

Submission

By

**THE
NEW ZEALAND
INITIATIVE**

To the

Governance and Administration Committee

on the

Better Regional Boundaries Bill

24 June 2026

Prepared by:
Nick Clark, Senior Fellow

The New Zealand Initiative
PO Box 10147
Wellington 6143
nick.clark@nzinitiative.org.nz

SUBMISSION BY THE NEW ZEALAND INITIATIVE ON THE BETTER REGIONAL BOUNDARIES BILL

1. INTRODUCTION

- 1.1 The New Zealand Initiative welcomes the opportunity to submit on the Better Regional Boundaries Bill.
- 1.2 The Initiative is a Wellington based think tank supported primarily by major New Zealand businesses. In combination, our members employ more than 150,000 people. We undertake research that contributes to the development of sound public policies in New Zealand, and we advocate for the creation of a competitive, open and dynamic economy, as well as a free, prosperous, fair and cohesive society.
- 1.3 An effective public sector and a healthy relationship between central and local government matter to our members and to the communities in which they operate. The views expressed in this submission are those of the author rather than those of the New Zealand Initiative's members.
- 1.4 The Initiative has long argued that New Zealand is unusually centralised and that citizens and communities are better served when government is organised around the places it serves. Our work on localism has made the case for clearer responsibilities, stronger local accountability and a more responsive public sector.
- 1.5 Tim Costley's Members' Bill identifies a real problem, which were well canvassed in the First Reading debate and highlighted in section 2 below. However, the Bill also has some problems, which are set out in section 3.
- 1.6 Section 4 notes that much of what the Bill seeks could be achieved administratively by directions from Ministers or Cabinet or from guidance issued by the Public Service Commissioner, rather than by statute. The Initiative submits that the Committee should make a strong recommendation in its report to that effect and request the government to report back with its response.
- 1.7 However, if the Committee prefers a statutory approach, several changes to the Bill would be necessary. These are also discussed in section 4.

2. THE PROBLEM THE BILL IDENTIFIES

- 2.1 Central government agencies divide the country into administrative areas that often differ from one another and from council boundaries. For people who live near a boundary, the result can be confusing, costly and occasionally harmful.
- 2.2 The examples raised in the first reading debate illustrate the problem. An Otaki resident seeking social housing is sent to the Ministry of Social Development office in Levin while Kainga Ora operates out of Porirua, and a leukaemia patient cannot rely on an ambulance to reach the Wellington hospital that treats him because the ambulance boundary delivers him to Palmerston North. Fragmented geographies raise access costs for citizens, impose coordination costs on councils, schools and community organisations

that must deal with several overlapping agencies, and blur accountability for outcomes in a place.

- 2.3 The problem is not confined to rural New Zealand. Urban residents are also assigned to regional constructs that bear little relation to where they live or to which office serves them.

3. THE PROBLEMS WITH THE BILL

- 3.1 The Bill is at once too weak, too strong and too narrow.
- 3.2 It is too weak to compel change. Clause 11 states that the Act confers no enforceable right or obligation and nothing in the Bill resolves a disagreement between two agencies about where a boundary should fall. The Bill also leaves the central question unanswered. It points agencies at both territorial authority districts and regional council regions, which do not nest, without saying which is the building block. Taupo district, which straddles several regions, illustrates the difficulty.
- 3.3 It is too strong if taken seriously. A general duty to align could push agencies to redraw operational structures that are currently built around the way they deliver a service, such as environmental management organised around catchments, hospital services around referral networks and emergency response around demand. Reorganising those structures across most of the state could be expensive, and in the absence of a Regulatory Impact Statement, the Bill is silent on the cost. Parliament should understand the scale of the problem, and the likely cost of fixing it, before mandating change.
- 3.4 It is too narrow to reach some of the problem and unclear how far it reaches the rest. The duty binds public service departments and Crown agents. It does not directly bind the charities, trusts and private providers that deliver many frontline services, nor autonomous and independent Crown entities, and clause 5 excludes any boundary that is fixed in legislation. Contracted services are a harder case. Ambulance services are delivered by Hato Hone St John and Wellington Free Ambulance, which are charitable trusts, but they are commissioned by Health New Zealand and ACC, both of which are relevant agencies. The misalignment Mr Costley described may be reachable, not through the providers, but through the procurement and contracting areas that the commissioning agencies define. The Bill does not say whether it is. It should state expressly whether the duty to align extends to the commissioning, procurement and contracting geographies that relevant agencies use, because much of the frontline that citizens encounter is delivered that way.
- 3.5 Significantly, the Bill also anchors agencies to the local government map at the very moment that map is being redrawn. The Government's 'Head Start' local government reforms will change regional and territorial boundaries over the coming years. Although the Bill contains a five-year transition period, it risks locking agencies onto a moving target.
- 3.6 Underlying all of this is a point the committee should keep in view. Aligning the boundaries of central agencies to council areas is administrative tidying within a centralised system. Tidy lines on a map do not by themselves move power or improve outcomes. The international experience bears this out. France has near complete alignment between its

state field services and its departments (i.e., regions) and remains highly centralised. England has pursued coterminosity¹ in health and local government for many years, and the measurable benefits remain modest. The United States set standard federal regions in 1974 and rescinded them in 1995 after they changed little in practice. Alignment is worth having, but mainly as a platform for genuine devolution rather than as an end in itself.

4. A BETTER APPROACH

- 4.1 Much of what the Bill seeks could be achieved without legislation. Ministers or Cabinet could direct agencies to align, or the Public Service Commissioner could issue guidance. Either route would be cheaper and more flexible than a statute, and it is the route most comparable countries have used.
- 4.2 If Parliament does legislate, the most useful single change would be to replace the blanket duty with a rebuttable presumption of alignment. Agencies would be required to use coterminous boundaries unless they could document a good reason not to, weighing accessibility for the public, coordination between agencies, the functional geography of the service, transition cost and the effect on local accountability. A presumption bends with the service rather than breaking it.
- 4.3 The Bill should require the Public Service Commissioner to maintain a public register and map showing each agency's areas, where they align, where they depart and why, so that the reform is measurable even where exceptions stand.
- 4.4 The presumption should apply to services that the public must navigate, not to agencies whose work is organised around the land rather than around people. The Department of Conservation is the clearest example. Its 15 regional conservancies follow ecosystems, catchments and biodiversity, not where people live, and no member of the public is disadvantaged because they do not match a council boundary. Some of them not aligned to regional council boundaries (e.g., its Taranaki-Whanganui region includes a large part of Manawatu-Whanganui regional council while its Nelson-Marlborough region encompasses three unitary councils). Agencies of this kind should be exempt from the default, so that the reform concentrates effort where citizens deal with government.
- 4.5 The definition of relevant agency should be tested against the problem. Much of the frontline that citizens encounter is delivered by contracted or non-Crown providers, and the Bill should state expressly whether the duty to align extends to the commissioning, procurement and contracting areas that relevant agencies use, not only to their own office boundaries. Where a service is delivered by such providers, the responsible Crown agency should be expected to secure alignment, or sensible interface arrangements, through its commissioning and contracts.
- 4.6 Finally, the exercise should be tied to the devolution agenda. Aligned boundaries are most valuable as the geography on which regional deals, pooled funding and the transfer of functions to local government can be built. Treated that way, the Bill could become a

¹ The term "coterminous" refers to having the same or coincident boundaries. It can also mean having the same meaning or definition. In a legal context, it often indicates that two periods, agreements, or responsibilities begin and end at the same time or have an identical scope of meaning or application.

useful foundation. Treated as an end in itself, it would be effort spent on the map while the country stays as centralised as before.

5. RECOMMENDATIONS

- 5.1 The New Zealand Initiative recommends that the Committee **consider whether the Bill's objective is better achieved administratively**, by Cabinet direction or Commissioner guidance, rather than by statute. If so, it should make a strong recommendation in its report to that effect and request the government to report back with its response.
- 5.2 Notwithstanding its primary recommendation, the Initiative recommends that if the Bill is considered necessary, the Committee should:
1. **Exempt agencies that do not deal directly with the public**, such as the Department of Conservation, whose operational boundaries reflect function rather than population and depart from council lines for good reason.
 2. **Replace the blanket duty in clause 8 with a rebuttable presumption of alignment**, requiring coterminous boundaries unless an agency documents a justified exception against stated criteria.
 3. **Name a default territorial building block**, most naturally the territorial authority district for citizen facing services, while allowing regional or grouped areas where the service genuinely requires them.
 4. **Seek a baseline inventory and a cost estimate** of current agency boundaries before any alignment is mandated.
 5. **Require a public register and map of agency boundaries**, alignments and justified exceptions, maintained by the Public Service Commissioner.
 6. **Test the definition of 'relevant agency'** against the services behind the Bill's own examples and state expressly whether the duty to align extends to the commissioning, procurement and contracting areas that relevant agencies use, since much of the frontline is delivered by contracted and non-Crown providers.

ENDS