

20 February 2026

Department of Internal Affairs, Te Tari Taiwhenua
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Wellington

simplifyinglocalgovernment@dia.govt.nz

Submission to consultation on *Simplifying Local Government*

1. Thank you for the opportunity to provide feedback on the draft proposal *Simplifying Local Government*.

Kāpiti Coast District Council submission: proposal on Simplifying Local Government

1. Council notes full support of the submissions made by Local Government New Zealand and Taituara on this proposal, and the concerns they respectively raise.
2. The Kāpiti Coast District expects high growth in housing and commercial development volumes over the next 30 years, given the strong pipeline that is now in place. We face an unprecedented pace of growth and high housing and infrastructure demand in the context of a high fixed-income population.¹ The escalated growth that our community is experiencing also comes with its own set of pressures, including enabling investment in housing, roading and infrastructure. As a Council we are:
 - 2.1. Focused, as a priority, on ensuring that the right services, and funding mechanisms are in place to support 'good growth' for our community, given our demographics and operating context.
 - 2.2. Supportive of the need to consider the ongoing functionality, service delivery and decision-making models for the system of government given the unprecedented scale and cost of the challenges we face as a country, that impact locally.
3. Further to this, local communities and local government are facing extraordinary challenges simultaneously – responding to extreme weather events and responding and adapting to the impacts of climate change, addressing cost of living pressures and investing in a long-tail of underinvestment in infrastructure. These are not challenges local government can, or should, solve alone. The escalated growth that our community is experiencing also comes with its own set of pressures, including enabling investment in housing, roading and infrastructure. In parallel, the local government sector is facing

¹ 27.2% of the Kāpiti district's population is 65-years or over (<https://regions.infometrics.co.nz/kapiti-coast-district/population/age-composition>).

an unprecedented simultaneous reform agenda. This agenda is coming at us piece by piece, which each 'piece' substantive in and of itself. Some of the policy shifts appear to lack a solid evidence base, and the solutions proffered not solving the right problems.

4. With this context in mind, our Council considers the current proposal to “simplify local government” not well thought out – it sets out a focused solution without a clear problem definition nor evidence of the benefit to communities and ratepayers from the proposed change. Amalgamation conversations distract from the real issue - the lack of funding and financing options available to local government, or the fair allocation and distribution of resources and costs across the system and between central and local government.
5. Despite this, we are open to exploring new and better ways of delivering functions local government is responsible for. The Wellington Mayoral Forum in December 2025 announced the intention of the Wellington Region’s councils to work together, with our communities, on options for amalgamation. We ask that these existing initiatives be supported, rather than replaced.
6. In summary, we propose:

6.1. Pausing the current proposal to instead consider:

Alternate approaches		Rationale
A	Partner with local government to review the “system of government” and its functions as a whole	<ul style="list-style-type: none"> • Form should follow function. An initial whole-of-system review of <i>all functions</i> should be undertaken to determine within which layer of government they should sit (central, regional, local), and how they should be sustainability funded going forward. • This review should include conversation with communities to create consensus and provide opportunity for local and central governments input into the way forward. • Evidence suggests that without this system level approach, complexity will simply shift, rather than disappear, with new layers of governance, roles and responsibilities sitting across a myriad of different entity forms around the country. • As part of this review, Council believes a look at ‘who pays’ for activities and services across available funding mechanisms should occur. Revenue sources to consider are: rates-funding, tax funding (via central government), private-funding (including development levies and financial contributions related to growth), and fees/user charges. • The review should include consideration of how collected tax revenue of around \$129.4 billion (FY 2025/26), and within this GST collected of around \$30 billion (FY 2025/26), could be ‘best used’ to ensure central and local service provision is: accessible, available, and affordable. • The review should consider how stronger MOUs or contractual arrangements between local and central government for services could enable stronger delivery locally, as is seen in the New South Wales jurisdiction.
B	Enable local authorities to consider potential reorganisation options, and ability to opt “in” or “out” of CTB’s	<ul style="list-style-type: none"> • Empowers local communities to opt ‘in or ‘out’ of options that best meet their evidenced community need. • Leverages the recent Water Service approach. • Avoids potentially significant transition costs, if pre-approval pathways for either: establishing Combined Territories Board (CTB); or enabling councils to opt out of their “default” CTB at the outset of the process and to design their own locally led process.

6.2. If the proposal continues, without pause, progress the following changes:

Request	Comment
<p>1 Underpin the Regional Reorganisation Plan (RRP) assessment criteria with an empirical evaluation that tests potential costs and savings of each reorganisation option considered against the status quo and over the short, medium and long-term.</p>	<ul style="list-style-type: none"> • The Government's key drivers for this reform proposal appear to include increasing the efficiency and effectiveness of the sector, through amalgamation. There is strong evidence to demonstrate that neither of these outcomes are a given². • Several studies have shown that the local government system is already more centralised than most other countries we compare ourselves to, and that increasing the size/scale of local government authorities does not automatically translate into cost savings (and can result in diseconomies). The spread of a district and the size of its population within the district are greater determinants of cost than the size of the authority itself.
<p>2 Confirm that this proposal does not include revisiting Local Water Done Well decisions.</p>	<ul style="list-style-type: none"> • Revisiting Local Water Done Well decisions would create a considerable degree of 'waste' for council and communities.
<p>3 Reduce the potential disruption and delays, as a result of the 2028 local body elections (given they will occur mid-RRP process), by requiring any local community engagement on RRP's to occur prior to the election period.</p>	<ul style="list-style-type: none"> • If amalgamation is the outcome sought, the Government should be explicit about expectations. Otherwise, local authorities will expend resources working together for two years and propose different permutations that may not meet the desired outcome. As a result, two things may happen. The Government may step in and force the outcome it seeks, or, there will be limited change. Either way, this prolongs uncertainty and disruption and diverts resources from other necessary and critical work. • Require councils to submit a proposal for approval that sets out whom they will work with on RRP's and why. Or, an alternative approach could be that councils are enabled by the legislation to opt out of their "default" CTB and opt in to another CTB, or similar locally led arrangement, at the outset of the RRP process (for the development of RRP's only). This would avoid councils like ours potentially working within two or more bureaucratic and costly processes for over two years, and where the end result may or may not meet the Government's or community expectations.
<p>4 Confirm that this proposal does not include revisiting Local Water Done Well decisions.</p>	<ul style="list-style-type: none"> • Revisiting Local Water Done Well decisions would create a considerable degree of 'waste' for council and communities.
<p>5 Reduce or change the requirements for a public facing Long-Term Plan for the 2027-2037 and 2030-2040 periods while RRP's are being developed.</p>	<ul style="list-style-type: none"> • This will mean councils do not have to prepare speculative LTP's and enable this capacity and resourcing to support analysis of information for RRP's instead.

² Following amalgamation of the councils in Auckland, Auckland Council's (AC) governance system became internally more complex, not less, with new layers of governance appearing (AC, Local Boards and CCOs). Reports suggest this created the same confusion as exists today about who decides what and public understanding of accountability remains weak. Amalgamation has not resulted in ongoing improvements in voter turnout.

Request	Comment
<p>6 Protect local decision-making by assigning sub-regional decision-making bodies with defined powers and delegated budgets for local services.</p>	<ul style="list-style-type: none"> • Should amalgamation proceed, as proposed, there is a risk that greater centralisation of decision-making dilutes community level autonomy. This played out in the Auckland amalgamation, with reports highlighting that its local Boards consistently assessed as having less influence than intended, constrained by limited financial and decision-making autonomy.³ The risk of marginalising smaller or less populous communities is significant and ultimately plays a key role in communities deciding against structural or governance change. • Ensure that local government elected members and their communities to have a say in how we will organisation our functions. • Require councils to submit a proposal for approval that sets out whom they will work with on RRP's and why. Or, an alternative approach could be that councils are enabled by the legislation to opt out of their "default" CTB and opt in to another CTB, or similar locally led arrangement, at the outset of the RRP process (for the development of RRP's only). This would avoid councils like ours potentially working within two or more bureaucratic and costly processes for over two years, and where the end result may or may not meet the Government's or community expectations.
<p>7 Clarify decision pathways and funding for the costs of developing and implementing RRP's or excluding these costs from any rates target.</p>	<ul style="list-style-type: none"> • The development of RRP's, as well as the restructure, integration and newly created coordination costs (within governance layers and between new entities) will be significant. If not done well, any mooted efficiency gains will be lost. Perversely, the proposal to cap rates within a 2% to 4% range will place significant structural change out of reach. It will make substantive change, and high-quality implementation of the changes, unaffordable. • Council would like the Government to recognise the cost impost of the reform agenda, in an environment of significant financial constraints on local government. We submit that costs associated with the development and implementation of RRP's be funded by the Government and not by ratepayers. If this isn't an option, the costs of developing and implementing RRP's be excluded from any rates target range. • The uncertainty and cost of this proposal will be exacerbated for a council such as ours. While we sit within the Greater Wellington CTB to run the Greater Wellington Regional Council and to develop an RRP, given our geographical situation, we may also want to work with the neighbouring Manawatū-Whanganui CTB on structural or non-structural arrangements. The potential of dual discussions and processes will require a significant investment of both time and money from Council, not to mention the capacity of the Mayor to participate in multiple processes.

³ https://thepolicyobservatory.aut.ac.nz/_data/assets/pdf_file/0017/69020/Governance-of-Auckland-5-years-On-Full-report.pdf (AUT Policy Observatory, 2015)

Request	Comment
8 Providing clarity on the mandate, power and accountability of Mayors sitting on CTBs for RRP.	<ul style="list-style-type: none"> • Mayors (or delegates) will be wearing two hats simultaneously – as a replacement regional councillor making ‘independent’ decisions in the best interests of the region, and at the same time, making ‘representative’ decisions for constituents in the development of RRP. • Mayors take an oath to act in the best interests of their communities. Notwithstanding the significant constraints on Mayors to undertake this dual role, the competing tensions between the opposing roles risks creating confusion, conflict and disruption.
9 Enable CTBs to invite Iwi to participate in the RRP process, as appropriate and where relevant.	<ul style="list-style-type: none"> • It is not clear from the proposal the role of Iwi participation in the development of RRP. • While RRP will be required to uphold Treaty settlements, Iwi interest in council activity and decisions generally goes well beyond Treaty settlements and include impacts on lands, water, land zoning and infrastructure. • The relationship between councils and Iwi is crucial for ensuring good development, growth and social inclusion in a community.

7. Finally, with respect to:

7.1. Consultation requirements: Council **agrees** with LGNZ’s submission, that it may be more useful for consultation with communities, Iwi/Māori and regional stakeholders on the draft reorganisation plan rather than after it has already been drafted. This will elicit strong buy-in from communities to the changes proposed.

7.2. Representation: Council **does not** support having Crown representation on the CTB with any voting capacity.

8. We welcome continued engagement with officials as the policy and regulatory settings for this reform proposal progress.

Yours sincerely



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Kāpiti Coast District Council



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