

Local Government Reform: Lessons & Opportunities for Aotearoa

Aotearoa is at a crossroads, and entering its most significant period of local government and resource management reform since 1989-1991. The Government's proposed changes, including abolishing regional councillors, shifting regional authority to Combined Territorial Boards (CTBs), capping rates, and replacing the RMA with new property rights centred legislation, represent a fundamental restructuring of how environmental management, local democracy, and Treaty partnership operate.

While reform is overdue, the current direction risks weakening environmental protections, diminishing local voice, and narrowing the Crown's interpretation of its Tiriti obligations. At the same time, international comparisons reveal clear opportunities for a more coherent, better-resourced, and partnership-based system.

Key Issues of the Reforms

1. Democratic Representation at Risk

- Replacing elected regional councillors with mayors on CTBs removes direct community representation.
- Expertise in catchment-scale and cross-boundary environmental management is likely to be lost.

2. Environmental Protections Weakened

- Reforms prioritise private property rights and deregulation.
- Regional environmental functions risk being deprioritised or absorbed into politically driven structures lacking specialist capability.

3. Te Tiriti Undermined

- No guaranteed role for iwi, hapū, or manawhenua in CTBs or regional reorganisation.
- Treaty responsibilities are reframed narrowly around settlements rather than partnership, rangatiratanga, or kaitiakitanga.

4. Centralisation Without Strategy

- Aotearoa's already highly centralised system is being further centralised without addressing structural fragmentation or funding constraints.

International Lessons for Aotearoa

Comparisons with countries of similar population and size, as well as those with comparable densities and governance traditions, geographical, ecological, cultural and historical features (e.g. Finland, Norway, Ireland, UK, Canada, Australia*) show that successful systems share four traits:

1. **Strong national environmental leadership** with a well-resourced EPA.
2. **Coherent regional government** with clear mandates for planning, environmental management, and economic development.
3. **Local delivery with adequate funding**, including diversified revenue tools.
4. **Catchment-based environmental governance** aligned with ecological boundaries.

New Zealand stands out internationally for its fragmented regional system, limited local revenue tools, and lack of constitutional protections for local or regional autonomy.

**See further information in Appendix A*

Opportunities for Aotearoa

There are several areas where reform could be constructive, based on international comparisons:

1. Strengthen Regional Government

- Consolidate into fewer, stronger regional authorities aligned with natural catchments, and focusing on environmental regulation (planning & permissions).
- Establish co-governed iwi–Crown–Community catchment bodies.
- Separate environmental regulation (regional) from service delivery (local).

2. Build National Environmental Capability

- Strengthen or rebuild the national EPA – with clear roles for setting standards and limits, as well as coordinated science, monitoring, reporting and enforcement.
- Consider creating/clarifying and re-focusing specialised agencies for water, biodiversity, marine management, and climate adaptation.

3. Improve Local Government Funding

- Share tax revenue more equitably with regions/districts, potentially through long term (10-20 year) funding agreements.
- Introduce new revenue tools (tourism levies, congestion charging).
- Return GST on rates to local authorities.

4. Embed Te Tiriti Across All Levels

- Guarantee manawhenua representation in regional and local governance.
- Use models such as ECan, Mana Whakahono a Rohe, and co-governance entities.
- Advocate for broader constitutional reform, including an Upper House with iwi representation.

Future Governance Options

Central Government

- Constitutional reform embedding Te Tiriti and/or considering an Upper House.
- Reassert central responsibility for national-scale functions (e.g. maritime, environmental monitoring).
- Legislate long-term regional/district funding agreements, especially those with high proportions of Crown-Conservation Land/tourism pressure/important infrastructure and low populations.

Regional Government

- Consider larger regions and align boundaries with ecological catchments and/or iwi takiwā.
- Empower and focus regional functions (alongside joint utility entities) on:
 - Resource management (planning & permissions); environmental management (biodiversity, biosecurity, natural hazards and CDEM); and Economic Development (regional tourism).
- Consider alternative structures including:
 - Regional Government Bodies with 50:50 elected/appointed membership including manawhenua; or
 - Regional Assemblies or Strategic Councils separating strategy from service delivery.

Local Government

- Refocus District/City Councils on local services (facilities / libraries / pools / parking / waste), and remove resource management functions.
- Consider “Community Councils” of 5,000–50,000 people for more responsive local democracy, and more proportional regional representation.

Shared Responsibilities

- Establish Crown–Iwi–Regional–Local utilities entities for transport, water, energy, and infrastructure.
- Strengthen coordination and/or local delivery of:
 - National-Regional-Local Parks
 - Conservation, Biodiversity and Biosecurity
 - Policing, Education and Health
 - CDEM (to remain shared but led regionally)
 - A unified system of local government support (Local Government Commission, LGNZ, Te Maruata, Taituara, Te Uru Kahika + some DIA)

Reform Principles

There are four suggested guiding principles for the reforms:

1. **Reform is needed and must occur across all levels of government.**
2. **Te Tiriti must be foundational, not peripheral.**
3. **Environmental management must be strong, science-based, and catchment-aligned.**
4. **Economic development must be sustainable, climate responsive, and not degrade te taiao.**

Practical Tactics for Initial Engagement

- Advocate for full expert-led reorganisation with guaranteed manawhenua and regional representation (or at least mana whenua and regional representation on CTBs, along with an independent chair).
 - Mayors were not elected for this, already have a job and lack the expertise in regional matters.
 - Regional Councillors have been recently elected and have relevant expertise and experience.
 - Re-organisation should be done by experts, and accompanied by critical analysis and research.
- Ensure central government funds the reorganisation process, and ensure public consultation and/or citizen assemblies are required on any reorganisation plans before they are finalised.
 - No Councils have budgeted for reorganisation, and cannot cancel programmes or raise rates to cover this.
 - Communities and citizens need to be involved and be consulted on these important reforms that affect them most.

Conclusion

Aotearoa is at a pivotal moment. The Government's reforms risk centralising power, weakening environmental protections, and sidelining Te Tiriti. Yet the international evidence and local opportunities point toward a different path—one that strengthens regional governance, embeds partnership, aligns environmental management with ecological realities, and ensures sustainable funding.

The challenge now is to advocate for a future system that is resilient, equitable, environmentally grounded, and genuinely reflective of Te Tiriti o Waitangi.

APPENDIX A: Comparable Countries + Arrangements

When looking at government structures that may work for Aotearoa it is important to look at how other comparable countries organise themselves, particularly in relation to local government and environmental management. Valuable lessons can be learnt and insights gained, particularly from countries with similar population and territory size. A good proxy for this is population density, with Aotearoa having approximately 20 people per km² (5.3m people / 270,000km² land).

Below is a list of countries that share a similar population density with Aotearoa, as well as those that have relative population and territory size. Of the countries listed, Norway and Finland also have similar urban populations, median ages and fertility rates (Source: <https://www.worldometers.info/world-population/population-by-country/>).

Country	Population 2025	Yearly Change	Net Change	Density (P/Km ²)	Area (Km ²)	Migrants (net)	Fert. Rate	Median Age	Urban Pop %	World Share
New Zealand	5,251,899	0.73%	37,955	20	263,310	17,403	1.65	37.7	83.60%	0.06%
Finland	5,623,329	0.11%	6,019	19	303,890	18,246	1.3	43.2	86.70%	0.07%
Norway	5,623,071	0.83%	46,411	15	365,268	29,798	1.42	39.8	85.90%	0.07%
Oman	5,494,691	4.04%	213,153	18	309,500	113,734	2.48	29.7	90.80%	0.07%
Congo	6,484,437	2.39%	151,476	19	341,500	-2,999	4.05	18.6	69.80%	0.08%
Paraguay	7,013,078	1.21%	83,925	18	397,300	-12,423	2.4	27	68%	0.09%

The following countries have similar populations, but smaller land mass/higher density:

Country	Population 2025	Yearly Change	Net Change	Density (P/Km ²)	Area (Km ²)	Migrants (net)	Fert. Rate	Median Age	Urban Pop %	World Share
Costa Rica	5,152,950	0.45%	23,040	101	51,060	1,000	1.31	35.2	85.20%	0.06%
Ireland	5,308,039	1.01%	53,022	77	68,890	35,417	1.6	39	62.10%	0.06%
Slovakia	5,474,881	-0.58%	-31,879	114	48,088	-31,377	1.57	42.3	54%	0.07%
Denmark	6,002,507	0.42%	25,095	141	42,430	22,103	1.52	41.3	87.40%	0.07%

The following countries have a similar land mass, but higher population and density:

Country	Population 2025	Yearly Change	Net Change	Density (P/Km ²)	Area (Km ²)	Migrants (net)	Fert. Rate	Median Age	Urban Pop %	World Share
United Kingdom	69,551,332	0.60%	413,140	287	241,930	389,911	1.54	40.1	84.50%	0.84%
Italy	59,146,260	-0.33%	-196,607	201	294,140	75,448	1.21	48.2	72%	0.72%
Poland	38,140,910	-1.03%	-398,291	125	306,230	-330,820	1.31	42.5	59.20%	0.46%
Germany	84,075,075	-0.56%	-477,167	241	348,560	-334,072	1.46	45.5	76.50%	1.02%
Japan	123,103,479	-0.52%	-649,562	338	364,555	140,579	1.23	49.8	93.10%	1.50%
Sweden	10,656,633	0.47%	49,634	26	410,340	47,079	1.44	40.3	87.40%	0.13%

The following countries share a common historical, cultural or ecological element:

Country	Population 2025	Yearly Change	Net Change	Density (P/Km ²)	Area (Km ²)	Migrants (net)	Fert. Rate	Median Age	Urban Pop %	World Share
Canada	40,126,723	0.97%	384,293	4	9,093,510	326,204	1.33	40.6	80.20%	0.49%
Australia	26,974,026	0.98%	260,821	4	7,682,300	137,109	1.64	38.3	86.50%	0.33%
French Polynesia	282,465	0.23%	658	77	3,660	-1,199	1.48	36.1	65.90%	0.00%
Madagascar	32,740,678	2.43%	775,722	56	581,795	-2,227	3.85	19.2	40.30%	0.40%

Across comparable countries, successful environmental management has four traits:

1. **Strong national environmental leadership:** With clear standards, strong regulators, and scientific agency. A central EPA that set standards, issue major permissions, enforce compliance, provide key science and coordinate with regional/local bodies.
2. **Coherent regional government:** Fewer, stronger regional bodies with clear mandates around environmental and spatial planning and permissions, catchment management, climate adaptation, biodiversity and biosecurity as well as economic development.
3. **Local delivery with adequate funding:** Local Councils or municipalities empowered to implement and deliver services, not regulate themselves. Environmental regulation (Regional) is clearly separated from local service delivery (Local). Regional and local government also have the ability to raise local income or property taxes, as well as charge service fees and get state grants.
4. **Integrated, catchment-based environmental management:** Water, biodiversity, and land managed at ecological, not political, scales. These are run regionally by catchment bodies, supported by strong national policy and science and implemented locally with strong community engagement.