



Functions of Regional and Unitary Authorities in New Zealand

Report to Te Uru Kahika

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Definitions

RUA(s)	Regional and Unitary Authorities
BCR	Benefit-Cost Ratio
MPI	Ministry for Primary Industries
DOC	Department of Conservation
MfE	Ministry for the Environment
CDEM	Civil Defence Emergency Management
RMA	Resource Management Act
NEMA	National Emergency Management Agency
RPMP	Regional Pest Management Plan
NPD	National Policy Direction (for Pest Management)
NES-AQ	National Environmental Standards for Air Quality
NPS-FM	National Policy Statement for Freshwater Management
NES-Freshwater	National Environmental Standards for Freshwater
LAWA	Land, Air, Water Aotearoa
LGA	Local Government Act
NIWA	National Institute of Water & Atmospheric Research
PM	Particulate matter standards
RLTP	Regional Land Transport Plan
RPTP	Regional Public Transport Plan
NZTA	NZ Transport Agency (Waka Kotahi)
LTMA	Land Transport Management Act
NLTF	National Land Transport Fund
TA(s)	Territorial Authorities
MTA	Maritime Transport Act
MTA	Metropolitan Transportation Authority
OECD	Organisation for Economic Co-operation and Development
WHO	World Health Organization
GWRC	Greater Wellington Regional Council
ORC	Otago Regional Council
NRC	Northland Regional Council

RPS	Regional Policy Statement
DPIE	Department of Planning, Industry and Environment (Australia, NSW)
EPA (NSW)	Environment Protection Authority (Australia, NSW)
NEPMs	National Environment Protection Measures (Australia)
DELWP	Department of Environment, Land, Water and Planning (Australia, Victoria)
CIP	Coordinated Imagery Program (Australia, Victoria)
CMA	Catchment Management Authority (Australia, Victoria)
VICSES	Victoria State Emergency Service (Australia, Victoria)
OPW	Office of Public Works (Ireland)
CFRAM	Catchment Flood Risk Assessment & Management (Ireland)
SEPA	Scottish Environment Protection Agency (Scotland)
PRTR	Pollutant Release and Transfer Register (Scotland)
AHERS	Emergency air response programme (Scotland)
CEH	Centre for Ecology & Hydrology (United Kingdom)
EMA	Environmental Management Act (Canada, British Columbia)
CEPA	Canadian Environmental Protection Act (Canada, Federal)
RTA	Regional Transportation Authority (United States, Chicago)
MTA	Metropolitan Transportation Authority (United States, New York)
MTC	Metropolitan Transportation Commission (United States, Bay Area)
MPO(s)	Metropolitan Planning Organisation(s) (United States, California)
TfNSW	Transport for New South Wales (Australia, NSW)
DTP	Department of Transport and Planning (Australia, Victoria)
NTA	National Transport Authority (Ireland)
Caltrans	California Department of Transportation (United States, California)
DBE	Disadvantaged Business Enterprise (United States)
KPI	Key Performance Indicators
COI	Conflict of Interest

Executive summary

New Zealand's local government system is in flux. In parallel with Resource Management Act 1991 (RMA) reform and wider central-government reviews (including the "Future for Local Government" work programme), there is active debate about whether regional councils should be disbanded or have functions reallocated. The reform agenda has tended toward increased centralisation and central direction (for example, national policy statements and national planning frameworks), with implications for where decisions and delivery sit across tiers of government. Te Uru Kahika, the consortium of New Zealand's regional and unitary authorities (RUAs), itself considers the current structure of local government service delivery unsustainable and could better meet communities' needs.¹

Te Uru Kahika engaged Castalia to assess the allocation of functions to RUAs. This is not a re-design of institutions but testing whether the functions RUAs currently perform are optimally placed at the regional tier or would be better set at central government, territorial authority (TA), or split levels. This engagement is intended to provide an independent, evidence-based assessment of RUAs' functions in light of ongoing reforms and debates about their future viability.

RUAs mostly perform essential functions grounded in statute and justified by public policy

The functions RUAs perform are essential and largely grounded in statute. The question for this report is not whether these functions should be performed, but where in New Zealand's institutional hierarchy they should sit to best match community of interest, capability, efficiency, and accountability. The Government may make changes to the statutory functions that RUAs perform, but this report does not provide any comment on those potential policy decisions.

RUAs perform functions across eight areas as per the table below. Within each of the eight areas, there are specific sub-functions.

¹ [Future of Local Government Position Statement](#)

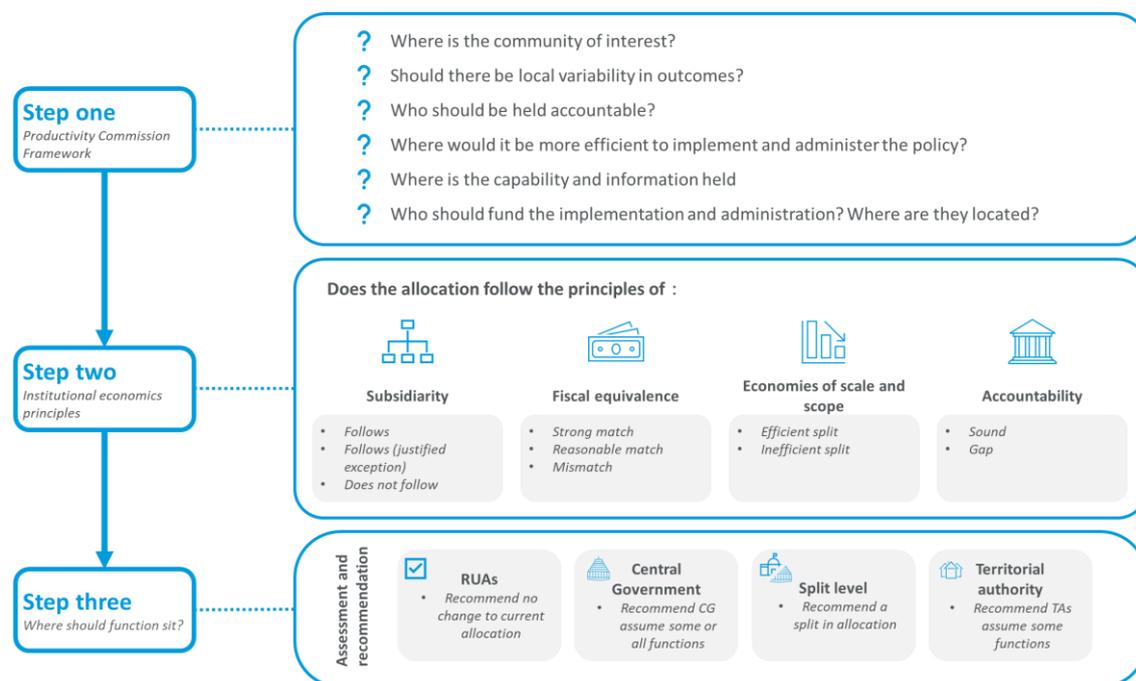
Figure 0.1: RUA functions



We applied a standard institutional analysis framework to assess allocation

Conventional institutional economics provides guidance on how responsibility for functions should be allocated to different levels of government. The New Zealand Productivity Commission applied such principles when it reviewed the regulatory functions of New Zealand local government (including RUAs) in its report *Towards Better Local Regulation*. To assess whether RUAs’ functions are appropriately allocated, we use a two-step test: We first apply the Productivity Commission’s framework. We then add an additional step applying conventional tests, including subsidiarity, fiscal equivalence, economies of scope and scale, and accountability. The diagram below illustrates our approach:

Figure 0.2: Analytical framework for allocating responsibility



Current allocation is mostly fit for purpose

Overall, we find that continued RUA delivery makes sense for most RUA functions where national direction and alignment of funding with beneficiaries or exacerbators is strong and spillovers are material. This is because local knowledge, catchment alignment, and day-to-day operational capability sits with the RUA. The public policy basis for discretionary functions such as economic development funding is not clear, but if RUAs choose to undertake them, they appear to sit appropriately with RUAs. For some RUA functions, the allocation is less clear because of funding mismatches and accountability gaps.

Our conclusions by function are summarised as follows:

Table 0.1: Findings on future allocation of RUA functions

Function	Findings	Ways forward
Biodiversity and biosecurity	Functions could be better allocated with a stronger split between central (strategic/scientific) and regional (operational) levels to address national spillovers and funding mismatches, ensuring co-funding reflects broader benefits.	Consider retaining regional delivery but review funding approach.
Civil Defence	The partnership model appears largely effective (with practical difficulties in the operational model) but has an accountability gap in natural hazard management, where local decisions impose national recovery costs; split-level design is recommended with refinements for better alignment.	Consider retaining regional delivery with national-level coordination and some funding but review accountability lines.

Community Leadership and Economic Development	Many of these activities are discretionary. To the extent RUAs choose to undertake them and remain accountable to ratepayers for expenditure, there can be delivered at a regional level. However alternative delivery models involving TAs could deliver similar outcomes (CCO, co-owned by TAs or as a shared service).	Consider clarifying LGA purpose clause which empowers RUAs to undertake these activities (perhaps emphasising genuine regional interest and delivery on government commitments). Consider encouraging TAs to consider CCOs or shared services to deliver on regional basis.
Flood Management	Appropriate at the regional level, with strong fiscal equivalence through targeted rates and alignment with catchment boundaries.	Consider retaining regional delivery. Consider funding models to address affordability and equity issues.
Environmental Management, Data and Science	Split-level accountability works if central government consistently sets minimum standards; regional delivery is sound for regional councils but weaker for unitary authorities due to potential for conflicts due to rule-setting and enforcement in respect of their own activities.	Consider retaining regional delivery with centralised rule- and standard-setting from RMA reforms as well as opportunities for centralised monitoring and enforcement (with regionally located experts carrying this out).
Maritime Navigation	Well-suited to split-level design, with RUAs handling local operations under central standards; user-pays funding aligns costs and benefits effectively.	Consider retaining regional delivery.
Public Transport and Transport Planning	Integrated split-level model is effective, with regional coordination essential for connectivity; regional model (whether RUA or jointly owned CCO or other regional structure) avoids fragmentation and supports equity.	Consider retaining regional delivery; alternative models (such as TA-owned CCOs) could be explored for public transport, but are less suitable for transport planning.
Regional Parks and Community Facilities	Appropriate at RUA level where assets span territories, with strong benefit-cost alignment; consider TA delivery for efficiencies in smaller or localised cases.	Consider on case-by-case basis.

1 Introduction

RUAs carry out important functions assigned to them under statute and in some cases under their power of general competence in the Local Government Act 2002 (LGA). This report analyses whether these functions are appropriately carried out by RUAs, or, whether a different level of government should assume them.

There are eight key RUA functions, each having several sub-functions. The figure below summarises RUA's key functions:

Figure 1.1: RUA's eight key functions



This report is structured as follows:

- In Section 2, we first outline the key functions that RUAs perform, identifying the statutory basis and public policy justification for government intervention. All the key functions have sound justification
- In Section 3, we then explain our framework for institutional design based on Productivity Commission and institutional economics principles
- In Section 4, we then analyse whether these key functions are appropriately allocated to RUAs
- Section 5 sets out our concluding remarks.

2 RUA functions: legislative basis and current roles

RUAs perform key functions of government and public service provisions in New Zealand. RUAs divide their core roles in different ways; however, these fall into eight broad core functions.

RUAs deliver both regulatory functions and non-regulatory functions enabled by statute. These are summarised below:

Table 2.1: Core functions of RUAs

Function	Detail
Flood Management	Reduce flood risk through catchment management and the planning, construction and maintenance of river and drainage schemes, supported by modelling and warnings.
Environmental Management, Data and Science	Set, monitor and enforce rules for air, water, land and coastal resources, including environmental monitoring, water allocation, consents and strategic planning. RUAs carry out data and science activities in support of environmental management but also in respect of biodiversity and biosecurity functions and flood management (that is, the data and science activities cut across several functions).
Biodiversity and Biosecurity	Protect and enhance indigenous biodiversity by managing pests, restoring habitats and supporting landowners under national policy and regional plans.
Civil Defence	Coordinate emergency management across reduction, readiness, response and recovery, and lead regional recovery and resilience planning with partners.
Community Leadership and Economic Development	Undertake discretionary initiatives that promote regional wellbeing and growth, including economic development, tourism promotion and regional advocacy.
Maritime Navigation	Manage harbours and coastal navigation safety through bylaws, pilotage, aids to navigation and marine spill preparedness.
Public Transport and Infrastructure	Plan and fund the regional transport network and contract public transport services to deliver safe, reliable and integrated mobility.
Regional parks and community facilities	Own and manage regional parks, open spaces and facilities for recreation, conservation and cultural values.

For each core function and related sub-function, we set out below:

- The statutory basis
- The public policy justification for government intervention
- How government capability and information is divided between the central government and RUAs.

2.1 Flood management and control

Flood management is a foundational RUA function, with a long history of protecting communities and property from flooding through catchment-based works.

The table below describes the role of RUAs, the central government and the funding sources for RUAs' activities.

Table 2.2: Governance and funding arrangements for flood management and control

Function	Role of central government	Funding for RUAs	RUAs' discretion
Flood management	Central government's role is primarily supportive, providing guidance through MfE and national resilience frameworks via NEMA, but it has no direct management powers.	Schemes are primarily funded by RUAs through targeted rates on benefiting landowners, sometimes supplemented by general rates and Central Government grants.	Councils have a high level of discretion to decide on design standards and funding for flood control schemes, leading to variation nationwide. In practice, discretion can, as once a service level is established, it is difficult to reduce it without institutional and community opposition.

2.1.1 Statutory basis for flood management function

The foundational statute that empowers RUAs to manage river catchments and drainage systems is the Soil Conservation and Rivers Control Act 1941.² Sections 126-131 of this Act provide the primary authority for RUAs (as successors to catchment boards) to construct, maintain, and improve flood control works such as stopbanks and levees, and to carry out works to reduce erosion and flooding.

The Land Drainage Act 1908 establishes drainage districts and empowers RUAs to construct and maintain drains and pumping stations.³

The Local Government Act 2002 confirms these roles, stipulating that RUAs inherit and exercise the powers of former Drainage Boards and Catchment Boards, consolidating these flood protection and land drainage responsibilities at the regional level. The RMA provides the overarching environmental framework by regulating activities within riverbeds that are undertaken for management purposes.

2.1.2 Public policy justification for flood management

Left to itself, the market might not provide a socially efficient level, scale, or integration of flood protection. The government is therefore involved in flood protection planning, coordination, funding, and management. The following can justify public policy intervention:

- **Public good characteristics:** Flood protection infrastructure, such as a stop banks, are a public good. Once it is built, all farmers, residents, property owners and owners of infrastructure assets—such as Waka Kotahi New Zealand Transport Agency (NZTA) or the TA—in the protected area benefit, and the benefit is non-excludable. This can create a free-rider problem, where individuals, firms, TAs and the Crown lack the incentive to pay for protection, leading the market to underprovide it
- **Natural monopoly and scale economies:** Large-scale flood management schemes tend to have natural monopoly characteristics. A single, integrated scheme for a river catchment will almost always be more efficient than many uncoordinated, individual

² <https://legislation.govt.nz/act/public/1941/0012/latest/DLM230365.html>

³ <https://www.legislation.govt.nz/act/public/1908/0096/latest/whole.html>

protection works. There are major economies of scale in the design, construction, and maintenance of flood infrastructure, justifying a single coordinated provider

- Behavioural biases and imperfect information: Individuals can fail to adequately protect themselves due to behavioural biases. People tend to underestimate low-probability, high-impact events like major floods and may be overly optimistic about their personal risk (especially if risks increase over time, for example, due to climate change).⁴ This can lead to underinvestment in self-protection, justifying a collective, government-led approach to ensure community-wide resilience
- Negative externalities: Uncoordinated private flood protection efforts can create negative externalities. For instance, an individual building a flood wall might protect their own property but worsen flooding for their neighbours by displacing water. A coordinated regional scheme can be the most efficient way to manage these system-wide effects and deliver optimal outcomes for the entire community
- Equity considerations: governments may have equity and distributional reasons for providing flood protection, as floods can affect disadvantaged communities and damage public infrastructure.

2.1.3 Capability and information spread

The capability and institutional knowledge for flood management and control are held predominantly at the regional level. Due to their long-standing mandate under foundational legislation like the Soil Conservation and Rivers Control Act 1941, RUAs have built up deep and specialised capability in this area. This includes expertise in river engineering, hydrology, and sediment transport, as well as holding the essential historical flood data, engineering plans, maintenance records, and knowledge of local river and drainage systems required to effectively plan, construct, and manage flood protection schemes.

2.2 Environmental management, data and science

Environmental management is a cornerstone of RUA responsibility, encompassing the regulation of air, water, coastal, geothermal, and land resources to achieve sustainable outcomes pursuant to the RMA. RUAs also use non-regulatory tools, including advice, grants, and riparian planting, to complement regulatory environmental management. This function represents a constant balancing act between national standards and local implementation.

The table below describes the role of RUAs, central government and the funding sources for RUAs activities.

⁴ <https://www.nature.com/articles/s41599-024-03403-9>

Table 2.3: Governance and funding arrangements for environmental management, data and science

Function	Role of central government	Funding for RUAs	RUAs' discretion
Environmental Management	The Central Government sets national direction through National Policy Statements and Environmental Standards, while the EPA may oversee nationally significant projects under s6AA RMA.	Funding is a mix of general and targeted rates for monitoring and policy, and user-pays fees for regulatory activities like consenting.	Discretion varies from low for functions with uniform national direction like freshwater monitoring, to medium for consenting, and high for discretionary improvement projects.
Environmental Data and Science	The Central Government requires RUAs to “gather... information, and undertake or commission... research” (RMA), undertake hazard/risk assessment, modelling and monitoring (CDEM).	Funding is a mix of general and targeted rate. RUAs draw on centrally funded national science platforms (for example, ESNZ, ESR, Manaaki Whenua).	RUAs have significant discretion, but meet statutory obligations: RUAs must undertake data and science activities to support RMA duties (required under s35 RMA).

2.2.1 Statutory basis for RUA environmental management, data and science

RUAs have three key statutory sub-functions for environmental management under the RMA:

- Air and water quality: The RMA (s30, s35) requires RUAs to control discharges to air and water and to monitor environmental quality. These responsibilities are guided by national regulations such as the National Environmental Standards for Air Quality 2004 and national policy direction like the National Policy Statement for Freshwater Management 2020 (NPS-FM),^{5,6} which set nationwide limits and objectives that RUAs must implement
- Drinking water sources: Water Services Act 2021 and the associated National Environmental Standards (NES) for Sources of Human Drinking Water require RUAs to protect drinking water sources (surface and ground water)
- Land and Soil Management: RUAs control land use for soil conservation under both the RMA (s30(1)(c)) and the Soil Conservation and Rivers Control Act 1941. For contaminated sites, the RMA (s30(1)(ca)) obliges regions to investigate and monitor, a function that is also guided by the Hazardous Substances and New Organisms Act 1996 HSNO⁷
- Planning and consenting is a core RUA function under the RMA (s62). RUAs must prepare Regional Policy Statements (RPSs) and regional plans to guide resource use.⁸ Part 6 of the RMA gives RUAs the authority to grant or decline various resource

⁵ <https://www.legislation.govt.nz/regulation/public/2004/0309/latest/DLM286835.html>

⁶ <https://environment.govt.nz/assets/publications/National-Policy-Statement-for-Freshwater-Management-2020-superseded.pdf>

⁷ <https://www.legislation.govt.nz/act/public/1996/0030/latest/DLM381222.html>

⁸ <https://www.legislation.govt.nz/act/public/1991/0069/latest/DLM233397.html>

consents for land use, water permits, and discharge permits.⁹ The National Policy Statement (NPS) on Urban Development 2020 works alongside the RMA and LGA to require high-growth RUAs to develop Future Development Strategies.¹⁰

2.2.2 Public policy justification for environmental management, data and science

Private market activities often generate harmful emissions and affect shared environmental resources like air, water, and soil because emitters might not bear the full social and environmental costs of their actions. Government intervenes to manage these negative externalities and preserve common resources for the public good. This regulatory intervention can be justified for the following reasons:

- **Negative externalities:** Pollution is a negative externality. When a factory releases harmful emissions into the air or a farm's runoff flows into a river, the social costs (for example, public health impacts or loss of biodiversity) are borne by the community, not just the emitter. A private market might not price these costs. Regulation, through mechanisms like discharge permits and emissions standards, aims to internalise these externalities and align private costs with social costs
- **Public goods and common pool resources:** Clean air, fresh water, and healthy ecosystems are non-excludable and can be depleted by individual actions (a "tragedy of the commons" scenario). Without government intervention to manage their use and quality, these resources can be over-exploited and degraded. Protecting drinking water sources relies on catchment-scale hydrology to delineate water protection zones and control of activities within them
- **Information asymmetry and imperfect information:** The public and individual businesses might lack the specialised scientific knowledge to understand the full extent of environmental risks, such as the long-term health effects of certain pollutants or the stability of contaminated land or diffuse discharges (for example, nitrogen to groundwater). Government addresses this information asymmetry by funding environmental monitoring, scientific research, and setting health-based standards that inform regulatory decisions.

2.2.3 Capability and information spread

Capability for environmental management is spread across both central and regional government broadly in line with the functions central and regional government undertake. National agencies such as the Ministry for the Environment (MfE), the Environmental Protection Authority (EPA), and Earth Sciences New Zealand (ESNZ) possess the high-level scientific, policy, and legal expertise required to set national standards and develop policy frameworks. RUAs hold the operational capability and local information needed to implement the national directions. This includes localised scientific data, historical land-use records, specific hydrological and ecological knowledge of catchments, and the planning and consenting expertise necessary for day-to-day environmental management. RUAs have significant capability in data and science because of cross-cutting functions in environmental

⁹ <https://www.legislation.govt.nz/act/public/1991/0069/latest/DLM233845.html>

¹⁰ <https://environment.govt.nz/assets/publications/National-Policy-Statement-Urban-Development-2020-11May2022-v2.pdf>

management, biosecurity/biodiversity, and flood management, even when compared to national agencies. The data and science activities are outlined in the Box below.

Box 2.1: RUAs’ data and science activities cut across several functions

Environmental data and science underpin many of RUAs’ current functions. RUAs undertake targeted investigations and build or apply models to understand cause-effect relationships and to design and evaluate policy options, plans and interventions. This goes beyond the long-term state and trend monitoring required to undertake the environmental management and biodiversity and biosecurity functions described in Sections 2.2 and 2.3 respectively. Examples include data collection and the science related to flood management schemes, biosecurity strategies, freshwater allocation limits, coastal hazards, and air quality plans. These scientific activities support decision-making for the (current) regional implementation of rules in plans and compliance/enforcement.

RUAs’ science functions comprise three distinct streams that work together:

- Long-term state/pressure monitoring: To understand environmental baselines, trends and the effects of policy over time
- Consent/compliance monitoring: To verify performance against conditions and manage risk
- Targeted investigations and modelling: Time-bounded studies to answer specific questions, develop and apply models, test scenarios and inform choices.

2.3 Biodiversity and biosecurity

RUAs perform an important role in protecting and enhancing New Zealand's biodiversity, a function that involves a partnership between national strategy and regional on-the-ground action. RUAs are empowered under the Resource Management Act 1991 (RMA) and Biosecurity Act 1993 to address pest management, indigenous biodiversity and environmental monitoring. Government intervention is justified because of public goods and externality management issues with biodiversity. The table below describes the role of RUAs, central government and the funding sources for RUA activities.

Table 2.4: Governance and funding arrangements for biodiversity & biosecurity

Function	Role of central government	Funding for RUAs	RUAs’ discretion
Biodiversity & Biosecurity	MfE and DOC set national direction and manage the public conservation estate, while MPI leads national biosecurity efforts.	Initiatives are primarily funded through general and targeted rates, with some occasional government grants.	RUAs have some discretion to choose local priorities and methods, but must align with national policy direction and meet statutory requirements.

2.3.1 Statutory basis for RUA biosecurity functions

The Biosecurity Act 1993, specifically section 12(b), empowers RUAs to provide leadership in activities that prevent, reduce, or eliminate adverse effects from harmful organisms present in

their region.¹¹ The National Policy Direction for Pest Management (2015) further guides regional pest and pathway management plans.¹²

The Resource Management Act 1991 provides the core mandate for maintaining indigenous biodiversity. Section 30(1)(ga) gives RUs the authority to establish, implement, and review provisions for this purpose.¹³ Furthermore, Section 6(c) of the RMA mandates the protection of significant indigenous vegetation,¹⁴ and Section 7 requires the maintenance of biodiversity.¹⁵ The responsibility for monitoring the state of the environment, a key part of managing biodiversity, is established under Section 35 of the RMA,¹⁶ which requires local authorities to monitor the environment of their region.

2.3.2 Public policy justification for biodiversity

Without government intervention, the protection of indigenous biodiversity might be underfunded and undervalued by the market, possibly leading to irreversible loss of native species and ecosystems. To safeguard this benefit, the government is involved in setting national direction, funding restoration, and regulating activities that harm the environment. This public policy intervention is justified by several key principles:

- **Public good:** Healthy ecosystems provide essential services, such as clean water, pollination, and climate regulation, that benefit everyone. These benefits are largely non-excludable (it is impossible to prevent someone from enjoying them) and non-rivalrous (one person's benefit does not reduce another's). This poses a classic free-rider problem, where individuals have no incentive to pay for something they can get for free, leading to a failure by the private market to adequately protect and invest in these natural assets
- **Positive externalities:** With respect to biodiversity, when a landowner protects or restores a native habitat like a wetland or forest, the benefits spill over to the entire community and nation. These positive externalities can include improved water quality downstream, enhanced flood control, and habitat preservation for native species. Control measures deliver benefits to farmers and the public—for example, pest control reduces bovine TB and helps reduce TB incidence, which benefits public health. Since private parties do not capture the full social benefit of their actions, the market alone probably underinvests in such conservation and biosecurity activities
- **Negative Externalities:** Conversely, the loss of indigenous biodiversity imposes costs on society that are not borne by the person or entity causing the harm. These negative externalities can include increased flood risk from clearing forests, the loss of natural pollination for agriculture, and the degradation of water quality. Government intervention, through regulation and planning, is justified to ensure these social and environmental costs are accounted for

¹¹ <https://www.legislation.govt.nz/act/public/1993/0095/latest/DLM4757510.html>

¹² <https://www.mpi.govt.nz/dmsdocument/9464-national-policy-direction-for-pest-management-2015/>

¹³ <https://www.legislation.govt.nz/act/public/1991/0069/latest/DLM232560.html>

¹⁴ <https://www.legislation.govt.nz/act/public/1991/0069/latest/DLM231907.html>

¹⁵ <https://www.legislation.govt.nz/act/public/1991/0069/latest/DLM231910.html>

¹⁶ <https://www.legislation.govt.nz/act/public/1991/0069/latest/DLM233009.html>

- Intergenerational equity: The market, which tends to operate on short-term time horizons, has no mechanism to price a species’ option value, its potential future benefit to science, medicine, or ecosystem stability. This justifies some government intervention to protect value of biodiversity for future generations.

2.3.3 Capability and information spread

Capability in biodiversity and pest management is spread across both central and regional government. National agencies like the Ministry for Primary Industries (MPI), the Department of Conservation (DOC), and MfE hold high-level strategic, scientific, and policy capability, managing functions like border control, national datasets, and overarching strategy. RUAs also hold significant science and policy capability, as well as critical on-the-ground operational capability. This includes specific local ecological information, detailed knowledge of regional pests and ecosystems, and the relationships with landowners required to implement pest management and biodiversity enhancement programs effectively. RUAs tend to take a more whole-of-region (tenure-neutral) approach.

2.4 Civil defence

RUAs provide Civil Defence and Emergency Management functions pursuant to the Civil Defence Emergency Management (CDEM) Act 2002¹⁷ and supplemented by responsibilities under the RMA. Generally, it operates as a partnership between national, regional and local bodies to ensure community resilience across reduction, readiness, response, and recovery.

The table below describes the role of RUAs, central government and the funding sources for RUAs activities.

Table 2.5: Governance and funding arrangements for civil defence

Function	Role of central government	Funding for RUAs	RUAs’ discretion
Civil Defence	NEMA sets the national strategy and coordinates large-scale responses, while MfE and science agencies provide guidance on natural hazards.	Regional preparedness is largely funded by local general and targeted rates, while recovery and specific projects are often co-funded with Central Government grants.	Discretion is limited by CDEM Act and RMA duties but within those obligations RUAs can deploy resources in line with regional priorities.

2.4.1 Statutory basis for RUA civil defence functions

The CDEM Act 2002 requires RUAs to be members of joint CDEM Groups responsible for regional emergency management. Sections 12-17 of the CDEM Act mandate that each group must prepare and implement a Group Plan covering risk reduction, readiness, response, and recovery. The Act also grants powers to appointed Group Controllers to coordinate responses and direct evacuations during a declared emergency. Cabinet has agreed to reform the CDEM

¹⁷ <https://www.legislation.govt.nz/act/public/2002/0033/latest/whole.html>

Act, and an Emergency Management Bill is planned and expected to be introduced during this term of Parliament.¹⁸

The RMA assigns complementary functions to RUAs by requiring them to manage natural hazards, including controlling the use of land to avoid or mitigate these hazards (s30(1)(c)(iv)). Section 6(h) further requires that the management of significant risks from natural hazards be recognised as a matter of national importance.

2.4.2 Public policy justification for civil defence

Private individuals and the market can under-invest in the high cost, coordinated systems required for effective emergency readiness and response. To protect communities from the severe impacts of disasters, government intervenes to provide a coordinated civil defence system. This public policy intervention can be justified for the following reasons:

- **Public good characteristics:** A coordinated emergency management system, including warning sirens, public alerts, and emergency operations centres, is a public good. It is non-excludable (it is difficult to prevent anyone from benefiting) and non-rivalrous (the safety of one person does not diminish the safety of another). This can create a free-rider problem where some individuals might not voluntarily pay for a collective system, possibly leading to under-provision by the market
- **Behavioural biases:** Individuals and communities can tend to systematically underestimate the risk of low-probability, high-impact events such as earthquakes and floods. This present bias and optimism bias can lead people to under-invest in their own preparedness, supporting a collective, government-led approach to support community-wide resilience
- **Positive externalities:** An individual's preparedness, such as having a survival kit or securing their home, might benefit the entire community by reducing the burden on emergency services during a crisis. Considering individuals do not capture the full social benefit of their actions, the market alone may underinvest in these activities
- **Coordination failure and natural monopoly:** A single, integrated response in an emergency might be more efficient and effective than multiple uncoordinated private efforts that may lack institutional credibility.

2.4.3 Capability and information spread

Capability for civil defence and emergency management is held at both the national and regional levels. National agencies like NEMA (National Emergency Management Agency) and science agencies like ESNZ (recently formed by merging Geological and Nuclear Sciences Limited and National Institute of Water and Atmospheric Research) possess the national-level strategic, logistical, and specialised scientific capability, managing national warning systems and large-scale hazard data. RUAs and their associated CDEM Groups hold the essential operational capability and detailed local information. This includes knowledge of specific local hazards, flood forecasting, flood warning, evacuation routes, vulnerable populations, and the

¹⁸ Press Release from Minister for Emergency Management and Recovery, 14 August 2025, available at: <https://www.beehive.govt.nz/release/support-changes-emergency-management-legislation>

community relationships necessary for effective on-the-ground response, recovery, and planning.

2.5 Community leadership and economic development

Unlike many of their statutory duties, the role of RUAs in community leadership and economic development is largely discretionary, provided it is justified by local preferences, driven by the broad power to promote community well-being under the Local Government Act.

The table below describes the role of RUAs, central government and the funding sources for RUA activities.

Table 22.6: Governance and funding arrangements for community leadership and economic development

Function	Role of central government	Funding for RUAs	RUAs' discretion
Community leadership and economic Development	Central agencies like MBIE and Tourism NZ coordinate national efforts and support regional economic growth but generally enable rather than dictate local direction.	Activities are primarily funded by regional and local general rates, with occasional or contestable central grants for specific projects or infrastructure.	RUAs have high discretion to decide whether and how to pursue economic development, tourism, advocacy, and partnership initiatives

2.5.1 Statutory basis for RUA community leadership and economic development functions

RUAs are not mandated to perform community leadership and economic development functions, but are enabled under LGA.¹⁹

Sections 10 and 11 of the LGA²⁰ set out the purpose for local government entities and RUAs to promote the social, economic, environmental, and cultural well-being of their communities. This purpose provision may be reformed in a Bill currently before Parliament. Unless repealed, this general power of competence provides the rationale for a wide range of discretionary activities, including preparing regional economic development strategies, funding tourism promotion, and undertaking advocacy on regional matters.

For visitor infrastructure, the LGA is supplemented by the Reserves Act 1977,²¹ which allows RUAs to develop and maintain structures for public use and enjoyment on land classified as reserves.

The LGA also contains specific principles for partnership and collaboration. Section 14 requires RUAs to act cooperatively with other local authorities,²² providing the basis for regional coordination forums. The LGA also outlines specific obligations to foster a partnership with

¹⁹ <https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM170873.html>

²⁰ <https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM171803.html>; <https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM171806.html>

²¹ <https://www.legislation.govt.nz/act/public/1977/0066/latest/dlm444305.html>

²² <https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM171810.html>

Māori, including sections that affirm Treaty obligations (s4),²³ require consideration of Māori views (s77),²⁴ and foster Māori capacity to contribute to decision-making (s81).²⁵

2.5.2 Public policy justification for community leadership and economic development

Individual businesses and market forces lack incentives to coordinate and pay for action that may generate the greatest economic and social benefit for a region. Government agencies could overcome this by funding and providing regional community leadership and economic development services. Some specific market failures can justify this public policy intervention:

- Positive externalities and public goods: A strong regional economic brand, a coordinated growth strategy, or destination marketing campaigns can create positive externalities for businesses and residents that no single private entity can capture. These functions have public good characteristics, as it is difficult to exclude non-paying businesses from the benefits of a region's positive reputation. This can create a free-rider problem, where benefiting firms or groups of firms might not voluntarily pay for a service that they benefit from
- Coordination failure: The market can fail to coordinate private investment to support economic growth at a regional level. Individual business decisions may not align to create support for industry-wide initiatives. RUAs or their agencies can overcome this by providing a strategic plan that aligns public and private actions
- Information asymmetry: Individual businesses, especially smaller ones, may lack the information and analysis required to make investment decisions that align with regional potential. A regional body can act as a central hub for economic data, research, and strategy, reducing information asymmetry and helping to guide private investment
- Equity considerations: RUAs may undertake economic development or tourism initiatives for equity reasons, such as supporting parts of the region that might lag behind in economic, social, and cultural goals. The market might not prioritise these goals.

2.5.3 Capability and information spread

To the extent that some government intervention is justified in spending ratepayer resources on community leadership or economic development activities, the capability and information is held at all levels of government. The most critical information for effective delivery resides locally, and with firms. TAs have closer relationships with firms than regional authorities since TAs provide core infrastructure services and collect rates. National agencies, including the Ministry of Business Innovation and Employment (MBIE) and Tourism New Zealand, hold national data, strategic overviews, international connections, and large-scale fund management capabilities. However, RUAs have detailed information about local economies, key industries, tourism products, and investment opportunities within their region. They are also likely more aware of their community's priorities and might have a better understanding

²³ <https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM170880.html>

²⁴ <https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM172320.html>

²⁵ <https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM172325.html>

of the needs of local indigenous groups and relationships with iwi required to foster Māori capacity to contribute to decision making.

2.6 Maritime navigation

RUAs play a vital role in ensuring maritime safety and navigation within their regions. This function is critical to New Zealand's national economy but delivered at a very local, operational level.

The table below describes the role of RUAs, central government and the funding sources for RUAs activities.

Table 2.7: Governance and funding arrangements for maritime navigation

Function	Role of central government	Funding for RUAs	RUAs' discretion
Maritime Navigation	Maritime NZ sets nationwide maritime rules, audits council safety systems, oversees major oil spills, and licenses pilots. Ministry of Transport is responsible for overall governance and policy development, and houses the National Maritime Coordination Centre.	Functions are funded locally through a mix of general rates and user charges, with major oil spill response funded by a national levy.	Discretion is medium, as councils must meet national safety standards but can tailor local bylaws to their specific harbour conditions.

2.6.1 Statutory basis for RUA maritime navigation functions

The authority for maritime navigation and safety is primarily established by the Maritime Transport Act 1994 (MTA), which is complemented by the RMA for activities involving coastal structures.

The foundational statute is the MTA.²⁶ This MTA provides the core authority for RUAs to manage safety in harbours and coastal waters. Part 3, sections 33C–33F make RUAs responsible for navigation safety and the appointment of Harbourmasters, while sections 33E–33M empower them to create local bylaws for activities like mooring, anchorage, and managing fairways. The MTA also assigns specific environmental duties, with sections 283–289 requiring RUAs to maintain a regional marine oil spill contingency plan.

This framework has minor overlap with the RMA. Under sections 30–32, RUAs use their regional coastal plans to regulate the placement of physical structures such as jetties and moorings within the coastal marine area.

2.6.2 Public policy justification for maritime navigation

The safe and efficient operation of ports and coastal waters requires a level of coordination and investment in safety systems that the private market might not provide on its own. Government intervenes to manage navigation and safety. Several market failures can justify this public policy intervention:

²⁶ <https://www.legislation.govt.nz/act/public/1994/0104/latest/DLM334660.html>

- **Public goods:** Key components of navigation safety, such as buoys, beacons, and the general oversight of a harbourmaster, are public goods. Once provided, it is difficult to exclude vessels from benefiting, potentially creating a free-rider problem that deters private provision
- **Negative externalities:** A single poorly maintained vessel, an unqualified pilot, or an oil spill can create negative externalities that affect the entire port, local environment, and national economy. Society bears the costs of a major incident, not just the party at fault. Regulation is required to manage these system-wide risks and ensure all operators meet minimum safety standards
- **Natural monopoly:** The function of managing harbour safety has natural monopoly characteristics. Having competing sets of navigation rules or multiple harbourmaster authorities within a single port might be inefficient or unsafe
- **Information asymmetry:** Visiting vessel operators may not have perfect information about local hazards, currents, and procedures. A central regulatory authority, like a harbourmaster, provides standardised rules, warnings, and pilotage services to overcome this information asymmetry and support a consistent safety standard for all users.

2.6.3 Capability and information spread

Capability for maritime navigation and safety is spread across both central and regional government. The national agency, Maritime New Zealand, holds the high-level strategic, policy, and legal capability. This includes setting national safety codes and standards, managing pilot licensing, auditing regional performance, and maintaining the specialised logistical capability for responding to major incidents like large oil spills.

RUAs and their appointed Harbourmasters hold the critical on-the-ground operational capability. This includes the knowledge of specific harbour conditions, vessel traffic, and hazards required for day-to-day navigation management, bylaw enforcement, and providing the initial response to local maritime incidents

2.7 Public transport and transport policy

RUAs are central to planning and delivering public transport services and regional transport planning, a function characterised by a strong partnership with and significant direction from Central Government. Regional autonomy in this area is heavily influenced by national priorities and funding mechanisms.

The table below describes the role of RUAs, central government and the funding sources for RUAs' activities.

Table 2.8: Governance and funding arrangements for public transport and transport policy

Function	Role of central government	Funding for RUAs	RUAs' discretion
Public Transport and Infrastructure	Central government sets the strategic direction via the Government Policy Statement, and NZTA oversees planning, operation, implementation and delivery of public transport and co-funds and approves regional plans and national initiatives.	Services are funded through a mix of central government subsidies from the National Land Transport Fund, regional rates, and fare revenue.	Discretion is low to medium, as regions design services but are heavily constrained by national priorities and co-funding requirements.

2.7.1 Statutory basis RUA role in public transport and transport policy

RUAs are responsible for regional public transport planning and design, coordination, funding, management and procuring operations. The Land Transport Management Act 2003 (LTMA)²⁷ assigns RUAs the regional functions of planning and coordinating multimodal transport, prioritising projects for funding, and planning/funding contracted public transport services through:

- **Regional Land Transport Plans (RLTPs):** These are prepared every six years by a Regional Transport Committee of members appointed by the RUA, including representatives of the RUA, TAs and NZTA. The RLTP sets out regional transport objectives, policies, measures, and all significant activities/projects for at least 10 years, including activities proposed by approved organisations, State Highway activities, and (for Auckland and Wellington) significant rail activities. RUAs must also present a prioritised programme of activities and identify proposed funding sources
- **Regional Public Transport Plans (RPTPs):** RUAs are statutory public transport authorities and the RPTP specifies services that are integral to the network, policies that apply to those services including how the services will assist the transport-disadvantaged, fares and the method for setting fares, and the contracting approach for procuring operations.²⁸

Both the RLTP and RPTP must align with and operate within the Government Policy Statement.

2.7.2 Public policy justification for public transport planning and delivery

Without central and local government intervention in the form of public transport planning, coordination, and funding, the market might not provide a socially efficient mix, scale or integration of public transport. The following justifies public policy intervention:

- **Negative externalities from car travel:** congestion, (some) emissions, road deaths and injuries, noise and land use for roads and cars tend not to be fully priced in. Private choices tend to impose excessive externalities, and public transport is an efficient substitute to reduce these costs. Therefore, the market tends to underprovide public transport, so some government provision is justified

²⁷ <https://www.legislation.govt.nz/act/public/2003/0118/latest/dlm226230.html>

²⁸ LTMA, Part 5, sections 117–126

- Positive network and coordination effects from natural monopoly and scale: Each additional public transport service improves connectivity for users and generates network effects. Many public transport networks (for example, rail networks) have natural monopoly characteristics where a single operator is the most efficient option. This justifies public ownership/provision
- Peak load: Sharp morning and evening peaks require capacity that is uneconomic during off-peak demand periods, so public planning and targeted subsidy (and tools like peak pricing and timetable coordination) might be required to match capacity to peaks efficiently
- In addition, governments may have equity and distributional reasons for improving mobility for low-income people, people living in locations away from high-patronage routes, or people with disabilities. Private providers of mass or public transportation will focus on high-patronage routes, which may leave some communities without transport connections. Governments may subsidise public transport to address these equity issues.

2.7.3 Capability and information spread

Capability for public transport and infrastructure planning is held at both national and regional levels. National agencies like NZTA and the Ministry of Transport hold the high-level strategic, policy, economic modelling, and financial capabilities required to set national direction and manage the National Land Transport Fund (NLTF). They also lead large-scale national initiatives like a national ticketing system. RUAs hold the essential on-the-ground operational and planning capabilities. This includes detailed local traffic and patronage data, knowledge of the regional transport network, and the local community relationships and democratic participatory structures necessary to design effective services, coordinate multi-modal transport, and develop the RLTP and RPTP.

2.8 Regional parks and community facilities

RUAs enhance community well-being by providing regional parks and large-scale amenities, a discretionary function that directly contributes to local quality of life and reflects regional choice.

The table below describes the role of RUAs, central government and the funding sources for RUA activities.

Table 2.9: Governance and funding arrangements for regional parks and infrastructure

Function	Role of central government	Funding for RUAs	RUAs' discretion
Regional parks and infrastructure	Central government does not mandate RUA provision of regional parks, but DOC manages facilities on conservation land and MBIE may co-fund facilities of national significance.	Facilities are funded mainly through regional, general or targeted rates, with some revenue from fees and concessions.	Councils have high discretion as there is no statutory obligation to provide regional parks or amenities, and decisions reflect local political choice.

2.8.1 Statutory basis for RUA role in parks and community facilities

While RUAs have no statutory obligation to provide regional parks and community facilities, they are empowered to do so through the general well-being mandate of the LGA and the specific provisions of the Reserves Act 1977.

Sections 10 and 12 of the LGA give RUAs the general power to undertake activities that promote the well-being of their communities, and in section 11(a) to give effect to promoting that well-being. Section 139 of the LGA enables perpetual protection of land that is a regional park. This provides the primary legal rationale for supporting regional-scale amenities such as stadiums, museums, or entertainment venues, delivered as "activities" under a council's long-term plan. In some cases, local Acts of Parliament enable specific facilities.

The Reserves Act 1977 provides a more specific power, allowing RUAs to acquire, classify, and manage land as reserves for the purposes of public recreation and conservation. As administering bodies under this Act, RUAs are empowered to develop and maintain structures for public use and enjoyment on that land.

2.8.2 Public policy justification for regional parks and community facilities

Private providers usually do not create large-scale regional parks or community amenities because they cannot fully capture the widespread public benefits these facilities generate. Government intervenes to provide these valuable assets, ensuring equitable access and enhancing community well-being. This public policy intervention can be justified for the following reasons:

- **Public goods and positive externalities:** Regional parks and open spaces exhibit public good characteristics, as it can be difficult to exclude people from enjoying them, and one person's use does not detract from another's. These facilities can also generate positive externalities, including improved public health, increased property values, biodiversity conservation, and enhanced community well-being, which might be difficult for a private operator to charge for
- **Equity considerations:** Public provision or funding of parks, museums, and stadiums supports access for all community members to recreational, cultural, and sporting opportunities, regardless of their income level. This can support social equity and community cohesion, objectives that a private market may not share
- **Natural monopoly:** Certain regional-scale amenities, such as a major sports stadium or a botanical garden, can have natural monopoly characteristics. A community might be more efficient with one large, well-resourced facility than multiple smaller, competing

facilities. This supports a single, publicly owned or supported entity to manage the asset on behalf of the region.

2.8.3 Capability and information spread

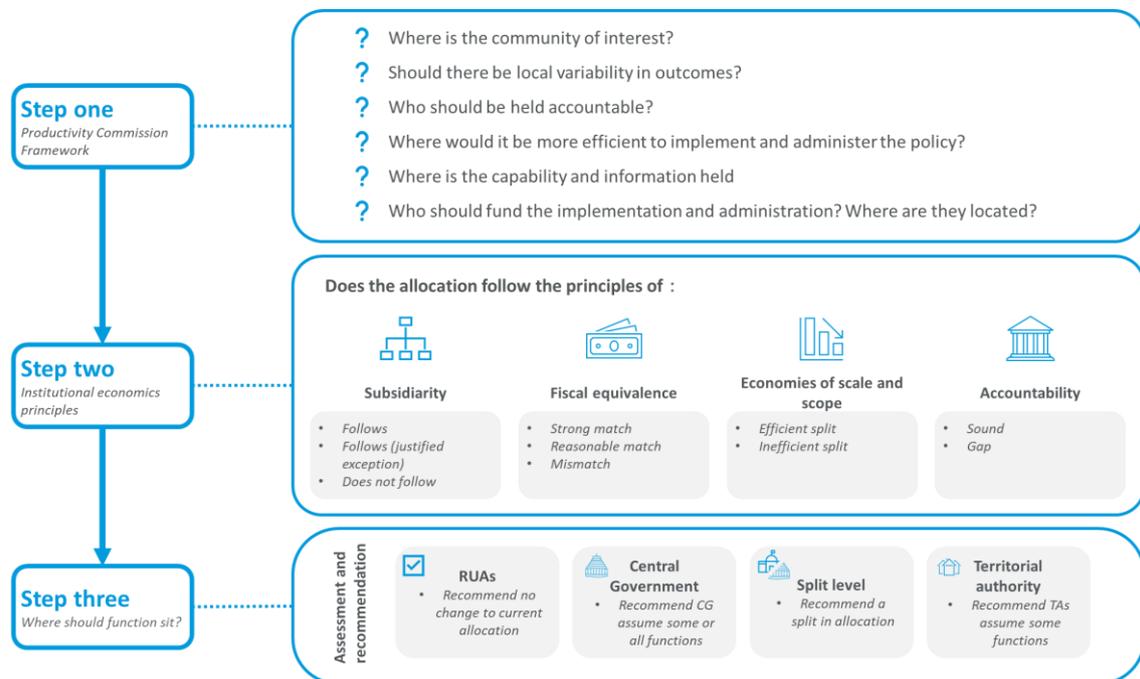
The capability and information required to plan, manage, and operate regional parks and community-scale amenities reside at the regional and local level. This includes the on-the-ground operational capability of staff like park rangers and facility managers who hold specific knowledge about each asset's use, maintenance requirements, and local ecology. Crucially, the RUAs also holds the information about local demand, visitor patterns, and community support that is essential for the effective planning, oversight, and future development of these facilities.

3 Analytical framework and method

The key question for this report is whether it is appropriate for RUAs to continue to provide the functions they currently carry out. To answer this question, we developed a framework to assess the functions against. This framework adapts a series of principles grounded in New Zealand public policy best practices and from institutional economics literature.

Our framework uses three steps:

Figure 3.1: Analytical framework for allocating responsibility

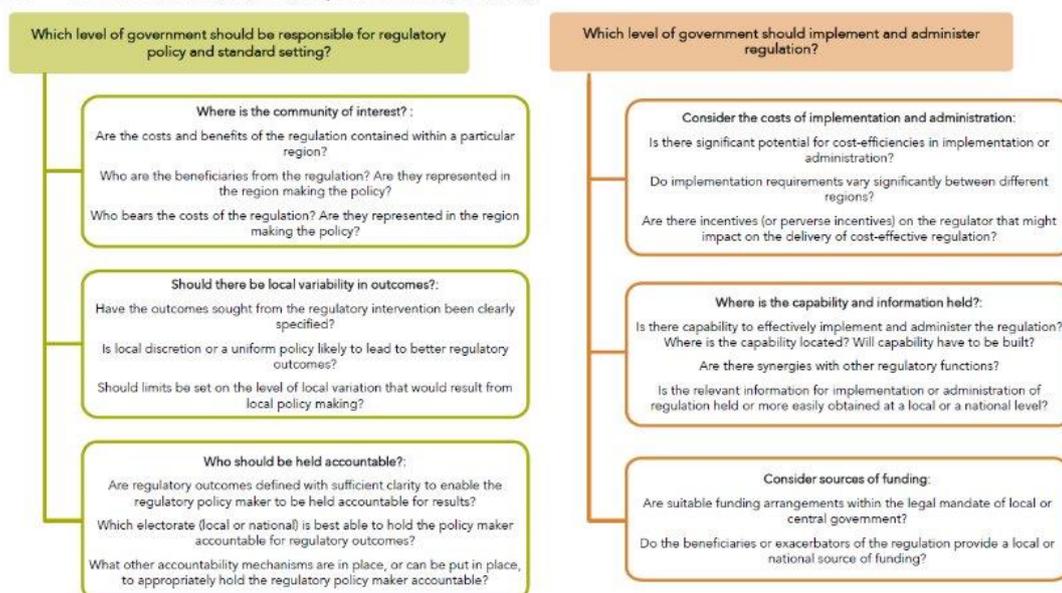


3.1 Step 1: applying the Productivity Commission’s framework

The New Zealand Productivity Commission report, *Towards Better Local Regulation*, sets out a framework and principles for assessing the effectiveness of local government (including RUAs). The report focuses on the regulatory performance of local government. Chapter six of the report sets out a guiding framework for allocating regulatory responsibilities. This framework uses a series of questions to systematically assess whether policy-setting and implementation functions are better placed centrally or locally, considering factors like the community of interest, the need for local variability in outcomes, accountability, and implementation costs to arrive at a well-reasoned decision.

Figure 3.1: Productivity Commission Framework for allocating regulatory responsibilities (based on Castalia advice)

Figure 6.4 Questions for allocating regulatory responsibilities locally or centrally



We use this framework to analyse each RUA function. We use these structured questions to systematically determine the most suitable level of government for both policy setting and implementation/administration. The framework assesses the function against several core principles. These include:

- Identifying the community of interest by asking who benefits from and bears the costs of the function
- Determining if local variability in outcomes is desirable or if a uniform national approach is better
- Establishing where accountability should lie by matching the decision-maker to the affected community.

The framework also applies principles that we discuss below, relating to subsidiarity, fiscal equivalence, and costs (economies of scope and scale):

- Considering the costs and efficiency of implementation
- Assessing where the necessary capability and information are held
- Considering the most appropriate sources of funding.

3.2 Step 2: applying principles from institutional economic theory

In step 2, we apply principles from institutional economic theory as follows:

- Subsidiarity
- Fiscal equivalence
- Existence of economies of scale and scope
- Accountability alignment.

Subsidiarity principle says functions should be allocated to the lowest practical level

The principle of subsidiarity dictates that functions should be allocated to the lowest practical level of government that can effectively carry them out. If in Step 1 we find that a function's costs and benefits are contained within a region and the capability exists there, subsidiarity supports keeping the function at the regional level rather than either:

- Centralising the function within a higher level of government, generally meaning Central Government should assume the function; or
- Assigning the function to a lower level of government or administration, generally meaning assigning it to TAs, local boards or a community or Iwi/hapu institution.

This test requires that any exceptions, that is, decisions to move a function to a higher or lower institutional structure, must be explicitly justified.

Common justifications to depart from the principle of subsidiarity include:

- Significant cross-boundary spillovers. For example, pollution flowing down a river through multiple districts
- Need for specialised national capabilities (for example, border control) that would be inefficient for a lower-level authority to maintain.

Fiscal equivalence dictates that funding should come from beneficiaries or cost-exacerbators

The fiscal equivalence or benefit-cost incidence test is a crucial financial check that examines the relationship between who benefits from a function and who pays for it, or who exacerbates a cost and should therefore bear that cost. An ideal allocation achieves "fiscal equivalence" when the group of people who benefit from a service or cause the problem it addresses (exacerbators) closely matches the group of people who fund it through the available mechanisms at that tier of government. For example, a flood protection scheme that primarily benefits landowners in a specific catchment and is funded by targeted rates on those same landowners demonstrates a strong match. A mismatch occurs when a local or regional community funds a function that provides a national benefit, suggesting a potential

misalignment in the allocation or its funding model that may need to be addressed, possibly through Central Government co-funding.

The existence of economies of scale or scope can justify allocating functions to a higher level of government

The economies of scale and scope test refines the allocation recommendation by assessing administrative and operational efficiency. Economies of scale are efficiencies gained through size. The test asks if centralising or regionalising a function would significantly lower the cost per unit of service. For example, a single national agency managing a complex licensing system may be cheaper and more efficient than 78 separate regional and local systems.

Economies of scope are efficiencies gained by grouping related functions together. This test asks whether it is more effective to have one authority manage multiple interconnected tasks. For example, a regional council can integrate flood control with river management, soil conservation, and water quality monitoring, as these activities are all intrinsically linked within a catchment. The tests help determine if allocating the function to a larger or smaller administrative unit would improve overall efficiency.

Accountability alignment is important to incentivise higher performance

Accountability design is a critical governance check to ensure the proposed allocation results in clear and direct lines of responsibility. The core concept is that the level of government making decisions and setting policy for a function must be directly accountable to the community of interest that is affected by those decisions and that funds the function. If the impact of a function is primarily regional, then the regional council is the appropriate body to be held accountable by regional voters and ratepayers through democratic processes (like elections and long-term plan consultations).

Conflicts of interest (COIs) can undermine accountability. There are two situations that can cause COIs in the work of RUAs due to their consenting and enforcement responsibilities:

- An RUA might grant itself a consent
- An RUA might enforce a consent on itself
- The combination of the two above.

These COIs can be managed but should be avoided where possible.

This test confirms that the final allocation avoids creating "accountability gaps," where responsibilities are unclear or diffuse. It ensures that the community knows who is responsible for the function's outcomes.

Box 3.1: Castalia framework broadly aligned with recent regional sector review literature

In a 2021 paper for LGNZ's "Regional Sector Group", titled *Local Government Futures*,²⁹ Dame Fran Wilde and Peter Winder assessed the RUAs' position amid a wide suite of central government reforms, including the "Future of Local Government" review. *Local Government Futures* describes the status quo, surveys concurrent reform agendas (three waters, resource management, urban development, health, and so on),

²⁹ Wilde, F, Winder, P (2021), *Local Government Futures*, available at: [https://www.dia.govt.nz/diawebsite.nsf/Files/Future-for-Local-Government/\\$file/Appendix-6-Wilde-F-and-Winder-P-2021-Local-Government-Futures-A-Discussion-Paper.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Future-for-Local-Government/$file/Appendix-6-Wilde-F-and-Winder-P-2021-Local-Government-Futures-A-Discussion-Paper.pdf)

and then analyses local government functions using criteria such as subsidiarity, the need for local/regional knowledge, scalability/scale benefits, and local discretion. It highlights a trend toward centralisation (labelled a “retreat from regionalism”) and explores the implications for the demarcation of responsibilities between central, RUAs and TAs.

Broadly speaking, Wilde and Winder’s approach is consistent with the framework we apply in this report. Our method takes their high-level criteria and makes them operational by sequencing tests:

- The Productivity Commission’s allocation framework as Step 1
- Subsidiarity; fiscal equivalence / benefit–cost incidence; economies of scale and scope; accountability design as Step 2

Our framework provides a structured, evidence-based way to reach allocation-only judgements on whether functions should be placed with RUAs or elsewhere. It complements the logic used in *Local Government Futures*.

3.3 Step 3: Reaching a judgement on functions

In the third and final step, we reach a judgement on the allocation of RUAs’ eight core functions and sub-functions. In Section 4, we analyse each RUA function and the corresponding sub-functions. The table below provides an example of how we have applied our framework to the sub-functions.

Table 3.1: Example of how we apply the framework

Sub Function	PC framework	Subsidiarity	Fiscal equivalence	Economies of scope /scale	Accountability	Allocation recommendation
Sub Function description	Split allocation	Follows (Justified Exception)	Mismatch	Efficient Split	Sound	Split-Level Design

We code the results of our test as follows:

Productivity Commission framework (Step One): Step One evaluates the community of interest, the desirability of local variation, capability and implementation costs, and accountability to recommend the appropriate tier of government. We code the results in the tables as *Regional allocation* or *Split allocation*.

Step Two applies a series of tests:

- Subsidiarity: This test determines if a function is allocated to the lowest practical level of government. We code this as *Follows (Lowest Level)* for functions correctly situated at the lowest level, *Follows (Justified Exception)* for split-level functions where a higher-level role is a necessary and correct exception, and *Does Not Follow* if a function is misallocated
- Fiscal equivalence: This test checks if the people who benefit from a service are the ones who pay for it. We code the result as *Strong Match*, *Reasonable Match*, or *Mismatch*

- Economies of scope and scale: This test assesses administrative and operational efficiency. We code the outcome as *Efficient Split* where the current allocation is effective
- Accountability: This test examines whether the allocation creates clear and direct lines of responsibility. We code the design as *Sound* where accountability is clear, or *Gap* where it is diffuse or unclear. We also code accountability as a gap if the same entity sets and enforces rules that apply to itself.

Allocation conclusion: Finally, we set out an overall recommendation based on the preceding analysis. It indicates whether the function should sit with RUAs, sit with Central Government, or be a split-level design.

4 Applying the framework to RUA functions

As outlined in Section 2, RUAs have eight broad groups of functions. Under each sit a range of sub-functions that are grounded in statute or follow from RUAs' power of general competence under the LGA. We assess each of the functions and corresponding sub-functions in sections 4.1-4.8 below.

We have undertaken more detailed case studies with respect to some of the functions. The case studies are as follows:

- Flood management (box 4.1)
- Environmental management (box 4.2)
- Biosecurity (box 4.3)
- Public transport (box 4.4).

4.1 Flood management functions allocated appropriately

Flood management functions are appropriately situated at the regional level with RUAs. Spillovers from flood control and river management are largely contained within regional river catchments, making the community of interest distinctly regional. This is reflected in the location of capability.

The boundaries of RUAs were historically drawn to align with watersheds and river catchments. This, along with a long legislative history, means RUAs tend to hold deep, specialised engineering and local system knowledge required for effective delivery. Furthermore, the benefits of flood management tend to align with the costs. There is widespread use of targeted rates on benefiting landowners, which in principle should create a good match between those who benefit from flood protection and those who pay for it. We have not assessed whether the funding raised for flood protection/management is adequate or efficiently deployed. We also note that flood control and river management benefit the Crown because it owns significant land and assets. However, the Crown does not pay rates to RUAs on Crown-owned land.

COIs can arise when RUAs issue consents for their own flood management works and enforce compliance on those same consents. While RUAs note they have safeguards to manage this,

delegating either the consenting or compliance function to a central authority would avoid the conflict. This does not change our allocation recommendation, as subsidiarity, fiscal equivalence, and economies of scope and scale still support delivery at the regional level.

Table 4.1: Results from application of primary and secondary tests to flood management

Sub Function	PC framework	Subsidiarity	Fiscal equivalence	Economies of scope and scale	Accountability	Allocation recommendation?
Flood control schemes	Regional allocation	Follows (Lowest Level)	Strong Match	Efficiently Split	Gap	Sit with RUAs
River management	Regional allocation	Follows (Lowest Level)	Strong Match	Efficiently Split	Gap	Sit with RUAs
Land drainage schemes	Local/Regional allocation	Follows (Lowest Level)	Strong Match	Efficiently Split	Gap	Sit with RUAs

Box 4.1: Case Study: Economics of flood management

RUAs carry out several distinct but related functions to protect communities from flooding.

RUAs design, implement, and operate flood control schemes

This involves the construction and maintenance of physical barriers like stopbanks and levees. RUAs have a high degree of discretion in this area, allowing each region or community to decide on the appropriate design standards (for example, regions can choose protection against a 1-in-100-year flood versus a 1-in-50-year event) and the level of funding for these schemes.³⁰ This can lead to variation in protection levels from scheme to scheme within a region and nationwide.

RUAs manage river channels and control erosion

RUAs are empowered to carry out works to manage river channels and control erosion. While they must adhere to environmental laws like the RMA, the strategy for where, how, and how much to invest in river works is determined regionally.

RUAs also manage drainage schemes

RUAs manage rural drainage systems in areas requiring it, including canals and pumps. This is considered a regional infrastructure service, with decisions on the extent of drainage schemes left entirely to the RUAs based on geography and the community's willingness to pay.

Flood management activities are primarily funded by RUAs

They are often funded through targeted rates levied on landowners who directly benefit from the protection schemes. This can be supplemented by general rates. For example:

- Greater Wellington Regional Council (GWRC) uses a mix of scheme-specific targeted rates and general rates³¹

³⁰ <https://www.gw.govt.nz/assets/Documents/2015/06/Guidelines-for-Floodplain-Management-Planning.pdf>

³¹ <https://www.gw.govt.nz/document/22736/2024-revenue-and-financing-policy/>

- Otago Regional Council (ORC) and West Coast Regional Council also use targeted rates for river and drainage schemes, along with general rates³²
- Waikato Regional Council provides a drainage service for flat rural land in the Lower Waikato, Waipa, Central Waikato, West Coast and Waihou-Piako zones, funded by targeted land drainage rates.³³

Accountability for these schemes is almost entirely regional. Central government oversight is minimal, though official inquiries may follow major failures, potentially leading to improved standards.

Central government has no direct management powers over regional flood or drainage schemes

The Central Government's role in flood management is primarily supportive and strategic rather than operational. Its involvement includes:

- Providing guidance through entities like MfE and research from ESNZ
- Offering climate adaptation funding
- Developing national resilience frameworks, such as the National Risk and Resilience Framework led by NEMA, to align local planning with broader resilience goals.

Multiple studies quantify the value of flood management services provided by RUAs.

NZIER's Report *Economics of flood risk mitigation* to GWRC from May 2024 estimated that the 55 recently completed flood risk reduction projects in New Zealand delivered a strong return on investment, with a Benefit-Cost Ratio (BCR) between 2 and 4.³⁴ This means for every dollar invested, the projects are expected to return between \$2 and \$4 in benefits. NZIER reached this conclusion using a Cost-Benefit Analysis framework applied to several detailed case studies.

The analysis quantified benefits by calculating the avoided costs of flooding, which include direct impacts like property damage (based on insurance data) and, crucially, indirect impacts such as business and infrastructure disruption. The report highlighted that these indirect disruption costs are a major component of the total benefits, often exceeding the direct costs of damage. The lower end of the BCR range (around 2) is achieved by counting these direct and indirect benefits, while the higher end (approaching 4) is reached when intangible impacts, such as avoided costs to health and wellbeing, are also factored into the analysis

Dr. Chris Daughney, Chief Science Advisor at Te Uru Kahika estimated that RUAs provide flood forecasting systems that help New Zealand avoid an average of \$1.2 billion in damages each year. He calculated this figure by comparing the current flood damage toll with the estimated damage that would occur without council-run forecasting. Currently, flooding causes about \$1.7 billion in damages annually. This is based on the Insurance Council's data showing \$500 million per year³⁵ in direct insured damage, combined with estimates for indirect and intangible impacts.³⁶ Te Uru Kahika also advised us that studies in New Zealand show that a flood forecast with a 1–6 hour warning lead time reduces damage by more than 50 percent, as it allows people to move assets and take protective measures.³⁷ Te Uru Kahika advises us that council forecasting systems currently cover about 75 percent of high-risk river areas. Without these systems, total annual flood damage would be an estimated \$2.9 billion. The \$1.2 billion difference is the value of the damage that council forecasting prevents.

³² <https://www.orc.govt.nz/your-council/plans-and-strategies/revenue-and-financing-policy/>
[https://www.wcrc.govt.nz/repository/libraries/id:2459ikxj617q9ser65rr/hierarchy/Documents/Publications/Corporate percent20Plans percent20and percent20Reports/Policies/Policies percent202024/Long-term percent20Plan percent202024 percent20Revenue percent20and percent20Financing percent20Policy.pdf](https://www.wcrc.govt.nz/repository/libraries/id:2459ikxj617q9ser65rr/hierarchy/Documents/Publications/Corporate%20Plans%20and%20Reports/Policies/Policies%202024/Long-term%20Plan%202024%20Revenue%20and%20Financing%20Policy.pdf)

³³ <https://www.waikatoregion.govt.nz/services/integrated-catchment-management/land-drainage/>

³⁴ <https://www.gw.govt.nz/assets/Documents/2024/05/NZIER-Economic-assessment-of-Climate-Resilience-Flood-Risk-Mitigation-9-May-2024-FINAL.pdf>

³⁵ [Cost of natural disasters - ICNZ | Insurance Council of New Zealand](https://www.insurancecouncil.govt.nz/insurancesolutions/cost-of-natural-disasters-icnz-insurance-council-of-new-zealand)

³⁶ <https://www.gw.govt.nz/assets/Documents/2024/05/NZIER-Economic-assessment-of-Climate-Resilience-Flood-Risk-Mitigation-9-May-2024-FINAL.pdf>

³⁷ <https://www.semanticscholar.org/paper/RiskScape-%3A-Flood-fragility-methodology-Reese-Ramsay/b505b0b9948cea0f25e73ac091e8fc3f64f9b4ef>

International best practice in flood management is for shared responsibility

International examples from Australia, Ireland, Scotland, United States, and Canada show that flood management is a shared responsibility, with different models for allocating roles between national, regional, and local tiers of government.

All planning frameworks connect national policy with local knowledge, but they differ on who leads the process.

The models in Victoria and Scotland show regional bodies (Catchment Management Authorities) or local authorities leading the development of regional and local flood management plans within a national strategy. In contrast, Ireland's model is more centrally-driven, the national Office of Public Works (OPW) leads the development of detailed catchment-based plans, with local authorities primarily responsible for implementing and incorporating this central guidance.

Funding is a partnership across government tiers, but the balance of contribution can differ

The most common approach is cost-sharing, as seen in Australia and Canada. In New South Wales and Victoria, state grants are typically co-funded by local councils, often on a 2/1 or 2/3 to 1/3 basis, while British Columbia also uses a mix of provincial, federal, and local contributions.³⁸ Ireland is the clear outlier, where major capital schemes are chiefly funded 100 percent by the national government via the OPW.³⁹

The responsibility for building and maintaining flood defences varies.

In New South Wales, Victoria, Scotland, and British Columbia, local or regional authorities are the primary bodies that deliver most flood protection works. Ireland is the main exception, where the national OPW takes a direct, hands-on role in executing major schemes, acting as the construction authority.

Recommendation on allocation for flood management function: Regional level is the right fit

The evidence from first principles, an analysis of the existing framework, and a review of international practice support the conclusion that RUAs should remain responsible for flood management. The current RUA-led model follows the principles of good government. Centralising this function could be inefficient, while devolving it further to smaller authorities would fragment the management of natural river catchments.

Community of interest is regional

Flood management is a catchment-based issue. The benefits of a stop bank or river management scheme in one part of a catchment directly affect communities downstream, while the costs are most fairly borne by those who benefit from the protection. The analysis confirms that for major functions like flood control schemes and river management, the costs and benefits spill over district boundaries but are largely contained within a single region. This makes the community of interest regional, as the problem cannot be effectively managed by a smaller TA acting in isolation.

RUAs are the most efficient and capable delivery agents for flood management.

With a legislative mandate stretching back to the Soil Conservation and Rivers Control Act 1941, RUAs hold the specialised engineering capability, historical flood data, and deep

³⁸ <https://www.nsw.gov.au/grants-and-funding/floodplain-management-program-2024-25>
https://www.water.vic.gov.au/_data/assets/pdf_file/0027/661743/victorian-floodplain-management-implementation-snapshot-2022.pdf <https://www2.gov.bc.ca/gov/content/transportation/funding-engagement-permits/funding-grants/investing-in-canada-infrastructure-program/green-infrastructure/environmental-quality>

³⁹ <https://www.floodinfo.ie/scheme-info/>

knowledge of local river systems required for effective management. This capability is held at the regional level. Furthermore, there are economies of scope, as this work integrates directly with other core RUA functions, including data and science activities (where RUA capability is particularly strong), water quality management and environmental monitoring.

There is alignment between who pays, who benefits, and who decides.

The funding mechanism, primarily through targeted rates on benefiting landowners, adheres to the "beneficiary pays" principle. RUAs have a high degree of discretion to set local standards (for example, 1-in-50 vs. 1-in-100-year flood protection) and investment levels, allowing for outcomes that are tailored to local needs and community willingness to pay. This high level of discretion is appropriately matched with direct accountability to the regional ratepayers who fund and are affected by these decisions.

Central Government's role is supportive, not directive

The Central Government provides guidance, research, climate adaptation funding, and national resilience frameworks. It has no direct management powers. Our tests suggest that this is the appropriate allocation as it adheres to the principle of subsidiarity by placing responsibility at the lowest practical level of governance—RUAs.

The split is consistent with international practice

The recommended RUA-led model is consistent with the predominant approach internationally. Our review of frameworks in Australia, Scotland, and Canada shows that while models vary, the most common structure is a partnership in which a state or national body sets policy, and local or regional authorities are the primary bodies responsible for delivering most on-the-ground flood protection works. The more centralised model seen in Ireland is a noteworthy exception.

4.2 Environmental management, data and science functions have key gaps

Environmental management functions of RUAs are a mix of setting regional-level rules and limits and then implementing both national and regional policy decisions through regulatory and non-regulatory methods. RUAs set their own regional-level environmental rules in Regional Plans and then exercise decision-making on resource consents. Central government can set national directions and national standards, which RUAs must then use when setting their regional plan rules or issuing (and enforcing) consents.

Split-level accountability for rule setting has flaws

Split-level accountability is appropriate for regional environmental rule-setting, provided that the Central Government role in setting minimum environmental standards in relevant areas is followed through. Despite Part 5 of the RMA providing for Central Government rule-setting, it is only in recent years that this power has been utilised. Up until the last decade, RUAs had considerably more freedom to set rules in regional plans and in consents. This makes New Zealand an outlier compared to other jurisdictions we have reviewed.

While in theory the New Zealand Central Government should set directions and standards to ensure bottom lines are met and environmental rules are consistent, this has only occurred in

recent years.⁴⁰ Environmental externalities from resource use (water, air, coastal environment) are generally regional or local. However, there are good reasons for Central Government to set minimum rules and standards:

- Firstly, minimum safe levels are often national policies (bacterial counts in drinking water sources or nitrogen levels in fresh water)
- Secondly, central government can capture economies of scale in science, ensure centralised science knowledge and methods are deployed across the country (not localised), and can ensure national consistency. This is reflected in international examples where New Zealand’s comparator jurisdictions have national or state-level environmental protection agencies that set rules and limits, and delegate this to regional or municipal authorities to monitor and enforce.

Water source management is critical for ensuring freshwater is available and meets minimum quality levels for agriculture, drinking, recreation and environmental outcomes. This involves both managing extraction/abstraction and discharges to waterways. In all jurisdictions that New Zealand typically compares itself to, national or state-level environmental protection agencies set the minimum rules and standards, whereas New Zealand RUAs are responsible for setting rules (only recently influenced by NPS and NES guidance and strengthening of drinking water standards through Taumata Arowai), monitoring, and enforcing. Appendix A.2 sets out the international examples that we researched in this report.

Implementation and enforcement at a regional level, close to affected parties is important

It is appropriate for the implementation and enforcement of environmental rules to be done at the regional level. The relevant environments (air, water, coastal environment) transcend TA boundaries, and TAs are often applicants for consents. Environmental spillovers are mostly within the region rather than national, so the community of interest is regional. Finally, RUA boundaries generally follow watershed boundaries, meaning the natural environment each regulates is mostly interconnected and mostly does not spill over regional boundaries. Some exceptions exist—for example, the Buller River and catchment which is in both Tasman and West Coast regions and shared aquifers in the Taupo and Rotorua area.

Data and operational capability are based within the relevant regions for implementing, monitoring, and enforcing. This supports the current split-level design with national guidance and regional delivery. However, while regional implementation is justified, it does not necessarily mean that RUAs should be the vehicle for implementing and enforcing. Some countries have regional or local offices with delegated authority from a central organisation.

Unitary Authorities combine regional and territorial roles, so COIs can arise more often

We code accountability as a gap wherever the council either grants consent to itself, enforces its own consents, or a combination of both. In practice this affects unitary authorities frequently for wastewater, stormwater, landfills, and other council works.

This is a tension in system design, which may not translate to a material issue in practice. Also, the difference in accountabilities between RCs and UAs in relation to water services may become less significant with upcoming resource management reform and as the new three waters delivery model is implemented.

⁴⁰ With the exception of rules on the coastal environment enacted in 1994.

A council’s own consented activities may be a small proportion of activities in a catchment. Independent commissioners may be appointed, and transparent enforcement procedures applied. These practical measures can manage the risk, but do not remove the structural conflict. The conflict can be avoided if either consenting or compliance is delegated to an independent or central authority.

Both regional and unitary councils face similar issues when they are the proponent for flood, river, drainage, catchment, and soil conservation works, which is why those rows are marked gap. These accountability settings do not change the allocation recommendation, which remains with RUAs on subsidiarity, fiscal equivalence, and economies of scope and scale.

Consenting and compliance monitoring and enforcement is funded on a regional basis

Regulatory activities like consenting are often paid through user-pays fees, creating a strong alignment between costs and benefits. Similarly, broader monitoring, catchment management projects, and regional policy setting show a reasonable match because most benefits and compliance impacts are realised within each region, and the same communities choose service levels and fund the work. National direction provides a consistent guidance and minimum standards.

Table 4.2: Results from application of primary and secondary tests to environmental management, data and science

Sub Function	PC framework	Subsidiarity	Fiscal equivalence	Economies of scope and scale	Accountability	Allocation recommendation?
Air quality monitoring	Split allocation	Follows (Justified Exception)	Reasonable match	Efficient Split	Sound	Split-level design
Regulating emissions	Split allocation	Follows (Justified Exception)	Strong Match	Efficient Split	Sound	Split-level design
Water quality monitoring	Split allocation	Follows (Justified Exception)	Reasonable Match	Efficient Split	Sound for RCs Gap for UAs	Split-level design
Water allocation and permitting	Split allocation	Follows (Justified Exception)	Strong Match	Efficient Split	Sound for RCs Gap for UAs	Split-level design
Catchment management projects	Split allocation	Follows (Lowest Level)	Reasonable match	Efficient Split	Gap	Sit with RUAs
Soil conservation	Split allocation	Follows (Lowest Level)	Reasonable Match	Efficient Split	Gap	Sit with RUAs
Contaminated site monitoring	Split allocation	Follows (Justified Exception)	Reasonable Match	Efficient Split	Gap	Sit with RUAs

Pollution response and remediation	Split allocation	Follows (Justified Exception)	Strong Match	Efficient Split	Gap	Sit with RUAs
Regional policy setting (RPS and plans)	Split allocation	Follows (Justified Exception)	Reasonable Match	Efficient Split	Sound	Sit with RUAs

Box 4.2: Case study: Environment science and data

RUAs are responsible for monitoring, collecting and storing environmental and science data. RUAs derive their authority for environment, science and data from several key pieces of legislation.

Table 4.3: Summary of statutory framework

Legislation and legal instruments	RUA Authority
RMA 1991 s30 (f)	Regional councils control discharges to air and must monitor air quality
National Environmental Standards for Air Quality 2004	Sets nationwide pollutant limits- regional councils are responsible for monitoring areas where air quality is likely or known to exceed the standards
RMA 1991 s(30) and s(35)	Regional councils manage water quality in water bodies and coastal waters. Councils must report on water state
National Policy Statement for Freshwater Management 2020	Requires monitoring and setting water quality limits.
LGA 2002, s76-77; s14	Provisions empowering decision-making and principles for the basis of decision-making (availability of information)
Treaty settlement legislation	Some Treaty settlement legislation contains provisions that must be read into RPSs and given effect to in RMA instruments.

The 16 RUAs have statutory responsibilities as primary managers of the nation’s natural resources. RUAs roles include:

- Integrated management of land, air and water resources
- Supporting biodiversity and biosecurity
- Providing for regional transport services
- Building more resilient communities in the face of climate change and natural hazards.

Through these functions, RUAs achieve outcomes for environments and communities and are integral to the delivery of the broader policy objectives of central government.

Central government sets some (but not all) standards and provides some oversight

Central government sets national environmental standards and freshwater policy, including the National Environmental Standards 2004 for air quality (NES-AQ), the National Policy Statement for Freshwater

Management 2020 (NPS-FM) and National Environmental Standards for Freshwater 2020 (NES-Freshwater).

However, it is only relatively recently that Central Government has used national policy instruments to guide and limit RUAs: A National Policy Statement for freshwater was passed in 2011 (updated in 2014 and 2017 then overhauled in 2020, amended again in 2022 and 2024 and in the process of further amendment), a Coastal Environment Policy Statement was passed in 1994 then replaced in 2010. National standards have only been in place for freshwater since 2020. This is despite the RMA providing for national policy and standards since its inception in 1991 (Part 5 RMA).

MfE supports RUAs by providing guidance, oversight, data support, reporting frameworks, and progress audits. It works with the EPA on national reporting and may fund national monitoring platforms or equipment upgrades. Agencies such as ESNZ support national monitoring networks.

Environment science and data is primarily funded by RUAs

Air quality, water quality, and state-of-the-environment monitoring are mainly funded through general rates. GWRC relies on general rates for most monitoring (80–90 percent),⁴¹ while Auckland Council also funds from general rates.⁴² ORC uses general rates and government grants⁴³ and Northland Regional Council (NRC) draws on both general and targeted rates.⁴⁴ Central Government co-funds some water quality programmes through initiatives like Land, Air and Water Aotearoa (LAWA) and the Freshwater Improvement Fund.

RUAs:

- Measure pollutants like PM_{2.5} and PM₁₀ under RMA s30(f). They monitor areas likely to exceed national standards set by the NES-AQ 2004. Funding comes mainly from general rates, and councils have medium discretion in choosing monitoring locations and intensity, but must follow national methods and meet the standards.
- Regulate emissions they manage discharges from industry and domestic sources, issuing consents and enforcing rules under RMA s15. They can set stricter local controls but must meet NES-AQ limits. Central Government sets national standards, provides guidance, and may intervene if standards are not met. Funding comes from a mix of consent fees and general rates.
- Monitor water quality and manage allocation. They monitor rivers, lakes, and groundwater under RMA s30 and s35, following the NPS-FM 2020. They grant water take and discharge consents and enforce environmental limits. Funding is mostly from general rates and consent fees, sometimes co-funded by national programs. Councils have low to medium discretion: they must meet national objectives but decide locally how to achieve improvements.

RUAs deliver regional monitoring to support compliance and enforcement

The 16 regional and unitary authorities monitor over 5,200 sites annually, covering land, air, freshwater, and estuaries.⁴⁵ This local-scale, long-term data supports biodiversity, biosecurity, and natural resource management, while helping communities adapt to climate change and natural hazards.⁴⁶ By integrating monitoring with other scientific information, councils provide actionable insights that enable more efficient and effective environmental management.

Analysis of the economic value of these services shows a return on investment. A 2021 report by Schiff Consulting on the economic value of New Zealand aerial imagery data prepared for Bay of Plenty Regional Council, Environment Canterbury, and Waikato Regional Council estimated that high-resolution imagery used by councils helps prevent costly environmental degradation, improves land-use planning, and

⁴¹ [GW-Revenue-and-Financing-Policy_2024.pdf](#)

⁴² <https://new.aucklandcouncil.govt.nz/content/dam/ac/docs/policies/ac/revenue-financing-policy.pdf>

⁴³ https://www.orc.govt.nz/media/i2co0mes/2024-34_ltp-orc-revenue-and-financing-policy_final_council-26-jun-24.pdf

⁴⁴ https://www.nrc.govt.nz/media/bddn0jdj/final_ltp20122022section5financialpolicies.pdf

⁴⁵ 2022-08-23 Te Uru Kahika Overview for MBIE.docx

⁴⁶ 2022-08-23 Te Uru Kahika Overview for MBIE.docx

optimises interventions such as biosecurity controls.⁴⁷ These services avoid costs that would otherwise fall on communities, the economy, and the environment by reducing risks to ecosystems and infrastructure.

Aerial imagery is a key tool for councils, providing datasets on land use and building outlines and supporting innovative applications like machine learning for detecting changes over time. Schiff's 2021 report estimates that a national aerial imagery dataset in New Zealand has an economic value of \$15.8 million, with unrealised benefits from the current uncoordinated system of \$2.2–\$5.7 million.⁴⁸

RUAs also provide expert science. With around 690 science professionals and \$123 million invested annually in monitoring and research, they translate complex data into practical solutions, implement national research priorities, and contribute to a coordinated national environmental reporting system. By delivering timely, high-quality environmental intelligence, regional councils create substantial value for New Zealand, much like flood forecasting prevents billions of dollars in annual damage.

International practice comparison with New Zealand

We researched how New South Wales (Australia), British Columbia (Canada), Oregon (USA), Scotland (UK), and Ireland conduct their environmental science and monitoring functions.

New Zealand is unusual in that RUAs set primary regulatory content, such as environmental standards and policy, at a regional level. While national policy statements and national standards do set some regulatory minima, this is a relatively recent phenomenon and only partially limits RUAs' authority. The global evidence shows New Zealand is unique:

- Australia (NSW) environmental standards and policy is set at State level by the EPA. Local and regional bodies implement these rules but do not generally write the core standards
- Canada (BC) the province sets the binding standards and municipalities administer bylaws but do not set binding rules
- UK, the Scottish and UK governments set the standards and local planning authorities implement these
- Ireland's national government sets policy, the EPA licences significant activities and issues binding guidance and local authorities implement within that framework
- United States (Oregon) has the federal government through the EPA setting national standards, the State government Environmental Quality Commission sets rules, the Department of Environmental Quality implements.

Overall, the balance between RUAs and central government mirrors international models, such as those in New South Wales and British Columbia, where provincial and state level strategy is combined with regional and municipal implementation. British Columbia also follows a similar funding model where environmental monitoring is funded via regional funding support by the state and federal governments. The dual community of interest is consistent with federal systems like those in Australia, where responsibilities are shared across different tiers of government.

Recommendation on appropriate level of governance

Our recommendation on the appropriate level of governance for environmental management, science and data functions currently undertaken by RUAs is summarised below:

RUAs have strong capability to deliver environmental monitoring

RUAs have strong, established capability in environmental monitoring. This expertise underpins functions like environmental management, infrastructure planning, biosecurity, and climate resilience. Councils' local knowledge and networks make them the most efficient and effective delivery agents.

⁴⁷ Economic value of NZ aerial imagery 10-12-2021 Schiff report FINAL.pdf

⁴⁸ [Economic value of NZ aerial imagery 10-12-2021 Schiff report FINAL.pdf](#)

Central government’s role is strategic and supportive

The Central Government's role, currently through RMA instruments developed with MfE advice, is to ensure consistent standards, provide equity across regions, and meet international obligations (for example, climate goals). This aligns with the principle of subsidiarity—placing responsibility at the lowest effective level of governance. Central Government should support RUAs where national spillovers or economies of scale exist, rather than taking over delivery.

The current split-level model mostly reflects international best practice—but typically national or state-level agencies set rules and bottom-lines

New Zealand’s model, which embeds regional delivery within a national framework, is mostly consistent with international best practice. However, most international examples we reviewed have stronger national- or state-level rule-setting functions. The New Zealand RMA is currently being reformed, and published policy decisions reflect a stronger role for national standard-setting to guide RUAs (and TAs). This partnership approach ensures that environmental monitoring is both locally responsive and nationally coordinated, providing value for both regional communities and the country as a whole.

4.3 Biodiversity and biosecurity functions could be better allocated

Biodiversity functions performed by RUAs could be better allocated. Spillovers exist across territorial and regional boundaries: pests do not respect borders, and the benefits of protecting ecosystems in one region extend to the entire country, making the community of interest national.

The locus of capability reflects this split. Central government agencies, including MPI and DOC, have high-level strategic and scientific expertise, while RUAs possess on-the-ground operational capability and local ecological knowledge required for effective implementation and monitoring, particularly on private land.

The benefits of pest control and biodiversity enhancement are national, but RUA-led activities are funded mainly through regional rates. As a result, regional ratepayers might fund a national public good. This misalignment creates a mismatch in terms of fiscal equivalence, as some of the beneficiaries do not pay for the cost. However, it does not mean that the delivery of biodiversity interventions should be centralised, which could detract from the effectiveness of service delivery.

For pest surveillance and control, there is a gap in accountability because the council can both authorise pest operations and deliver them itself (directly or via a CCO), creating a COI. Safeguards can manage this risk, but the structural conflict remains.

Table 4.4: Results from application of primary and secondary tests to biodiversity and biosecurity

Sub Function	PC framework	Subsidiarity	Fiscal equivalence	Economies of scope /scale	Accountability	Allocation recommendation
Pest surveillance and control	Split allocation	Follows (Justified Exception)	Mismatch	Efficient Split	Gap	Split-Level Design but address funding

Indigenous biodiversity enhancement	Split allocation	Follows (Justified Exception)	Mismatch	Efficient Split	Sound	Split-Level Design but address funding
Biodiversity monitoring and policy	Split allocation	Follows (Justified Exception)	Reasonable Match	Efficient Split	Sound	Split-Level Design

Box 4.3: Case study: Biosecurity

Ensuring biosecurity is critical for protecting biodiversity. Biosecurity is the practice of protecting an area from harmful living things like invasive pests, diseases, and weeds. These threats can damage the natural environment and key industries like farming and forestry. It involves both stopping new threats from entering a region and managing the spread of any that are already present.

Role of RUAs in biosecurity pest management

RUAs are responsible for setting and implementing regional pest management. RUAs can develop a pest management pathway or pest management plan, whilst this is not mandatory, all councils have chosen to develop and implement regional pest management plans. RUAs derive their authority for biosecurity from key pieces of legislation and statutory mandates.

Table 4.5: Summary of statutory framework

Legislation	RUA Authority
National Policy Direction for Pest Management 2015	Clarifies requirements for the development of the Biosecurity Act Part 5. RUAs can develop regional pest or pathway management plans and small-scale management programmes, ensuring that plans are aligned regionally and nationally.
Biosecurity Act Part 5, s (13) 1	Sets out the framework for developing national and regional pest or pathway management plans and small-scale management programmes

Each regional council develops a Regional Pest Management Plan (RPMP) every 10 years. The RPMP sets out the regional plan or strategy for controlling and managing pests in the region.

The role of central government is focused on border security and setting standards

MPI leads border control and national pest responses where there is national need and sets overall strategy through national standards with the ability regional flexibility and implementation. MPI provides oversight and the National Pest Plan Direction sets out that the Minister needs to be satisfied with the proposed pest management plan, and its alignment with the National Policy Direction (NPD).

Post border pest management is primarily funded by regional council

Pest control programmes are primarily funded through general rates, with targeted rates used where specific beneficiaries are identified. For example:

- ORC applies both general and targeted rates for pest management⁴⁹

⁴⁹ [Microsoft Word - 2024-34 LTP ORC Revenue and Financing Policy Draft v2 FINAL](#)

- GWRC's RPMP-related activities are funded 80-100 percent through general rates⁵⁰
- Environment Canterbury's biosecurity plan making and reporting is funded by general rates. Their pest surveillance, and management is funded 45-55 percent through general rates, 45-55 percent through targeted rates, (75-85 percent land value, 15-25 percent land area).⁵¹

Multiple studies demonstrate the economic value of biosecurity and pest management provided by the RUAs

Controlling Bennett's Wallabies in New Zealand can create net economic benefits of \$39.3 million

In 2015, Bennett's wallabies occupied land where about 80 percent was suitable for some type of farming. Of this, 1 percent was flat or rolling country, 14 percent was hill country, and 85 percent was high country.⁵² Across this area, farmers lost an estimated \$22.2 million each year in revenue because wallabies competed with livestock and reduced stocking rates. This figure reflects the impact of the current "status quo" approach, where landowners in Canterbury apply patchy control to keep wallabies in control.

A shift to widespread control, at an average cost of \$15 per hectare, could cut wallaby numbers by about 90 percent across all affected farmlands. The cost of this approach, including control and the small remaining losses at 0.2 wallabies per hectare, would be about \$8.5 million a year. This means agriculture would see a net annual benefit of roughly \$13.7 million by keeping wallabies at low numbers. Widespread control could also slow or stop wallabies from spreading beyond their 2015 range, reducing the risk of further economic impacts.

For the South Island, avoided losses are currently about \$23.7 million each year. Without control, losses could grow to \$67 million annually within 10 years. Containment control would cost about \$6.2 million, compared to \$43.4 million in losses without action. This creates a net benefit of about \$39.3 million.

RUAs have led the way in biocontrol

The Regional Investment into Biological Control Summary Report to BioManagers from LPS,⁵³ prepared for the Biosecurity Working Group, evaluates the value of regional council contributions to the National Biocontrol Collective (NBC) and outlines future management priorities.

New Zealand spends around \$350 million each year on controlling pest plants. Pastoral weeds alone cost an estimated \$1.2 billion annually in lost animal production and control expenses. Over the past decade, 14 biocontrol agents have been released in New Zealand, with about 80 percent successfully established.

The economic benefits of biocontrol are significant. For every \$1 invested, the national economy gains an estimated \$18 in benefits. One example is the ragwort biocontrol programme. With a total cost of less than \$1.5 million, it is estimated to save New Zealand dairy farms between \$9 million and \$12 million each year.

RUAs invest in biocontrol through the National Biocontrol Collective (NBC). Below provides more details on this program.

Pest plants and pastoral weeds management

The National Biocontrol Collective (NBC) is a consortium of RUAs, unitary authorities, and DOC.⁵⁴

The National Biocontrol Collective funds applied to weed biocontrol research in New Zealand. Biological control is the use of one living organism to control another. Regional Council investment in biocontrol is facilitated through the NBC, a collaborative partnership of RUAs and DOC that funds a national research programme for biocontrol agents.

⁵⁰ [GW-Revenue-and-Financing-Policy_2024.pdf](#)

⁵¹ <https://www.ecan.govt.nz/document/download?uri=5259180>

⁵² [2016-15-Review-of-current-and-future-predicted-distributions-and-impacts-of-Bennetts-and-dama-wallabies2.pdf](#)

⁵³ [Regional Investment into Biological Control Summary Report to BioManagers from LPS - 2 November 2015 Final.pdf](#)

⁵⁴ [Regional Investment into Biological Control Summary Report to BioManagers from LPS - 2 November 2015 Final.pdf](#)

The average annual investment by RUAs and DOC in biocontrol is \$600,000, with RUAs contributing approximately \$500,000 of this. This makes up about 22 percent of national spending on biocontrol research for pest plants.

International best practice consistently links planning frameworks and national standards with regional flexibility

We researched biosecurity systems from New South Wales (Australia), British Columbia (Canada), Oregon (USA), Scotland (UK), and Ireland. The most common international model connects national strategy with local delivery. In New South Wales, the state sets the overarching strategy, but Local Land Services and regional pest committees lead local planning. British Columbia and Oregon also balance central regulation with local and regional flexibility in delivery. Scotland represents a more centrally directed model with less regional discretion. This split highlights a dominant pattern where national bodies set the framework and manage borders, while state or regional bodies lead on-ground implementation.

Funding is a partnership, but the mix of sources varies

New South Wales blends national and state co-funding with a direct pest levy on landowners. In contrast, British Columbia and Scotland rely more heavily on central government budgets and grants without a specific landowner levy.

Delivery is regional for established pests, national for border control

The evidence shows a clear and consistent efficiency split. National leadership for border biosecurity is a universal feature, where economies of scale and specialist expertise are paramount. This is seen in the roles of the Australian federal government, the USDA in Oregon, and federal bodies in Canada. Once pests are established, regional or state-level delivery is the dominant model, leveraging local ecological knowledge and relationships.

Recommendation for biosecurity and biodiversity: On-ground pest management aligns best with regional delivery

The evidence from first principles, an analysis of the existing framework, and proven regional outcomes suggest that managing established pests should be delivered through a regional structure, either via RUAs or some other regional delivery model.

The community of interest is both regional and national

While pest management is delivered regionally, the impacts cross boundaries. Wallabies have already spread from Canterbury into Otago, so controlling them in those regions prevents their further spread into Southland and further afield, generating national-level benefits. Similarly, weeds impose costs that extend beyond individual farms or districts. This makes the community of interest partly regional and partly national, justifying a model where regional delivery is supported by a national framework. This dual scale is reflected in international models like Australia, which combines national border protection with regional pest committees.

RUAs appear to be the most efficient and capable delivery agents

RUAs hold the operational capability for pest management, including surveillance teams, ecological expertise, and established processes under RPMPs. They are directly accountable to their ratepayers, who fund much of this work, and can adapt programs to reflect local priorities and willingness to pay. This capability is held at the regional level, and centralising it could dilute local knowledge and responsiveness.

Though funding does not align with the 'beneficiary pays' principle at a regional level

Direct beneficiaries, such as farmers, should contribute to managing pests that primarily affect their own land and productivity. However, this model becomes less appropriate for pests that

have the potential for national consequences. An infestation that starts in one region can easily spread across the country, threatening ecosystems and industries nationwide. In these cases, the responsibility for decision-making and accountability (and funding) is more appropriately handled at a national level. This would enable the Government to achieve national-level policy aims (optimal level of pest control), which means the activities should be nationally funded, with implementing agencies such as RUAs accountable to national-level agencies.

The New Zealand model is consistent with international best practice

New Zealand's biosecurity model aligns closely with the predominant international approach. Like Australia and Canada, it uses a partnership model where national agencies set the strategic framework and provide support, while regional bodies deliver on-the-ground programs. While New Zealand's framework aligns with the common partnership model, Scotland's more centralised system provides a notable alternative, demonstrating a different approach to governance where the state takes a more direct lead.

4.4 Civil defence functions mostly allocated appropriately

RUAs' civil defence functions are mostly situated appropriately in the current split-level model. Currently, Central Government sets the legal framework, national strategy and coordinates large events, while regional CDEM Groups plan, resource and lead reduction, readiness, response and recovery across their regions. RUAs' natural hazard management function lacks some accountability to central government funders that typically step in for post-disaster recovery on a case-by-case basis. Therefore, given the recurrence of national-level funding interventions, accountability for decisions that may have exacerbated the civil defence outcomes (for example, zoned development in flood-prone areas) could be improved at either TA or RUA level.

Major disasters tend to be localised to a region but can lead to national-scale spillovers. The costs of major disasters are felt most acutely in the region where they occur, but also lead to national-level economic and social spillovers. For the most part, the locus of capability in civil defence functions reflects this reality; governance, delivery and funding approaches are both national and regional. At a national level, NEMA and ESNZ provide national strategic direction and scientific expertise respectively. RUAs and their CDEM Groups hold the on-the-ground operational capability and local knowledge of hazards.

Disaster preparedness is funded regionally for a national benefit. Recovery and hazard management matters are typically co-funded on a case-by-case basis. This creates a reasonable match between who benefits and who pays and reinforces the partnership model.

The partnership model, while largely efficient, creates a potential accountability gap. The gap arises because RUAs are accountable to regional ratepayers for water courses and the coastal area, while TAs are accountable for land use decisions. The Central Government funds some of the costs of post-disaster recovery. This is likely to lead to mismatches between those who make risk-creating decisions and those who ultimately pay the price.

Table 4.6: Results from applying primary and secondary tests to civil defence

Sub Function	PC framework	Subsidiarity	Fiscal equivalence	Economies of scope and scale	Accountability	Allocation recommendation
Emergency Management	Split allocation	Follows (Justified Exception)	Reasonable Match	Efficient Split	Sound	Split-level design
Recovery and Resilience	Split allocation	Follows (Justified Exception)	Strong Match	Efficient Split	Sound	Split-level design
Natural Hazard Management	Split allocation	Follows (Justified Exception)	Reasonable Match	Efficient Split	Gap	Split-level design

4.5 Community leadership and economic development functions reflect RUAs' choices

RUAs have discretion in how community leadership and economic development functions are exercised. RUAs are not required to perform these functions. They choose to undertake them to promote local well-being under the general power of competence. To the extent the RUAs' expenditure under these functions is voted for by ratepayers, it creates a direct and logical link between the decision-maker (the RUA) and the funder (the regional community).

Models vary, but economic development agencies often receive funding from TAs. For example, WellingtonNZ is 80 percent funded by TAs and 20 percent by GWRC, and Northland, Inc. is funded and co-owned by NRC and three TAs. TAs have incentives to boost economic activity through economic development initiatives because these can increase the ratepayer base, which funds local infrastructure and otherwise boosts local economic activity. The link between RUAs' statutory functions and promoting economic development is less clear than for TAs. Therefore, RUAs should in theory rigorously test whether economic development funding and activities are linked to regional benefits.

Fiscal mismatch issues arise, however, where locally funded activities create national-scale spillovers

These regional activities can generate positive spillovers that can benefit communities either within the regional boundary (justifying TA funding/expenditure), such as city-specific tourism, or the entire country (justifying national funding/expenditure), such as strengthening New Zealand's tourism brand or improving cross-boundary planning. Since some of the funding comes from regional sources, there may be a fiscal mismatch where regional ratepayers fund local or national benefits (depending on the extent of spillovers).

The fiscal mismatch is a policy choice

RUAs should rigorously test whether proposed regional interventions are truly aimed at regional benefits, and not for local sub-communities (where TA funding, if any, would be better suited). Further, if Central Government wants to achieve cohesive national outcomes, it could choose to co-invest in agreed priorities, offer matched funding, or fund shared data and coordination capability. Regional deals have been proposed recently. Such tools could align regional action with national interests while preserving RUA discretion and accountability to their communities, and ensuring Central Government remains accountable to the wider public.

Table 4.7: Results from application of primary and secondary tests to community leadership and economic development

Sub Function	PC framework	Subsidiarity	Fiscal equivalence	Economies of scope and scale	Accountability	Allocation recommendation?
Regional Economic Development	Split allocation	Follows (Lowest Level)	Reasonable Match	Efficient Split	Sound	Split-level design, but subject to cost-benefit review
Tourism Promotion	Split allocation	Follows (Justified Exception)	Mismatch	Efficient Split	Sound	Split-level design
Visitor Infrastructure and Amenities	Split allocation	Follows (Justified Exception)	Mismatch	Efficient Split	Sound	Split-level design
Regional coordination and planning	Regional allocation	Follows (Lowest Level)	Mismatch	Efficient Split	Sound	Sit with RUAs
Māori partnership	Split allocation	Follows (Lowest level)	Reasonable Match	Efficient Split	Sound	Sit with RUAs
Community representation and advocacy	Regional allocation	Follows (Lowest Level)	Strong Match	Efficient Split	Sound	Sit with RUAs

4.6 Maritime navigation functions allocated appropriately

Maritime navigation and safety functions are appropriately situated at the regional level with RUAs. Ports, harbours and surrounding coastlines are usually regional assets—both because the harbour(s) and adjacent coasts cross TA boundaries and because the economic benefits of a port extend beyond the immediate TA.

Regulating maritime navigation activity has spillovers that are both regional and national. The safety and efficiency of New Zealand's ports and harbours are critical to the entire country's economy and supply chain, and major incidents like oil spills have regional and national consequences. This is reflected in the location of capability, where Maritime NZ sets the national regulatory framework and manages major incidents, while RUA-appointed Harbourmasters provide the essential on-the-ground operational expertise and local knowledge.

The primary beneficiaries of maritime navigation regulation and enforcement are commercial and recreational waterway users, who fund services through user-pays charges, so costs largely align with benefits. Limited public-good components remain, including oil-spill preparedness, search-and-rescue interfaces, and system-wide safety education, which warrant modest regional and national support. This supports a split-level design with central standards and regional harbourmaster delivery.

Table 4.8: Results from application of primary and secondary tests to maritime navigation

Sub Function	PC framework	Subsidiarity	Fiscal equivalence	Economies of scope and scale	Accountability	Allocation recommendation?
Harbor navigation safety	Split allocation	Follows (Justified Exception)	Strong Match	Efficient Split	Sound	Split-level design
Marine oil spill response	Split allocation	Follows (Justified Exception)	Strong Match	Efficient Split	Sound	Split-level design
Coastal operations	Split allocation	Follows (Justified Exception)	Strong Match	Efficient Split	Sound	Sit with RUAs

4.7 Public transport and transport policy allocated appropriately

Public transport and transport policy-setting functions are managed through an integrated split-level model with central government direction, and TA involvement in public transport planning and procurement. Regional delivery provides locally tailored coordination that national entities alone might overlook and more localised ones might fragment.

Public transport typically transcends local boundaries, providing mobility across a wider catchment to enable economic activity, recreation and mobility for all manner of purposes. The impacts of transport planning and public transport network delivery are regional. Therefore, it makes sense for plans, funding, delivery, and procurement to be done at a regional level. However, this does not mean that a RUA is necessarily the right institution to carry out the function. It could be managed by RUAs, RUA and TA-owned CCOs or a special purpose entity. Some spillovers from public transport are national, as an efficient multi-modal transport network improves the national economy.

The community of interest can be larger than individual TAs, making the regional level more appropriate to maximise connectivity and minimise coordination costs. The locus of capability reflects this partnership. Central government agencies provide the strategic policy and financial framework, RUAs contribute the local network knowledge needed for planning and delivery, and TAs are involved in decision-making. System costs, including infrastructure investment and operations, are shared across national funds, regional rates, and user fares, which broadly align costs and benefits with beneficiaries. The precise split of cost allocation to beneficiaries may not be appropriate in all cases, but assessing this falls outside the scope of this report. International evidence also tends to support retaining RUAs or regional transport authorities in New Zealand.

Table 4.9: Results from application of primary and secondary tests to public transport and policy

Sub Function	PC framework	Subsidiarity	Fiscal equivalence	Economies of scope and scale	Accountability	Allocation recommendation
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Develop RLTP and develop RPTP	Split allocation	Follows (Justified Exception)	Strong Match	Efficient Split	Gap	Split-level design
Regional transport coordination	Split allocation	Follows (Justified Exception)	Strong Match	Efficient Split	Gap	Split-level design
Transport funding programmes	Split allocation	Follows (Justified Exception)	Strong Match	Efficient Split	Sound	Split-level design
Plan and fund public transport network	Split allocation	Follows (Justified Exception)	Strong Match	Efficient Split	Sound	Sit with RUAs

Box 4.3: Case study: Public transport planning and delivery

To closely examine whether public transport planning and delivery should sit with RUAs, we reviewed how GWRC delivers public transport. It is a useful illustration of regional alignment of functions with a regional community of interest, with Central Government and TA inclusion in decision-making.

GWRC’s RLTP prepared in 2021 sets a 10–30-year plan for the region’s transport network. It has a six-year programme with a ten-year forecast that forms the region’s bid to the NTLF. It sets out a long-term vision, five strategic objectives and headline targets (including mode share, emissions and safety). The Regional Transport Committee has members from all TAs, NZTA and KiwiRail. The plan spans all modes: road maintenance and improvements, rail (infrastructure and services), buses and ferries, walking and cycling, and freight and resilience corridors. It sets out the national and local priorities as required by the LTMA.

In 2024 a Mid-Term Review updates the 2021 RLTP to reflect consultation and constrained funding headroom. It elevates network resilience in response to recent weather events. The 2024–27 programme includes public transport improvements (including the Wellington Rapid Transit Bus Corridors Programme and the National Ticketing Solution), significant rail renewal and capacity works, cycle-network progression, and resilience projects. Two Roads of National Significance are listed (a second Mount Victoria Tunnel and Basin Reserve upgrades, and the Petone–Grenada Link Road with Hutt Cross Valley Link) among the “significant activities” submitted for NTLF consideration.

Wellington region’s public transport planning, funding, procurement and delivery

The Wellington RPTP 2025–2035 was adopted in June 2025. GWRC’s public transport network and operating brand is “Metlink”, a group internal to GWRC that plans, funds and manages the region’s bus, rail and ferry services and contracts operators to run them. The RPTP sets out Metlink’s long-term goals and actions for public transport services, information and infrastructure across five rail lines, about 90 bus routes, more than 80 school services, and a harbour ferry.

The plan defines network design principles and a high-capacity, high-frequency core. It provides policies for funding, fares and pricing (including integrated fares and the National Ticketing Solution). The RPTP provides for integrated planning and delivery with land use and sets directions for decarbonising the bus fleet. It also explores options for rail decarbonisation, alongside accessibility, passenger-experience, procurement and performance-monitoring chapters.

Major investments and near-term milestones signalled through 2025 include progressing a regional network of bus corridors, redevelopment of Waterloo Station, investigations into new stations and infrastructure in Kāpiti, Horowhenua and the Hutt Valley, targeted bus-frequency uplifts (for example, Wainuiomata–Hutt Hospital), extensions into Aotea and Grenada, strengthening inter-regional bus links to Levin (subject to funding), and aligning Park-and-Ride demand management with the roll-out of integrated

ticketing. These priorities followed public consultation in March 2025 (998 submissions) and Transport Committee hearings in May 2025 before GWRC adoption in June.

Comparing international examples

International examples from Australia, Ireland, Scotland, Chicago, New York, and the Bay Area suggest that regional or dedicated authorities consistently enhance public transport effectiveness.

Planning requires integrating local needs and national/State-level policy priorities

Across all jurisdictions, regional entities excel at integrating local needs with national/federal policies, ensuring cohesive, mode-agnostic strategies. For example:

- Australia's Transport for New South Wales (TfNSW) and Department of Transport and Planning (DTP) set standards across regions while aligning with national grants
- Ireland's National Transport Authority and Scotland's Transport Scotland coordinate nationwide but with regional input
- California's Metropolitan Planning Organisations (MPOs) and the US examples (Regional Transport Authority's (RTA) regional vision, Metropolitan Transportation Authority's (MTA's) long-term plans, Metropolitan Transportation Commission's (MTC's) Plan Bay Area) demonstrate how regional planning addresses urban-suburban divides, equity (for example, low-income areas), and sustainability goals.

Without regional authorities, planning risks becoming overly centralised (losing local nuance) or fragmented (hindering integration), as seen in California's broader decentralisation. For New Zealand, regional councils enable adaptive planning that ties transport to land use and climate objectives, avoiding the pitfalls of full national subsumption.

Funding is almost always blended between farebox, local and state/national sources

Funding models universally blend state/federal appropriations, fares, taxes, and grants, with regional authorities optimizing allocation for efficiency and accountability. Entities like NTA (administering public service obligation subventions) and Caltrans (distributing State-level funding) rely on regional frameworks. In Chicago, RTA uses performance incentives for sales tax distribution, New York's MTA leverages dedicated taxes and congestion pricing, and Bay Area's MTC prioritises \$2 billion plus annually across operators. Regional roles probably prevent funding silos, promote equity (for example, paratransit support), and advocate for reforms (for example, Chicago's fiscal cliff campaigns). Subsuming into national bodies could dilute regional advocacy, leading to uneven distribution. For NZ, regional authorities ensure targeted investments aligned with local growth, justifying their retention.

Procurement and delivery

Public transport procurement is consistently delivered via regional procurement processes in the international examples we reviewed. This supports more competitive, transparent processes while maintaining flexibility. In Australia, bus contracts are procured competitively via TfNSW/DTP. In Ireland and Scotland, public service obligation services are tendered. In the USA, examples vary: Chicago's RTA centralises for commodities with service board autonomy, New York's MTA handles system-wide bidding, Bay Area's MTC focuses on planning procurement while agencies contract operations. This regional oversight reduces duplication, enforces standards (such as federal "disadvantaged business enterprise" goals), and incorporates incentives (KPIs). Without a regional approach, procurement might become inefficiently local or bureaucratically national. In New Zealand, regional entities could streamline tenders, fostering innovation and cost savings without losing oversight.

Delivery models combine public operation, contracting, and franchising, with regional authorities providing oversight for quality and integration. Public operators exist in Australia and Scotland (for example, Sydney Trains, ScotRail), and contracted services exist in Ireland (for example, Luas to Transdev). In the USA, California has decentralised entities, Chicago has supervised service boards (direct/contracted), New York has mostly in-house delivery, and the Bay Area has independent operators with MTC coordination (such as fare integration). Regional involvement ensures accountability and mode connectivity, addressing gaps that pure national or local delivery might ignore. For New Zealand, retaining regional roles supports resilient, user-focused delivery, countering arguments for dissolution by emphasising tailored execution over one-size-fits-all approaches.

4.8 Regional parks and community facilities functions appropriate on case-by-case basis

The provision of regional parks and community facilities is carried out by some RUAs that own park assets.⁵⁵ Where RUAs own these assets, their park and amenity provision function makes sense. The benefits of these amenities tend to be contained within the region.

However, TAs also have parks and recreation management functions, and economies of scale and scope in delivery. RUAs should only directly operate parks that span across TAs, and if there are no cost efficiencies from TAs managing them, either as owners or contracted service providers.

The location of capability tends to be at the regional or local level. RUAs usually already hold operational expertise and detailed local knowledge of community demand and asset use. The costs and benefits align with the community of interest, as regional communities benefit the most from the facilities of the regional park and fund these through rates.

Table 4.10: Results from application of primary and secondary tests to regional parks and community facilities

Sub Function	PC framework	Subsidiarity	Fiscal equivalence	Economies of scope and scale	Accountability	Allocation
Regional parks	Regional allocation	Follows (Lowest Level)	Strong Match	Highly dependent on size of parks and local TA capability	Sound	Sit with RUAs unless cost efficiencies from TA delivery
Regional-scale community amenities	Regional allocation	Follows (Lowest Level)	Strong Match	Highly dependent on size of parks and local TA capability	Sound	Sit with RUAs unless cost efficiencies from TA delivery

5 Conclusion

Overall, we find that for most RUAs functions where national direction and funding signals are strong and spillovers are material, continued RUA delivery makes sense. This is because local knowledge, catchment alignment, and day-to-day operational capability sits with the RUA. The public policy basis for some discretionary functions is not clear, but if RUAs choose to undertake them, they appear to sit appropriately with RUAs. For some RUA functions, the allocation is less clear because of funding mismatches and accountability gaps.

⁵⁵ We understand this includes Auckland Council, GWRC, Environment Canterbury, Hawke's Bay Regional Council, Bay of Plenty Regional Council, Horizons Regional Council and Taranaki Regional Council.

Our conclusions by function are summarised as follows:

Table 5.1: Findings on future allocation of RUA functions

Function	Findings	Ways forward
Biodiversity and biosecurity	Functions could be better allocated with a stronger split between central (strategic/scientific) and regional (operational) levels to address national spillovers and funding mismatches, ensuring co-funding reflects broader benefits.	Consider retaining regional delivery but review funding approach.
Civil Defence	The partnership model appears largely effective (with practical difficulties in the operational model) but has an accountability gap in natural hazard management, where local decisions impose national recovery costs; split-level design is recommended with refinements for better alignment.	Consider retaining regional delivery with national-level coordination and some funding but review accountability lines.
Community Leadership and Economic Development	Many of these activities are discretionary. To the extent RUAs choose to undertake them and remain accountable to ratepayers for expenditure, there can be delivered at a regional level. However alternative delivery models involving TAs could deliver similar outcomes (CCO, co-owned by TAs or as a shared service).	Consider clarifying LGA purpose clause which empowers RUAs to undertake these activities (perhaps emphasising genuine regional interest and delivery on government commitments). Consider encouraging TAs to consider CCOs or shared services to deliver on regional basis.
Flood Management	Appropriate at the regional level, with strong fiscal equivalence through targeted rates and alignment with catchment boundaries.	Consider retaining regional delivery. Consider funding models to address affordability and equity issues.
Environmental Management, Data and Science	Split-level accountability works if central government consistently sets minimum standards; regional delivery is sound for regional councils but weaker for unitary authorities due to potential for conflicts due to rule-setting and enforcement in respect of their own activities.	Consider retaining regional delivery with centralised rule- and standard-setting from RMA reforms as well as opportunities for centralised monitoring and enforcement (with regionally located experts carrying this out).
Maritime Navigation	Well-suited to split-level design, with RUAs handling local operations under central standards; user-pays funding aligns costs and benefits effectively.	Consider retaining regional delivery.
Public Transport and Transport Planning	Integrated split-level model is effective, with regional coordination essential for connectivity; regional model (whether RUA or jointly owned CCO or other regional structure) avoids fragmentation and supports equity.	Consider retaining regional delivery; alternative models (such as TA-owned CCOs) could be explored for public transport, but are less suitable for transport planning.
Regional Parks and Community Facilities	Appropriate at RUA level where assets span territories, with strong benefit-cost alignment; consider TA delivery for efficiencies in smaller or localised cases.	Consider on case-by-case basis.

Appendix A: International Best Practice Review

This appendix contains tables that summarise our research into international best practice on the allocation of functions for our four in-depth case studies covering:

- Biodiversity
- Environmental science and data
- Flood management
- Public transport.

A.1 Biodiversity international best practice

Table A5.2: International best practice in biodiversity

Jurisdiction	Legislation (core)	Policy-setting function (where it sits)	Funding (high level)	Procurement of operations and delivery
New South Wales (AUS)	Commonwealth <i>Biosecurity Act 2015</i> provides the overarching structure for managing biosecurity risks to Australia as a whole.	The Australian federal government's role is primarily strategic, focused on national border protection and coordination. ⁵⁷ The NSW government and its various agencies are responsible for the implementation and operationalisation of pest management within the state's borders ⁵⁸ .	The Australian Government provides substantial funding through national programs and specific-purpose grants. These often operate on a co-funding or matched-funding basis. ⁵⁹ The NSW Government makes significant budgetary allocations to biosecurity. Landholders owning more than 10	In collaboration with their respective Regional Pest Animal Committees, these regions have the authority to develop their own five-year Regional Strategic Pest Animal Management Plans. ⁶⁰ This process allows for local priorities to be identified and for management strategies to be

⁵⁷ <https://www.agriculture.gov.au/>

⁵⁸ <https://pestsmart.org.au/framework-overview/government-pest-animal-management-strategies/>

⁵⁹ <https://www.agriculture.gov.au/biosecurity-trade/pests-diseases-weeds/pest-animals-and-weeds/supporting-communities>

⁶⁰ <https://lgnsw.org.au/Public/Public/Policy/Biosecurity.aspx>

	At the state level, the NSW <i>Biosecurity Act 2015</i> is the primary instrument for on-ground pest management. ⁵⁶		hectares pay a pest levy as part of their rates to LLS.	tailored to the specific ecological and agricultural context of each region.
British Columbia (BC) Canada	At the federal level, the primary legislation is the Pest Control Products Act. Integrated Pest Management Act (IPMA) and its accompanying Integrated Pest Management Regulation.	The federal government's role is primarily to ensure national consistency in product safety and to manage biosecurity at the national and international levels. The British Columbia Government holds primary responsibility for all aspects of on-ground pest and land management. ⁶¹ Ministry of Environment and Climate Change Strategy is the lead provincial regulator, administering the IPMA. ⁶² The ministry is divided into an Environmental Standards Branch, which handles policy and legislation, and a Regional Operations Branch, which is responsible for issuing authorizations and conducting inspections.	The funding model in British Columbia relies heavily on government sources, channelled through various programs and initiatives. There is no evidence of a general landowner levy for pest management. ⁶³	While regional districts and municipalities are responsible for local service delivery, provincial legislation significantly frames their discretion in pest management. The Ministry of Environment and Climate Change Strategy is the primary regulator. ⁶⁴

⁵⁶ <https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-2015-024>

⁶¹ [British Columbia Plant Health Strategy for Agriculture 2021 – 2026](#)

⁶² [Pesticides and pest management - Province of British Columbia](#)

⁶³ <https://news.gov.bc.ca/releases/2021FLNRO0005-000154>

⁶⁴ https://iscmv.ca/docs/2021_MV_invasives_Hall_FIN.pdf

<p>Oregon USA</p>	<p>Public Health Security and Bioterrorism Preparedness and Response Act of 2002 Animal Health Protection Act and the Plant Protection Act Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) Oregon Revised Statute (ORS) Chapter 634, Pesticide Control, and ORS Chapter 570, Plant Pest Control; Invasive Species Invasive Species Council (ORS 570.770) and the Integrated Pest Management Coordinating Committee (ORS 634.657)</p>	<p>The U.S. federal government's role is focused on national-level regulation, border protection, research, and coordination. U.S. Department of Agriculture (USDA): The USDA, primarily through its Animal and Plant Health Inspection Service (APHIS), is the lead federal agency for protecting U.S. agriculture from pests and diseases.⁶⁵ Locally, the Oregon Department of Agriculture (ODA): The ODA is the lead state agency.⁶⁶ The Oregon Invasive Species Council (OISC) develops and maintains a statewide strategic plan for dealing with all invasive species⁶⁷</p>	<p>Oregon's funding model combines federal grants, state legislative appropriations, and private/non-profit contributions.⁶⁸</p>	<p>While the state (ODA) sets the overall strategic direction and manages statewide programs, there is a medium level of regional and local discretion. Vertical coordination occurs through formal partnerships and funding agreements between the ODA and federal agencies like USDA APHIS⁶⁹</p>
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⁶⁵ <https://www.usda.gov/farming-and-ranching/plants-and-crops/pest-and-weed-management/invasive-species>

⁶⁶ <https://www.oregon.gov/oda/weeds/pages/default.aspx>

⁶⁷ <https://www.oregoninvasivespeciescouncil.org/>

⁶⁸ [Microsoft Word - Oregon Statewide Action Plan-V1-2017-0705.docx](#)

⁶⁹ [Full ReviewDraft May 15 2023 OR Plan.pdf](#)

Scotland	<p>Health and Safety Executive (HSE) acts as the UK regulator</p> <p>Wildlife and Countryside Act 1981</p> <p>Nature Conservation (Scotland) Act 2004</p> <p>Wildlife Management and Muirburn (Scotland) Act 2024</p>	<p>Scotland's pest management governance presents a unique model of a devolved administration operating within a unitary state (the United Kingdom).⁷⁰ While biosecurity is a devolved matter, allowing the Scottish Government to set its own policies and strategies, it remains interconnected with and influenced by UK-wide and Great Britain-wide regulatory frameworks, particularly for pesticide registration. The approach is heavily focused on promoting Integrated Pest Management (IPM) through voluntary, government-supported initiatives.⁷¹</p>	<p>The Scottish Government is the primary source of funding. It funds its own agencies (SASA, Scottish Forestry), provides core funding to NatureScot, and establishes major grant programs. The Nature Restoration Fund (NRF) is a key mechanism. This fund provides money directly to local authorities and through a competitive fund administered by NatureScot.</p>	<p>While local authorities provide operational pest control services, their role is primarily service delivery and enforcement of public health nuisances. They do not have a significant strategic role in setting regional pest management priorities for agriculture or the environment. The strategic direction is set centrally by the Scottish Government and its agencies.</p>
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A.2 Environmental science and data best practice

Table A5.3: International best practice in environment science and data

Jurisdiction	Legislation (core)	Policy-setting function (where it sits)	Funding (high level)	Procurement of operations and delivery
New South Wales (AUS)	<p>Protection of the Environment Operations Act 1997 (NSW) – primary framework for pollution control (air/water).⁷²</p> <p>Water Management Act 2000 (NSW) governs water use and quality.</p>	<p>NSW Department of Planning, Industry and Environment (DPIE) – Environment and Science branch sets strategy.</p> <p>NSW EPA (Environment Protection Authority) (statutory agency under DPIE) regulates/licences polluters and</p>	<p>State budget (DPIE/EPA core programs).</p> <p>Licence/permit fees (polluter charges).</p> <p>Federal grants/programs (e.g.</p>	<p>NSW EPA operates ambient air and water monitoring networks and enforces licences under POEO Act.</p> <p>Local councils enforce local water/stormwater rules (POEO Act delegates pollution control to councils for non-scheduled activities).</p>

⁷⁰ <https://assets.publishing.service.gov.uk/media/5fe21ad5e90e07452ec36f1f/animals-plants-biosecurity-narrative.pdf>

⁷¹ <https://www.gov.scot/publications/integrated-pest-management-ipm-guide/>

⁷² [Water | EPA](#)

	Environmental Planning/Assessment Act 1979 for development impacts.	develops standards (including air quality rules). National Environment Protection Measures (NEPMs) informs policy.	for research or air quality management).	WaterNSW and water utilities manage catchment monitoring. NSW Spatial Services (Dept of Customer Service) collects and provides aerial imagery (state ortho-imagery). ⁷³
Victoria Australia	Environment Protection Act 2017 (Vic) (with regulations) – core pollution/waste law setting modern EPA framework. Water Act 1989 (Vic) and Safe Drinking Water Act 2003 for water management. Catchment and Land Protection Act 1994 (management of catchments).	Dept of Environment, Land, Water and Planning (DELWP) – leads state policy on environment and water. EPA Victoria (independent regulator) implements policy: licenses pollution sources and monitors the environment. ⁷⁴ Victorian Government (planning/health departments) set relevant standards (e.g., State Environmental Protection Policies).	State general revenue funds DELWP/EPA programs. Industry licence fees and landfill levies (fund EPA activities). Occasionally federal co-funding (environmental programs). ⁷⁵	EPA Victoria conducts statewide air/water monitoring and compliance audits. Local governments perform local monitoring (e.g. stormwater, noise, minor waterways) and enforce bylaws. ⁷⁶ Water corporations (Melbourne Water, etc.) monitor source/drinking water. ⁷⁷ DELWP’s Coordinated Imagery Program (CIP) procures and provides access to aerial imagery for public agencies. ⁷⁸
Ireland	Air Quality Standards Regulations 2011 (S.I. 180/2011, updated by S.I. 739/2022) – transposed EU Ambient Air Quality (CAFE) Directive. ⁷⁹ European Communities (Water Policy) Regs 2003 (implements EU Water Framework Directive). Water Services Act 2007 (creates	Dept of Housing, Local Government and Heritage (Environment branch) – sets national air/water policy, based on EU law. The Environmental Protection Agency (EPA, Ireland) is an independent regulator under that Department that manages national air and water	Exchequer funding for EPA and local authorities. EU grants (e.g. for agri/nitrates) and environmental funds. License/permit fees for waste/water/air discharges.	EPA Ireland operates the national ambient air monitoring network and assesses water quality (e.g. Hydronet for rivers). Irish Water (Uisce Éireann) provides drinking water services, EPA regulates it and uses its data for compliance reports. Local authorities collect river and bathing water samples (data fed to EPA). Ordnance

⁷³ [Imagery - Spatial Services](#)

⁷⁴ [What we do | epa.vic.gov.au](#)

⁷⁵ [Our projects, performance measures and resources | epa.vic.gov.au](#)

⁷⁶ [Environment Protection Authority Victoria | epa.vic.gov.au](#)

⁷⁷ [Home | Melbourne Water](#)

⁷⁸ [Coordinated Imagery Program](#)

⁷⁹ [Air Quality Standards | AirQuality.ie](#)

	Irish Water) and EU drinking water regulation. Environmental Protection Agency Act 1992 (establishes EPA).	monitoring networks. Local authorities enforce local air quality limits and monitor waters (report to EPA). ⁸⁰		Survey Ireland (OSI) provides aerial photography and mapping data for environmental planning.
Scotland	Environment Act 1995 (UK) – Local air quality management duties. Air Quality (Scotland) Regulations 2016 – transposed EU air quality limits. Water Environment and Water Services (Scotland) Act 2003 + Controlled Activities Regs 2011 (CAR) – implements EU Water Framework Directive. ⁸¹ Environmental Protection Act 1990 (as retained in Scotland). Pollution Prevention and Control (Scotland) Regs 2012.	Scottish Government – Environment Protection Division (formerly Rural Economy) sets air/water strategy (e.g. Cleaner Air for Scotland). Scottish Environment Protection Agency (SEPA) – independent executive agency of Scottish Ministers; leads implementation: licenses polluters, monitors environment and advises government. ⁸² Local councils manage local air quality zones (with statutory SG guidance).	Scottish Government budget funds SEPA and local authorities’ core monitoring. ⁸³ SEPA charging scheme (permit fees). UK/Scottish grants (e.g. research projects).	SEPA runs regulatory monitoring (e.g. PRTR – pollutant release inventory) and ambient monitoring of water and air. SEPA provides emergency air pollution response (AHERS). Local authorities monitor urban air quality (collect data and enforce local limits). Scottish Water handles drinking water quality. National mapping agencies and research bodies provide aerial/satellite data (e.g. CEH land cover mapping).
British Columbia Canada	Environmental Management Act (EMA, SBC 2003) – main pollution control act (discharges, hazardous waste, contaminated sites). ⁸⁴ Water Sustainability Act (2016) – governs water allocations and licensing. Drinking Water Protection Act (1996). Clean Air Act (part of EMA) and	BC Ministry of Environment and Climate Change Strategy (ENV) – leads policy on air, water, contaminants; works with FLNRORD (water licensing) and Ministry of Health (drinking water standards). Regional health authorities set drinking-water requirements.	Provincial budget funds ENV monitoring programs. Permit fees (e.g. waste discharge fees under EMA). Environmental funds (e.g. Conservation Fund) and federal transfers (e.g. Canada–BC Water Fund).	Province’s Environmental Monitoring System (EMS) database collects data from ENV staff, permitted industries and third-party samplers Industries and permittees do monitoring (e.g. pulp mills must sample effluent); data fed into EMS. Local/regional authorities (e.g. Metro Vancouver) operate air and water quality stations.

⁸⁰ [Home | Environmental Protection Agency](#)

⁸¹ [Water | Scottish Environment Protection Agency \(SEPA\)](#)

⁸² [Revision of General Frequently Asked Questions from Wed, 31/05/2017 - 16:51 | Revenue Scotland](#)

⁸³ [Revision of General Frequently Asked Questions from Wed, 31/05/2017 - 16:51 | Revenue Scotland](#)

⁸⁴ [Laws and Rules - Province of British Columbia](#)

ambient air quality objectives. Federal Canadian Environmental Protection Act (CEPA) applies in federal jurisdictions.	Provincial Air Quality programs (ENV) set objectives under EMA.	Provincial budget funds ENV monitoring programs. Permit fees (e.g. waste discharge fees under EMA). Environmental funds (e.g. Conservation Fund) and federal transfers (e.g. Canada–BC Water Fund).	GeoBC (Data BC) provides aerial imagery access via Web Imagery Search and orthophotos
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A.3 Flood management best practice

Table A5.4: International best practice in flood management

Jurisdiction	Legislation (core)	Policy-setting function (where it sits)	Funding (high level)	Procurement of operations and delivery
New South Wales (AUS)	Coastal Management Act – 2016; Local Government Act 1993; Environment Planning and Assessment Act 1979, State Emergency Act 1989 and Water Management Act 2000	State Government sets flood policy to guide councils. ⁸⁵ Local Government is the primary authority for managing flood prone land use. Councils also prepare floodplain risk management plans with state support. ⁸⁶ State Emergency Management Committee oversees flood emergency planning. ⁸⁷	The NSW Government provides grants (e.g. Floodplain Management Program) to co-fund local council flood studies and mitigation works. ⁸⁸ Post-disaster recovery costs are shared by state and Australian Government under Disaster Funding Arrangements. ⁸⁹ The Australian	Local Councils are the front-line for flood operations: they commission flood risk studies, build and maintain local flood mitigation infrastructure (levees, drainage systems), and regulate new development to be flood-compatible. ⁹² State Agencies provide oversight and specialist support. For more serious flood events, the state

⁸⁵ <https://www.planning.nsw.gov.au/policy-and-legislation/resilience-and-natural-hazard-risk/flooding/...>

⁸⁶ <https://hdp-au-prod-app-cbnks-haveyoursay-files.s3.ap-southeast-2.amazonaws.com/3917/1496/6039/Draf...>

⁸⁷ <https://www.nsw.gov.au/emergency/rescue-and-emergency-management/emergency-management-governance>

⁸⁸ <https://www.nsw.gov.au/grants-and-funding/floodplain-management-program-2025-26>

⁸⁹ <https://www.nema.gov.au/our-work/disaster-recovery/disaster-recovery-funding-arrangements>

⁹² <https://www.planning.nsw.gov.au/policy-and-legislation/resilience-and-natural-hazard-risk/flooding/...>

			Government also funds some national flood programs. ⁹⁰ NSW allocates annual budget for flood risk management (e.g. flood recovery packages, resilience grants) and maintains the NSW SES (largely state-funded) ⁹¹ for emergency response readiness. Local councils contribute in-kind resources and maintain local infrastructure.	and national governments become more active. ^{93 94}
Victoria (AUS)	Water Act 1989; Planning and Environment Act 1987; Local Government Act 2020; Emergency Management Acts 2013/2018 and VICSES Act 2005	The State Government (via DEECA) sets the overall flood policy and strategy for the state. ⁹⁵ Catchment Management Authorities (CMAs) are the regional leads for floodplain planning and provide advice to local governments ⁹⁶ . Local Government councils are responsible for translating state policy into local planning controls and developing local flood management plans. Victoria State Emergency Service (VICSES) leads operational planning for flood response and preparedness ⁹⁷ .	The Victorian Government finances flood mitigation through dedicated state programs and budget initiatives, with local councils typically co-funding projects ⁹⁸ (e.g., a council might contribute 1/3 of the cost). Disaster recovery costs are shared between the state and the Australian Government under national funding arrangements. ⁹⁹ VICSES is state-funded to maintain its flood response capabilities, with some municipal support for local volunteer units.	CMAs and Melbourne Water implement most major flood mitigation projects, such as levee construction and river management, often in partnership with councils. ¹⁰⁰ Local Councils are responsible for local infrastructure like drains and minor levees, and they manage community-level operations like local warnings and evacuations. During a flood, VICSES coordinates the on-ground emergency response, including rescues and incident control.

⁹⁰ <https://www.nema.gov.au/our-work/key-programs/disaster-ready-fund>

⁹¹ <https://www.ses.nsw.gov.au/sites/default/files/document/nsw-ses-annual-report-2023-2024.pdf>

⁹³ <https://www.ses.nsw.gov.au/sites/default/files/2024-02/nsw-state-flood-plan-dec-2021-endorsed.pdf>

⁹⁴ <https://www.nsw.gov.au/emergency/rescue-and-emergency-management/emergency-management-governance>

⁹⁵ <https://www.water.vic.gov.au/our-programs/floodplain-management/victorian-floodplain-management-str...>

⁹⁶ <https://www.water.vic.gov.au/our-programs/floodplain-management>

⁹⁷ <https://www.ses.vic.gov.au/plan-and-stay-safe/emergencies/flood>

⁹⁸ https://www.water.vic.gov.au/__data/assets/pdf_file/0027/661743/victorian-floodplain-management-implementation-snapshot-2022.pdf?

⁹⁹ <https://business.vic.gov.au/grants-and-programs/business-and-community-sport-flood-recovery-grants>

¹⁰⁰ <https://www.melbournewater.com.au/water-and-environment/flooding-and-drainage>

Ireland	Arterial Drainage Acts 1945 and 1995; EU Floods Directive (2007/60/EC), as implemented by national regulations; the national framework is guided by the Catchment Flood Risk Assessment and Management (CFRAM) Programme.	The OPW is the national lead agency, setting and coordinating flood policy, leading long-term planning, and overseeing major projects. Local Authorities are responsible for implementing policy on the ground, incorporating OPW guidance into development plans, and managing emergency response at the local level. ¹⁰¹ For severe floods, a National Emergency Coordination Group is convened to direct the response. ¹⁰²	Flood relief capital works are chiefly funded by the national government through the OPW's budget, which typically covers 100 percent of the costs for large-scale schemes protecting towns and cities. ¹⁰³ The OPW also runs a Minor Works Scheme to co-fund smaller local projects, financing 90 percent of the cost with a 10 percent contribution from the local authority. ¹⁰⁴	The OPW directly plans and executes major flood defence schemes and maintains thousands of kilometres of arterial drainage channels. ¹⁰⁵ Local Authorities play a pivotal delivery role by managing urban stormwater networks, maintaining local watercourses, and often acting as the lead agency to implement OPW-funded projects. During a flood, Local Authority crews manage on-the-ground emergency operations such as erecting temporary barriers and coordinating evacuations.
Scotland	Flood Risk Management (Scotland) Act 2009; Civil Contingencies Act 2004.	The Scottish Government sets the national flood policy and legislative framework. The Scottish Environment Protection Agency (SEPA) acts as the national strategic planning authority, responsible for developing Scotland's Flood Risk Management Strategies. ¹⁰⁶ Local Authorities are designated as the responsible authorities for leading the development of Local Flood Risk	Flood management is funded through a mix of Scottish Government capital grants and contributions from Local Authorities. ¹⁰⁸ The government provides an annual capital grant specifically for flood risk management schemes, which enables councils to design and build defences. Scottish Water also invests in drainage and sewer improvements to	Local Authorities are the primary delivery bodies and are responsible for carrying out most flood protection works, including the planning, procurement, construction, and maintenance of flood defences. ¹¹⁰ The Scottish Environment Protection Agency (SEPA) operates Scotland's national flood forecasting and warning service. ¹¹¹ Scottish Water manages and delivers urban drainage

¹⁰¹ <https://www.gov.ie/en/office-of-public-works/organisation-information/flood-risk-management>

¹⁰² <https://www.gov.ie/en/department-of-housing-local-government-and-heritage/press-releases/statement-...>

¹⁰³ <https://www.floodinfo.ie/scheme-info>

¹⁰⁴ <https://www.floodinfo.ie/minor-works>

¹⁰⁵ [About - Drainage](#)

¹⁰⁶ <https://beta.sepa.scot/flooding/prepare-for-flooding/responsibilities-for-flooding/>

¹⁰⁸ <https://www.gov.scot/policies/water/managing-flood-risk/>

¹¹⁰ <https://www.gov.scot/policies/water/managing-flood-risk/>

¹¹¹ <https://beta.sepa.scot/flooding/prepare-for-flooding/responsibilities-for-flooding/>

		Management Plans, consistent with the national strategies. ¹⁰⁷	reduce urban flood risk, funded through charges to water customers. ¹⁰⁹	infrastructure projects to mitigate surface water flooding.
British Columbia (Canada)	Local Government Act; Dike Maintenance Act; Emergency and Disaster Management Act; the provincial framework is guided by the BC Flood Strategy.	The Provincial Government sets overarching flood policy, provides legislation and guidelines for local governments, and leads the development of the provincial strategy. Local Governments, such as municipalities and regional districts, drive policy implementation at the community level by adopting bylaws, floodplain zoning, and setting local priorities. First Nations governments manage flood policy on their own lands, often in parallel with municipalities. ¹¹²	Funding is a mix of provincial, federal, and local sources. The Province funds mitigation largely through cost-shared grant programs, often covering two-thirds of project costs. ¹¹³ Significant funding also comes from the Federal Government through various mitigation and adaptation funds. Local Governments contribute their share of costs through property taxes and utility fees. ¹¹⁴	Local Governments and dedicated Diking Authorities are responsible for the on-the-ground delivery, including the construction, operation, and maintenance ¹¹⁵ of most flood protection works like dikes. The provincial BC River Forecast Centre operates monitoring networks and issues flood warnings to communities. ¹¹⁶ Emergency response is led by local authorities, with the province coordinating resources and support for major events.

A.4 Public transport international best practice

Table A5.5: International best practice in public transport

Jurisdiction	Legislation (core)	Policy-setting function (where it sits)	Funding (high level)	Procurement of operations and delivery
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¹⁰⁷ <https://www.gov.scot/policies/water/managing-flood-risk>

¹⁰⁹ <https://www.scottishwater.co.uk/In-Your-Area/Flooding-Information/Flooding-and-Scottish-Waters-Responsibilities>

¹¹² <https://www2.gov.bc.ca/gov/content/environment/air-land-water/water/drought-flooding-dikes-dams/integrated-flood-hazard-management/bc-flood-strategy>

¹¹³ [CEPF-2023-24-DRR-CA-Program-Guide-2023-08.pdf](#)

¹¹⁴ [Community Emergency Preparedness Fund | Union of BC Municipalities](#)

¹¹⁵ [Dike Maintenance Act](#)

¹¹⁶ [Flood Warnings and Advisories - River Forecast Centre - Province of British Columbia](#)

New South Wales (AUS)	Passenger Transport Act 2014 (NSW); Transport Administration Act 1988 (NSW)	Transport for NSW (TfNSW) is established under the Transport Administration Act and sets policy, standards and service requirements across modes.	State appropriations + fare revenue (and specific grants) support contracted and government-operated services. (Framework set by the above Acts.)	Buses: Competitive region contracts let by TfNSW Rail: Sydney Trains/NSW Trains (public operators under the Act) Ferries: operator contracted Metro: government-owned entity.
Victoria (AUS)	Transport Integration Act 2010 (Vic) (system-wide framework).	Department of Transport and Planning (DTP) holds portfolio policy; "PTV" now functions as the public-facing brand within DTP.	State appropriations + fare revenue; Commonwealth grants for some capital. (Portfolio framed under TIA 2010.)	Rail (Metro Trains Melbourne) and Trams (Yarra Trams) via long-term franchise/partnership agreements managed by DTP/PTV V/Line is state-owned Bus services via contracts.
Ireland	Dublin Transport Authority Act 2008; Public Transport Regulation Act 2009 establish/empower National Transport Authority, NTA).	NTA sets public transport policy/strategy, regulates services, and oversees contracting; works with TII on light rail/metro.	Exchequer (Dept. of Transport) PSO subventions administered by NTA + fare revenue; additional capital via national programs.	Bus/Rail PSO: direct-award and competitively tendered contracts managed by NTA; Luas: OandM contracted to Transdev by TII/NTA (gross-cost with KPI incentives).
Scotland	Transport (Scotland) Act 2019 (incl. local bus franchising/enhanced partnerships).	Transport Scotland (Scottish Government agency) leads national policy/strategy.	Scottish Government funding + fares (rail now in public ownership); local authority support for socially necessary bus services.	Rail: ScotRail (since Apr-2022) and Caledonian Sleeper (since Jun-2023) in public ownership via Scottish Rail Holdings Bus: deregulated market with new franchising powers for LTAs.
California (USA)	Transportation Development Act (TDA) (state law for local sales-tax-backed transit funding); state grant programs incl. LCTOP, State Transit Assistance (STA),	State: CalSTA/Caltrans sets statewide plans and administers key funding programs; Regional: MPOs set regional transport plans/policy frameworks; Local: transit agencies	Mixed: state formula and competitive programs (STA, LCTOP, State of Good Repair, TIRCP), federal FTA grants, regional/local sales taxes (e.g., TDA), and fares. ¹¹⁹	Delivery is decentralised: city/county/regional transit agencies (e.g., LA Metro, SFMTA, BART) directly operate or competitively contract services;

¹¹⁹ <https://lao.ca.gov/handouts/transportation/2025/Overview-of-Transit-Funding-in-CA-020625.pdf>

	TIRCP; MPO planning requirements under state/federal law. ¹¹⁷	set service policy within those frameworks. ¹¹⁸		procurement follows agency statutes and state/federal grant rules. ¹²⁰
Chicago Metropolitan Area / Northeastern Illinois (USA)	Regional Transportation Authority Act (70 ILCS 3610) (1973, amended; establishes RTA as oversight body for regional transit).	RTA (regional authority created by state statute) sets regional policy/strategy, conducts planning, sets service standards, and oversees/holds accountable the three Service Boards (CTA, Metra, Pace). It integrates with state (Illinois DOT) and federal (FTA) frameworks. The RTA Board reflects subregional diversity—Chicago, suburban Cook County, and other counties—for balanced decision-making.	Mixed: RTA sales tax (1.25 percent in Cook County, 0.5 percent elsewhere), state subsidies (e.g., Public Transportation Fund matching 30 percent of sales tax/RETT), federal FTA grants (e.g., formula/competitive like CARES/ARPA for operations/capital), fares, and local bonds; RTA allocates/distributes to Service Boards with performance incentives. (Framework emphasises equity, e.g., via ADA paratransit and low-income programs; recent advocacy for \$1.5 billion state package to avert fiscal cliff.)	RTA handles central procurement for goods/services/commodities (competitive, transparent process following federal/state rules); Service Boards (CTA for buses/rail in Chicago, Metra for commuter rail, Pace for suburban buses/paratransit) manage mode-specific operations/delivery via direct operation or contracts, with RTA oversight on budgets/capital programs. Performance-based incentives tie funding to metrics like timely capital spending and equity goals.
New York Metropolitan Area (USA)	Metropolitan Transportation Authority Act (N.Y. Public Authorities Law, Title 11, §§ 1260 et seq.) (1965, amended; establishes MTA as public authority for regional transit).	MTA (state-created public authority) sets regional policy/strategy, long-term planning, and service standards; oversees operating agencies (e.g., NYCT for subways/buses, LIRR/Metro-North for commuter rail); integrates with state (NY Governor/Legislature) and federal (FTA) policies. (Note: Centralised structure with board appointed by governor/mayor for accountability.)	Mixed: fares/tolls (~50 percent), dedicated regional taxes/fees (e.g., sales, payroll mobility tax), state/city appropriations (e.g., \$3 billion each for 2025-2029 capital plan), federal FTA grants (formula/competitive, including ARPA/CARES); congestion pricing revenue (\$500M+ in 2025 for capital). (Framework supports massive capital needs, e.g., \$55B+ for 2025-2029 plan.)	MTA centrally procures for system-wide needs (competitive bidding under state/federal rules); operating agencies manage mode-specific delivery via direct public operation (e.g., NYCT subways/buses) or contracts (e.g., some bus routes, paratransit); oversight includes DBE goals and transparency. Highly integrated model with in-house operations dominant.

¹¹⁷ <https://dot.ca.gov/programs/rail/transportation-development-act>

¹¹⁸ <https://dot.ca.gov/programs/rail/transportation-development-act>

¹²⁰ <https://dot.ca.gov/programs/rail/transportation-development-act>

<p>San Francisco Bay Area (USA)</p>	<p>California Government Code §§ 66500 et seq. (1970, amended; establishes MTC as regional transportation planning agency).</p>	<p>MTC (regional commission under state law) sets regional policy/strategy via long-range plans (e.g., Plan Bay Area 2050+), coordinates transit operators, and prioritises funding; focuses on equity, sustainability; integrates with state (Caltrans/CalSTA) and federal (FTA) frameworks without direct operational control. (Note: Commission board represents counties/cities for collaborative decision-making.)</p>	<p>Mixed: federal FTA/FHWA grants (formula/competitive), state funds (e.g., Cap-and-Trade, STA), regional tolls (~\$800M/year from Bay Area Toll Authority), local sales taxes/measures; MTC allocates ~\$2 billion annually to transit agencies/operators. (Emphasis on transit operations sustainability, e.g., 2025 advocacy for new revenues.)</p>	<p>MTC handles regional procurement for planning/studies (competitive, follows federal/state rules) but not direct operations; delivery decentralised to agencies (e.g., BART for heavy rail, SFMTA for city buses/trams, Caltrain for commuter rail) via direct operation or contracts, with MTC funding oversight. Focus on coordination, e.g., fare integration, rather than unified delivery.</p>
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