

Infrastructure New Zealand's Submission on Simplifying Local Government Draft Proposal

1. About Infrastructure New Zealand

- 1.1 Infrastructure New Zealand (INZ) welcomes this opportunity to provide feedback to the Department of Internal Affairs on the Simplifying Local Government Draft Proposal.
- 1.2 INZ is Aotearoa's peak membership organisation for the infrastructure sector. We promote best practice in national infrastructure development through research, advocacy, and public and private sector collaboration. Our membership is comprised of around 150 organisations, including government agencies, consultants, contractors, financiers, utilities, and academics. These organisations employ approximately 150,000 people in infrastructure-related roles and are united in their commitment to creating a better New Zealand through outstanding infrastructure.
- 1.3 This submission represents the views of INZ as a collective whole and may not necessarily represent the views of individual member organisations. We have encouraged members to provide their own submissions to raise issues specific to their expertise and areas of interest.

2. General Comments

- 2.1 INZ supports the overarching objectives of the proposal to make local government simpler, clearer, and more cost-effective for New Zealanders, addressing the complexity, duplication and confusion in governance arrangements.
- 2.2 Current local government models create uncertainty, inefficiency, and often misalignment in decision-making, a significant issue in the delivery of infrastructure projects. Multiple consent processes and differing regulatory approaches across councils slows infrastructure down at every stage.
- 2.3 INZ recognises that the simplification of governance structures has the potential to reduce these barriers and improve outcomes for communities.
- 2.4 INZ acknowledges the proposal's intent to establish Combined Territories Boards (CTBs) and regional reorganisation plans that look to foster collaboration between councils. For the infrastructure sector, this more coordinated governance model could reduce transaction costs, duplication and delays, provided implementation is clear and predictable.

3. Considerations and Recommendations

- 3.1 INZ considers that the success of local government simplification will ultimately be judged by whether it improves certainty and capability in infrastructure decision-making. Infrastructure requires

long-term planning horizons, and simplification should therefore support councils to be better clients, able to plan, procure and deliver the right assets at the right time, and to the right standard.

- 3.2 Many councils and regional bodies already possess significant technical expertise and delivery experience. Reform should prioritise using and strengthening these existing institutions and avoid creating new layers of governance in delivery structures. CTBs should focus on coordination and standard-setting rather than duplicating established delivery capability. INZ recommends that simplification efforts utilise existing institutions wherever possible.
- 3.3 Functions such as climate change response, adaptation planning, and environmental management would benefit from greater national consistency. Fragmented regional approaches increase cost and uncertainty for infrastructure providers. INZ urges that frameworks should be nationally coordinated where appropriate, enabling greater consistency and more efficiency in the delivery of infrastructure.
- 3.4 INZ recognises the additional pressure placed on local governing bodies to design and implement new governance arrangements and regional reorganisation plans. Reform risks overwhelming councils if not adequately supported, with the risk that reform costs may also fall unevenly across the nation. INZ recommends that central government consider appropriate financial support during the transition period and avoid unfunded mandates on councils.

4. Conclusion

- 4.1 INZ supports the intent of the Simplifying Local Government draft proposal and agrees that reducing duplication, complexity, and confusion in local governance is necessary to improve outcomes for communities.
- 4.2 INZ emphasises that certainty, clarity of roles, and infrastructure-enabling governance structures should be at the heart of the final model. This includes clear operational pathways, defined timelines, and alignment with national infrastructure priorities.
- 4.3 Simplification must enable councils to act as confident and capable clients, support long-term planning, and reduce unnecessary variation, supporting local government to deliver infrastructure smarter, faster, and better.
- 4.4 INZ encourages the final reforms to build on existing institutional capability, promote nationally consistent frameworks where appropriate, and provide adequate transition to support councils, including financial supports.
- 4.5 Done well, simplification has the potential to materially improve the delivery of infrastructure across Aotearoa New Zealand. INZ looks forward to continuing to engage with the Department of Internal Affairs as the proposals are refined and implemented.