

Functions of Regional and Unitary Authorities in New Zealand – Castalia Report Summary

Regional and unitary councils carry out functions that are critical to New Zealand’s economic, environmental, and social wellbeing. They include but go for beyond resource management, addressing issues that transcend local boundaries and require regional-scale coordination and expertise.

The regional government partnership (16 regional and unitary councils collectively known as Te Uru Kahika) commissioned Castalia to provide independent analysis of whether these functions are appropriately carried out by regional government, or, whether these should be assumed by a different level of government. It provides an evidence-based analysis to inform ongoing local government reforms.

This A3 summarises the Castalia report findings.

Functions currently delivered at the regional level

There are eight regional and unitary councils functions with sub-responsibilities:



Biodiversity and Biosecurity: Includes pest/disease control, and biodiversity initiatives.

CDEM: Coordinating emergency management and disaster resilience.

Community Leadership and Economic Development: Promoting strong regional economies.

Environmental Management, Data, and Science: Monitoring and enforcing air, water, and land use standards as well as non-regulatory evidence-based catchment improvement.

Flood Management: Reducing flood risk through catchment-based planning and infrastructure.

Maritime Navigation: Ensuring safe and efficient port and coastal operations.

Public Transport and Transport Policy: Planning and funding regional transport networks that connect New Zealanders and goods.

Regional Parks and Community Facilities: Managing parks and places that span territorial boundaries.

Key finding: Regional delivery is best for most regional government functions, but change is needed.

Overall, Castalia found that for most regional and unitary authority functions where national direction and funding signals are strong and spillovers are material, continued regional and unitary authority (RUA) delivery makes sense. The report authors advise this is because local knowledge, catchment alignment, and day-to-day operational capability sits with the regional and unitary authority.

There is strong evidence of regional scale delivery of flood management working for New Zealand where regional and unitary councils align with natural catchment boundaries. Similarly, regionals lead on-the-ground pest management, delivering significant economic and environmental benefits.

There are significant challenges in accountability and funding models. For example, regional ratepayers often fund activities with national benefits, such as flood management which reduces the risk to food and economic production, essential infrastructure, and crown assets, as well as New Zealand’s people and property.

The Castalia report findings by function area:

- 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.
- 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.
- 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).
- Flood Management:** Appropriate at the regional level, with strong fiscal equivalence through targeted rates and alignment with catchment boundaries. 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.
- Maritime Navigation:** Well-suited to split-level design, with RUAs handling local operations under central standards; user-pays funding aligns costs and benefits effectively.
- Public Transport and Transport Policy:** 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.
- 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.