

Submission from New Zealand Minerals Council to the Department of Internal Affairs on Local Government Simplification

February 2026

Introduction

1. New Zealand Minerals Council is the industry association representing the New Zealand minerals and mining sector. Our membership is comprised of mining companies, explorers, researchers, service providers, and support companies.
2. We welcome this opportunity to make comment on the Government's proposal to [simplify local government](#), and in particular the proposal document [Simplifying Local Government – A draft proposal](#) (the document).
3. The issue is important to the mining sector for two principal reasons. Firstly, miners are among the highest paying ratepayers in the districts they operate in, and so well-run councils are important¹.
4. Secondly, mining companies' ability to operate is hugely dependent on council functions – in particular district plans and policies and resource consents.
5. The impending replacement of the Resource Management Act has presented the opportunity to make this reset, and we have [submitted](#) on the before Parliament.

General comments

6. The purpose of this reform is to bring about the abolition of regional councillors and to provide a steppingstone to even more comprehensive council reform including possible amalgamations.
7. We agree local government reform has the potential to improve the way councils function and operate in many regions which will deliver more efficient services, greater accountability, and better use of rates. This will in turn enable better performance of the mining sector.
8. As elaborated below, every part of the country has distinct features and therefore, it is important that new structures are fit for purpose and are right for the regions concerned.
9. We generally support removal of one of the layers of local government and recognise there will be merit in council amalgamations in many parts of the country.

¹ Coal miners contribute 9.9% of Buller District Council's general rate take. In Hauraki, miners pay 75 times as much per dollar of capital value than other industrial ratepayers.

Combined Territories Boards

10. We support the proposed creation of Combined Territories Boards (CTBs) i.e. the mayors of the cities and districts within each region will take over the roles and obligations of regional councils.
11. The CTBs are likely to be in place for a limited period, depending on the outcome of the reorganisation plans for each region. But the single Combined Plans for each region – which are part of the new resource management laws – will be the responsibility of the CTBs.
12. We note that under this arrangement the regional council officers' functions and duties will continue i.e. it is just the councillors who are being replaced, not the councils.
13. One consequence of this is that the workload of council mayors will increase.
14. A risk that must be managed from the proposals is the need to avoid council officer capture of overworked mayors. Already officer capture is an issue in local government where elected members lack the technical knowledge to make informed decisions and council officers are able to dominate/capture the elected councillors, sometimes with agendas that may conflict with what councillors were elected to do. There is a risk this will increase with fewer elected members.

Structure of CTBs / Crown Commissioners

15. We broadly support the CTB structure as proposed with each mayor having a set number of votes based on population and adjusted to ensure smaller communities receive effective representation.
16. On the question of whether Crown Commissioners should be appointed, one benefit from this is that they would help ease the workload of mayors with their new regional councillor functions and potentially alleviate the issue of council officer capture as referred to earlier.
17. However, we think it is important to maintain local democracy and so careful consideration will need to be given to the power of the commissioners, including whether they are given veto power or a majority vote.

Regional Reorganisation Plans

18. The CTBs will be required to develop Regional Reorganisation Plans (RRPs) for the councils in each region. This is where the real rationalisation of local government in their respective areas will come from.
19. There are a range of new local government arrangements that the CTBs could come up with for their regions including amalgamation of some or all district and city councils in the region, shared services, council-controlled organisations (CCOs) and the abolition of regional councils (as opposed to just the councillors) which would result in the creation of unitary authorities.

Benefits of amalgamation / restructure

20. Amalgamation of councils (district and regional) will likely be proposed in many parts of the country but not necessarily all.
21. The New Zealand Minerals Council does not have definitive views on local government structure, but we reserve the right to comment at the point when individual RRP are being developed for each region.
22. In the meantime, we make these general comments on how reorganisation could impact communities and the mining sector in particular.

23. Efficiency gains from reduced overheads and economies of scale brought about by amalgamation should result in lower rates. Given the high council rates some miners currently pay, this is very important.
24. Amalgamation should also result in better aligned and better-quality decision making. It would also enable the creation of a one-stop shop, providing a single set of rules making it easier for miners who operate across the wider region.
25. We see merit in a single layer of local government which would reduce duplication as the work of regional and district councils often overlap. There is now less of a need for a separate regional council given the upcoming resource management reforms mean future planning will be at the regional level.
26. The features of the upcoming resource management reform such as fewer plans and fewer consents mean regional councils will have a reduced role in the new planning system and so strengthen the case for change.
27. A single combined (resource management) plan across a region makes it easier for miners to understand and conform to the rules. However, for there to be real benefit in these reforms, it will be important that the best features of existing district plans are adopted in the combined plans. There are some risks they won't which means local input from industry and the public in formulating the plans will be important.

Impacts on mining regions

28. The three most important mining local government regions are West Coast, Otago and Waikato. There is likely to be grounds for rationalisation in these regions which would impact mining and so we will be watching developments in these most closely.
29. In the West Coast, for example, all three councils have small populations, and amalgamation would produce efficiency gains from reduced overheads and economies of scale. On the other hand, it is a large geographical area for a small number of councils.
30. The unitary authority model (i.e. a territorial authority that also has the duties of a regional council) has been proven to work well in the areas that have them.

Mechanism to achieve this reform

31. Allowing the RRP to be devised at the grass roots level by the CTBs is a sensible mechanism to achieve council reorganisation.
32. It ensures that local people who know their regions best are heard / in control and that newly created structures are fit for purpose recognising that the optimal shape of local government structure for each region will differ depending on things such as geography, population density, urban rural mix, industrial profile existing make up, etc.
33. While we support the locally driven reorganisation plans, it would be necessary to have some central government involvement as well. We support the government review of regional council roles and functions which the document says is to be completed before CTBs are established.
34. We ask that industry and other interested parties be consulted in this review. The mining sector will want to give its views on reorganisation in the regions the sector operates in.