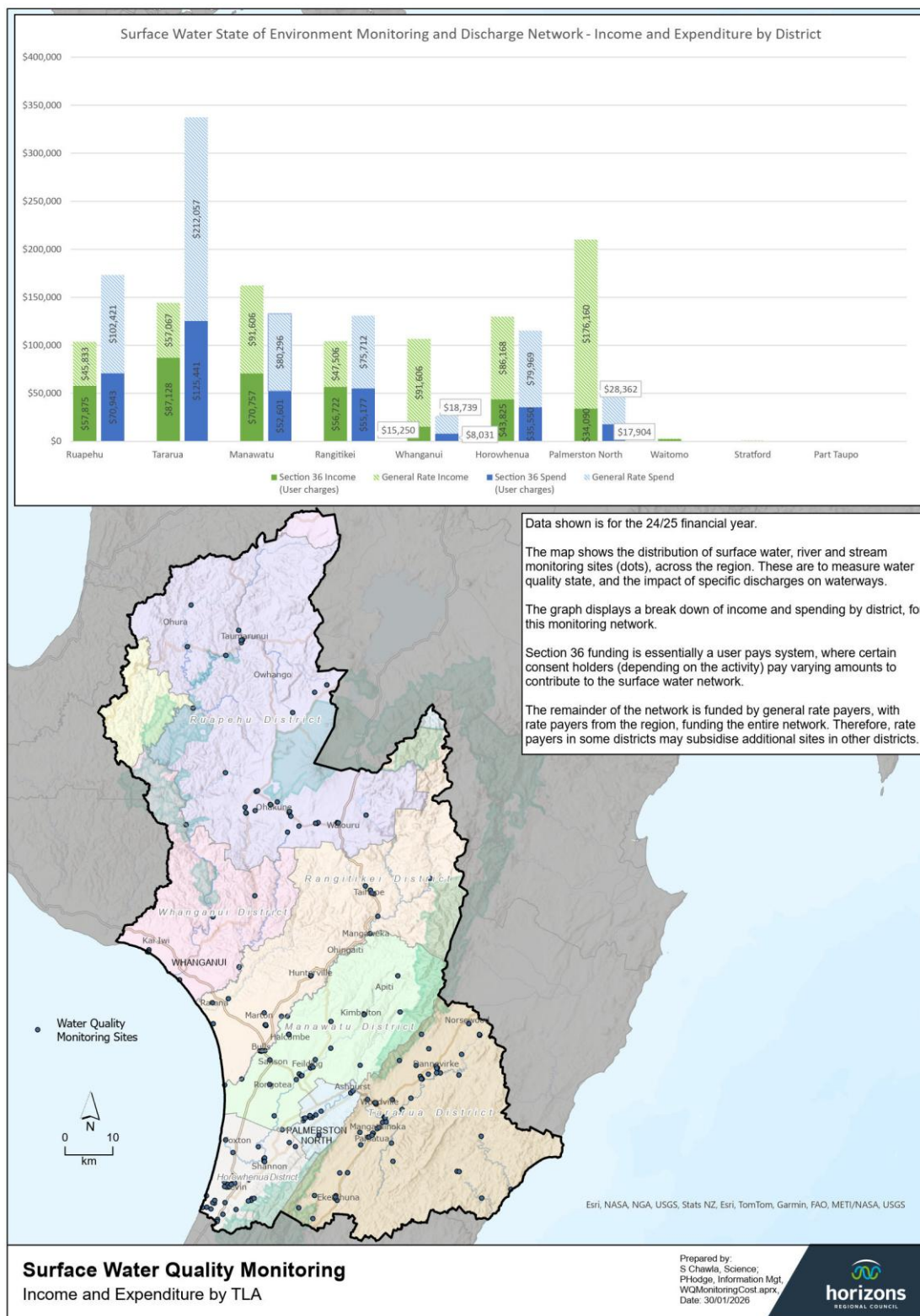
MAP 3: POSSUM CONTROL



MAP 4: ENVIRONMENTAL DATA



MAP 5: SURFACE WATER MONITORING



MAP 6: RIVER MANAGEMENT SCHEMES

