



# Address to the Environmental Defence Society Conference 2026

25 June 2026

## The environmental implications of concurrent resource management and institutional reform

You have asked me to say a few words about the environmental implications of concurrent resource management and institutional reforms. If you want the short version, I can bring it down to two words: 'potentially messy'. If you want a slightly longer version, 21 words, I'd say: 'filled with risk but with the potential for improvement if central government can develop a coherent understanding of its own functions'.

There are two institutional reforms of particular interest:

- proposed reforms to the structure of local government; and
- a proposal to take back responsibility for enforcement and compliance to a central government agency.

On local government reform, I can do no better than quote – verbatim – my letter of 20 April 2026 to Mr Bishop. It has been on my website since then.

I am writing to draw your attention again to the risks that could be posed to the management of water in New Zealand should reforms of local government lead to responsibility for river catchments being fragmented.

I wrote to you on 29 January 2026, noting that there were several integrated catchment management functions currently undertaken by regional councils that should not be further fragmented. That letter included the following paragraph:

“While unitary councils could provide an attractive solution, there is a real risk that ... [you will be presented] with proposals for many more unitary councils than the 17 regional entities you currently have. That could pose serious problems for functions, such as catchment management, that must not be fragmented. It would also run counter to the simplification your resource management reforms hope to deliver.

I have received no reply to that letter and want to be clear about how important it is that water is managed at the level of a catchment. Catchment management not only needs to protect water as a community and environmental asset but must also manage the risks water can pose through flooding. New Zealand has an enviable record of managing all manner of environmental and hazard risks at the level of a catchment. The productivity of our primary sector industries and the safety of our populations depend on good management of our water resources.

Handing the management of catchments to more than one local government entity would represent the biggest step backwards in New Zealand environmental management for more than half a century.

My advice is to make it clear that whatever new units of local government are settled upon, catchment management must not be fragmented. If you decide to approve unitary councils at scales below that of catchments, you should then either take the function back to central government or re-establish catchment boards. These existed between the end of the Second World War and 1989.

The first option would obviously shift costs from ratepayers to the Crown, but could make more efficient use of the technical skills needed to effect good catchment management.

The second option would scarcely qualify as 'simpler' local government. It would also create an artificial boundary between many elements of modern environmental management – but it would be preferable to a patchwork quilt of councils focused on fragments of catchments.

Overseas experience (e.g. Australia's Murray–Darling Basin) shows that splitting up catchments can lead to poor management of floods, water extraction, and water quality. Problem resolution can be difficult as there is inevitably disagreement over who is at fault and who should pay. Central government often ends up picking up the tab...

... I am copying this letter to your colleague, the Minister of Local Government, and to the Minister of Finance who will ultimately face the fiscal consequences of policy failure in this space.

Yours sincerely,

Simon Upton”

The Minister replied and assured me that I could “be confident that we will consider ways to ensure that appropriate guardrails are in place to avoid fragmented catchment management.” That was encouraging. But the Government's, *Head Start Pathway – Simplifying Local Government*, document published a month later was less definitive, simply asking Councils – at the very end of the last page – to “explain how effective river catchment management can be maintained.”

The Government should be able to explain that. It has placed form before function and committed to the abolition of regional councils without setting out a clear idea of what functions must be carried out at *at least* a regional level. It has introduced sweeping resource management reform bills with the words 'regional council' littered throughout them – but it plans to abolish them. In my view, unitary councils (which seems to be the preferred replacement option) can work well – Marlborough is a case in point. But if we start carving up catchments, we will have an expensive mess on our hands.

That brings me to the idea of a central compliance agency. I don't have strong feelings about this. But I have come to the view that we should be prepared to consider taking some functions back to the centre – and I don't mean putting them in a policy ministry. Until the late 1980s, the Crown had a significant bundle of skills tied up in organisations like the Ministry of Works or the Electricity Department. Those were scattered to the winds and in key areas of environmental regulation, regional councils were left to rebuild those skills from scratch. I think Sir Geoffrey Palmer and I underestimated the consequences of that.

If the Government has its heart set on abolishing regional councils, it should consider taking back some functions to the centre, particularly those of a scientific and technical nature that could support whatever entities are left managing real things out there in the real environment. In addition to river catchments, I have suggested taking a look at biosecurity and biodiversity management as well as state of the environment monitoring.

I have recommended, in a report on catchment scale water modelling, a centre of excellence in water modelling to provide guidance in the regions. The same could apply to other functions, even if on the ground management remains in the hands of unitary councils.

The Government has an Environmental Protection Authority (EPA). The EPA is a highly competent technical agency that has ended up managing an eclectic bundle of tasks that governments wanted to park somewhere. It's time people stop being scared of the 'E' in the title and get it to do what EPAs in most countries do.

The thrust of the resource management reforms is to bring an end to localism and concentrate regulatory power in the hands of Ministers. Bringing some of the core functions that support regulation back to the centre would fit that logic. But – and this is important – while Ministers need to make the policies, they should not be interfering with monitoring or the information needed to support it. Trust in monitoring requires a measure of independence. The EPA's status as a Crown entity can provide that. I note that it is the Public Service Commission's role to advise on these matters.

Let me just observe that central agencies can do a good job at tackling tricky problems that don't map onto politically conceived boundaries. MPI's management of the hornet invasion here in Auckland has been excellent. MPI had the skills to throw at the challenge and Minister Hoggard had the determination to see that it was properly funded.

But that reminds me of another institutional reform – the funding of public good research. MPI's ability to respond to biosecurity incursions like hornets ultimately relies on publicly funded scientists. The Government plans to cut the environmental pillar of its priority research category from \$120 m this year to just \$70 m in 2030. That is massive. It is too early to say which areas of our research capability will shrink but I am monitoring this and will report in due course.

If potentially serious environmental implications of current resource management and institutional reforms are to be avoided, we need a coherent statement of the management and research functions that are in play and a sensible discussion about where they are best located and how they are funded. **Form should follow function.**

The environmental functions that need to be carried out regionally have nothing to do with how many people live within current territorial local authority boundaries. They have everything to do with building and maintaining the capacity to deliver effective environmental management on the ground. This conversation needs to be led by central government.