

Wairoa District Council - Submission on Local Government Reform

Executive Summary

This submission sets out Wairoa District Council's clear position on the Government's draft proposals for local government reform: reform will succeed only if it delivers genuine localism in practice, not merely structural change.

Wairoa District Council strongly supports the Government's stated objectives of strengthening local democracy, improving accountability, and reducing the distance between decision-making and community impact. However, as currently framed, the draft proposals – particularly the removal of regional councils and the transfer of functions to a Combined Territories Board (CTB) – risk centralising operational authority away from the communities most affected by land, river, and catchment decisions. For districts like Wairoa, this would represent a step backwards.

Wairoa is a high production, low population district carrying nationally significant responsibilities across forestry, pastoral farming, Māori-led horticulture, water management, river control, and rural transport resilience. The benefits of this production are regional or national, while the environmental, infrastructure, and resilience costs are borne locally. Governance and funding models that weight influence primarily by population systematically undervalue districts where costs scale with land area, water dependency, and freight intensity rather than resident numbers.

The draft reform model fails to adequately distinguish between:

- Strategic regional functions, such as setting limits, policy direction, data, and monitoring; and
- Operational, time-critical, place-based functions, such as catchment management, river control, gravel extraction, river mouth management, and pest control.

For Wairoa, these operational decisions are already informed by local knowledge and relationships and require rapid response. Regionalised governance has repeatedly proven too slow and too distant, with recent severe weather events demonstrating the real-world consequences of delayed or unclear authority.

Wairoa District Council's position is grounded in a simple principle: functions should be exercised at the lowest effective level, within clear national policy direction and regional environmental limits. Localism does not mean deregulation. It means aligning decision-making authority, accountability, funding, and outcomes at the scale where impacts are felt and responsibility can be clearly assigned.

This submission:

- Identifies structural risks in the CTB model for smaller, rural, high production districts.
- Demonstrates why population-based governance and funding models are misaligned with Wairoa’s real cost drivers.
- Proposes a subsidiarity-based framework for allocating functions; and
- Sets out a practical, fiscally realistic pathway for devolving operational land and river management to Wairoa District Council, while retaining regional coordination, limits, and monitoring.

Wairoa is not seeking special treatment. Wairoa is a test case. If reform cannot strengthen local democracy, improve responsiveness, and deliver better outcomes in a district carrying national economic responsibilities with a small rating base, then it cannot credibly be described as localist reform. Getting Wairoa right will improve the system.

Wairoa District Council considers it essential to lodge a submission distinct from those of other Hawke’s Bay councils. A single regional position would risk masking material differences in scale, need, and impact. Reform outcomes must be genuinely local, equitable, and effective—not merely administratively convenient.

Wairoa District Council shares the commitment of all Hawke’s Bay Councils to work together using mechanisms such as shared services, joint committees, and collaborations to ensure that services in Wairoa district are delivered effectively and efficiently. Wairoa District Council also considers that there may be areas where alignment with other local authorities outside of the Hawke’s Bay region may better serve its communities. Local Government reform should ensure that flexibility exists to engage within the sector more widely, as opposed to being limited to a regionalised approach, where one size is expected to fit all.

Wairoa’s Distinct Context

Wairoa is geographically, economically, and socially distinct from the remainder of the Hawke’s Bay region. Its isolation, substantially discrete catchments, and materially different development challenges mean that governance arrangements suited to Napier City, Hastings District or Central Hawke’s Bay District do not necessarily serve Wairoa’s interests.

There is significantly greater commonality of interest between Napier City, Hastings District and Central Hawke’s Bay District than between any of those councils and Wairoa, particularly in relation to urban growth, infrastructure prioritisation, and investment sequencing. As a result, Wairoa is routinely positioned as a secondary consideration within regional strategies, reflecting a structural bias toward metropolitan priorities.

Wairoa District supports nationally significant food and fibre production across forestry, sheep and beef, and rapidly expanding Māori led business initiatives including tourism and horticulture. These sectors depend directly on land use settings, water allocation and storage, river mouth/bar management, and resilient rural roads - functions that are intensely placed-based and time-sensitive.

Wairoa manages well over 190,000 hectares of productive land across production forestry, pastoral farming, and current/potential horticulture. Decisions affecting this land have direct national implications for export earnings, regional employment, Māori economic development, and climate resilience. Governance models that prioritise population size over land, water, and primary production intensity systemically under invest in the systems the national export economy relies on. Returning operational decision making to the lowest effective level—while retaining regional limits, data, strategy, and monitoring—is foundational to achieving meaningful localism and better national outcomes.

Wairoa’s economic contribution is disproportionately regional and national in its benefits but local in its costs. For example, production forestry is one of the predominant land uses in Wairoa but most of the benefits are recognised outside the district – through mills located elsewhere or exports via the Port of Napier – while impacts such as road damage from logging trucks, sedimentation and slash debris clogging waterways, and disbenefits arising from displaced rural communities are borne locally.

As a result, the district carries infrastructure, environmental and resilience obligations that support national export earnings and regional supply chains, while relying on one of the smallest rating bases in the region. This structural mismatch cannot be resolved through governance models that weight influence primarily by population.

Governance and Representation under a Combined Territories Board (CTB)

The draft proposals contemplate the removal of regional councils, with their functions transferred to a Combined Territories Board (CTB) comprising the elected mayors of territorial authorities within each region.

For Wairoa District Council, this model raises fundamental concerns about democratic accountability, equity of representation, and consistency with the Government’s stated commitment to localism.

The CTB model conflates coordination with governance. While regional coordination is necessary for setting environmental limits, aligning strategy, and sharing data, vesting operational authority in a collective body without a direct electoral mandate from affected communities undermines accountability. Mayors are elected to represent their

own districts. They are not elected to make place-specific operational decisions for neighbouring communities where impacts, risks, and costs are borne locally.

In a region such as Hawke's Bay, where larger councils share aligned urban growth, infrastructure, and investment priorities – the CTB model will predictably marginalise smaller rural districts.

Neither proposed voting model—adequately address this risk:

- A one-mayor-one-vote model ignores scale, land area, and production intensity; and
- a population-weighted model entrenches metropolitan dominance.

Critically, the functions proposed to be exercised by the CTB – land use, catchment management, river control, and related environmental operations – do not scale with population. Influence weighted by resident numbers bears no relationship to the impacts of these decisions in high-production districts like Wairoa.

These risks are structural, not theoretical. The CTB model institutionalises a decision-making distance that reform purports to reduce. It increases intermediaries between communities and operational authority, dilutes accountability, and weakens the ability to respond rapidly to time-critical situations such as flood events, river mouth management, and infrastructure protection.

Any reform model that results in Wairoa having less control over decisions affecting its own land, rivers and communities cannot credibly be described as advancing localism.

Current Regional Council Functions in Wairoa

The Hawke's Bay Regional Council (HBRC) currently undertakes the following key functions within Wairoa District:

- Regional resource management and consenting for discharges to air, land, and water.
- Water takes, including municipal supplies.
- Land and catchment management under the RMA and Soil Conservation and Rivers Control Act.
- River management and control, including riparian works, gravel extraction, and river mouth management.
- Animal pest and noxious weed control and management

Wairoa does not benefit from large-scale flood protection schemes comparable to those in other parts of the region. In practice, many of these functions involve routine, time critical operational decisions that are already informed primarily by local staff,

local knowledge, and local relationships, despite being formally exercised at a regional level.

The regionalisation of these decisions lengthens lines of communications, slows decision-making process, and compromises the ability to act in time sensitive circumstances where delays can be catastrophic.

Principles for the Future of Local Government in Wairoa

Local government must operate at the lowest effective level. Decision-making must be close to the community, informed by local knowledge, and accountable to those most affected.

Apart from the Mohaka River catchment (which is confined and has no discernible flood effects), Wairoa's catchments are substantially discrete from those within the rest of Hawke's Bay, with minimal cross-boundary impacts. In contrast, several major catchments affecting flooding and Civil Defence issues in Wairoa flow to the district from Tairāwhiti/Gisborne. Management of those catchments and risks should be undertaken with Gisborne District Council, and reform should provide the flexibility to align governance with natural hazard realities.

Wairoa's transport and economic connectivity extend beyond Hawke's Bay. State Highway links between Napier/Hastings-Wairoa-Gisborne require a wider, multi-agency approach, and key freight and resilience routes continue through Ōpōtiki and Whakatane. Reform should enable collaboration that reflects natural corridors and interdependence, rather than enforcing a rigid regional template.

Localism does not mean deregulation. National standards, regional limits, and monitoring should remain. What must change is who exercises operational authority within those limits.

Subsidiarity test (to be applied when allocating functions):

- Is the impact of the decision local?
- Are cross boundary effects limited or manageable through regional limits?
- Does effective delivery depend on rapid response or local relationships?
- Can outcomes be monitored against clear national or regional standards?

Risks of Unintended Consequences

Without careful statutory design, reform risks entrenching the very problems it seeks to solve. For Wairoa, key unintended consequences include:

- Increased distance between decision-makers and communities.
- Reduced responsiveness in time-critical situations.

- Weakened democratic accountability; and
- Dilution of place-based iwi and hapū partnerships.

Simplification should be achieved through role clarity and alignment of function, funding, and accountability—not through consolidation of power.

Assertions that smaller councils lack the capability to deliver operational land and river management overlook a basic point: capability follows function and funding. Where functions are clearly defined, properly funded, and supported by national standards and regional monitoring, territorial authorities can build and retain the necessary expertise. Removing functions because capability has been hollowed out by past centralisation risks creating a self-fulfilling failure.

Desired Future Role for Wairoa District Council

In addition to its existing responsibilities, reform should enable Wairoa District Council to assume operational responsibility for:

- Catchment management.
- River management and control.
- Gravel extraction.
- River bar and river mouth management.
- Animal pest and noxious weed control.

These functions would be exercised either directly by Council or through locally accountable delivery arrangements, including partnerships with iwi, hapū and landowner collectives where appropriate.

These functions would be exercised within national policy direction, regional environmental limits, and statutory monitoring frameworks.

Funding Equity and Value for Money

Population based funding and governance models do not reflect the true cost drivers in districts like Wairoa. The costs of rural road networks, water infrastructure, river control, and resilience scale with land area under production, water dependency, and freight intensity, not simply with resident population. Without a land and water-based component in funding formulas, high production rural districts will continue to be structurally underfunded, risking deferred maintenance, slower recovery after severe weather, and avoidable losses to national export value.

Wairoa residents contribute approximately 10.86% of Hawke’s Bay Regional Council’s General Rates and Uniform Annual General Charges, excluding targeted scheme rates. On any reasonable value-for-money assessment, there is a prima facie mismatch between Wairoa’s contribution and the benefits received.

Reform presents a rare opportunity to reset funding settings, so they reflect actual cost drivers rather than legacy institutional boundaries. Failure to address funding alignment alongside functional reform would shift risk and cost onto rural communities while preserving existing inefficiencies.

Wairoa considers it realistic to deliver these operational functions locally within an indicative budget of approximately \$2.7 million per annum, improving accountability, responsiveness, and outcomes. This budget should be augmented by a fair and equitable allocation of Regional Council assets that recognises that the functions being assumed relate to land use and catchment management, are independent of population.

Lessons from Severe Weather Events

The findings of both the Mike Bush Independent Review of Hawke’s Bay Civil Defence response and the Government Inquiry led by Sir Jerry Mateparae reinforce the need for stronger, locally empowered emergency management structures – particularly in districts like Wairoa that face rapid-onset, high-impact events.

Recent severe weather events, including Cyclone Gabrielle, demonstrated that effective response and recovery depend on empowered local leadership. Governance structures that delay or diffuse operational authority have, in the past, materially constrained outcomes in Wairoa.

In emergency and recovery contexts, delays of days—or even hours—caused by unclear authority or remote decision-making can translate directly into lost production, infrastructure failure, and long-term economic damage.

Wairoa’s geographic and hydrologic realities also support aligning Civil Defence arrangements with Gisborne/Tairāwhiti rather than solely with Hawke’s Bay, because several major catchments contributing to flooding and civil defence events flow from the north through Tairāwhiti. Reform should enable these pragmatic, risk-aligned partnerships.

Treaty Partnerships

Effective Treaty partnership in land and river management is inherently place-based. Reform that distances governance from communities, risks weakening iwi and hapū relationships at the point where partnership matters most.

A substantial share of Wairoa’s emerging high value horticulture and forestry occurs on Māori owned land through iwi and hapū entities, making place-based decision making essential to realising Māori economic aspirations and upholding rangatiratanga in practice.

Reform legislation should explicitly recognise that effective Treaty partnership between Māori and Local Government in environmental management is most durable when decision-making authority, accountability and relationships are aligned at the same geographic scale. The engagement process for this submission has included our Post Settlement Governance Entities (PSGE) who are in support of this.

Recommendations

To ensure that local government reform delivers genuine localism, strengthens democratic accountability, and improves real-world outcomes in high-production districts, Wairoa District Council recommends that the Government:

1. Legislate a statutory duty of subsidiarity.
Require functions to be exercised at the lowest effective level, with decisions about allocation of functions explicitly evaluated against subsidiarity criteria, including locality of impact, cross-boundary effects, reliance on local knowledge, and the need for rapid response.
2. Allocate operational land, river, and catchment management to territorial authorities.
Transfer responsibility for operational, time-critical, place-based functions – such as catchment management, river control, gravel extraction, river mouth management, and pest and weed control – to territorial authorities, where impacts are local and accountability can be clearly assigned.
3. Limit regional roles to strategy, limits, coordination, and monitoring.
Focus regional-scale arrangements on setting environmental limits, policy direction, data collection, and monitoring, rather than exercising operational decision-making authority over place-specific matters.
4. Reject governance models that centralise operational authority without local mandate.
Ensure that any replacement for regional councils does not vest operational authorities in bodies – such as Combined Territories Boards – that lack direct electoral accountability to the communities most affected by their decisions.
5. Protect territorial decision-making in statute.
Provide statutory protection for territorial authority decision-making over devolved operational functions, with override powers available only in narrowly defined, transparent circumstances linked to national interest or demonstrable cross-boundary impacts.
6. Embed iwi and hapū partnership at the local decision-making level.

Explicitly recognise in legislation that effective Treaty partnership in land and river management is place-based, and is most durable where decision-making authority, accountability, and relationships are aligned at the same geographic scale.

7. Align funding and asset allocation with function and cost drivers.

Reform funding and asset allocation frameworks to reflect actual cost drivers – such as land area, water dependency, production intensity, and freight impacts – rather than population alone, including fair allocation of regional assets associated with devolved functions.

8. Enable voluntary and flexible regional collaboration.

Allow territorial authorities to collaborate regionally or inter-regionally by agreement, reflecting natural catchments, transport corridors, and hazard alignments, rather than mandating participation within rigid regional structures.

Conclusion and Preliminary Position

Wairoa District Council supports reform that strengthens local democracy and delivers value for money. However, reform that leaves Wairoa with less authority over decisions affecting its own land, rivers and communities will have failed its stated purpose.

Reform that empowers Wairoa to exercise greater responsibility within clear statutory limits will demonstrate that localism is a governing principle, not a slogan.

Wairoa District Council looks forward to engaging constructively with the Government to achieve a local government model that genuinely serves communities like Wairoa—rather than requiring them to fit a model designed for somewhere else.

If reform cannot strengthen local democracy, improve responsiveness, or deliver better outcomes for a district carrying national economic responsibilities like Wairoa, then it cannot claim to be a localist reform. Wairoa is the test of whether this reform is real or rhetorical.

Appendix

Illustrative examples of Wairoa’s production profile and governance implications		
Forestry	~58,000 ha plantation forests in Wairoa; accelerating harvest cycle	Drives heavy vehicle movements, road wear, and river/bridge resilience needs at local pinch points
Protein	~1.08m stock units across ~132k ha pastoral land; AFFCO plant connected to district supply	Requires reliable water/wastewater, biosecurity responses, and flood resilient access for stock movements and processing
Horticulture (Māori led)	18 ha in apples (Tara); 30ha established of a 109-ha development (Whakapau); 460 ha hub across 20 blocks; ~600 ha potential	Time critical water storage/delivery and river mouth management; rapid recovery after events to protect crop value
Infrastructure dependency	Export logistics via Napier/Gisborne; long rural road network	High per capita cost: freight resilience depends on local road/river decisions
Water and rivers	Water storage and river work directly enable horticulture and protect rural assets	Operational decisions must be made quickly and locally within regional/national limits

- Funding alignment: Introduce a land and water-based funding component alongside population to reflect true cost drivers.
- Operational authority: Allocate local operational decision rights for land use and river management, with regional councils focused on limits, data, strategy, and monitoring.
- Accountability clarity: Align function, funding, and decision rights at the local level so communities and partners (including iwi and hapū) know who is responsible.