14. Remits

Remit 1. Priorities for Dog Control Act reform

Proposed by: **Rotorua Lakes Council**

Supported by: Invercargill City Council, Gisborne District Council, Tauranga City Council, Hamilton City Council and Far North District Council

Remit: *That LGNZ advocate to government for the reform of the Dog Control Act 1996 to provide councils with more effective powers and tools to undertake their dog control responsibilities including:*

- *greater scope for earlier intervention*
- *stronger consequences for non-compliance*
- *better ability for councils to set minimum requirements for dog owners - including for desexing and containment*

Why is this remit important?

Councils across New Zealand are experiencing increasing issues with dog aggression, uncontrolled breeding, roaming dogs, and low compliance with microchipping and desexing requirements. Current provisions in the Dog Control Act 1996 limit councils' ability to respond effectively to these challenges. Without stronger tools and clearer powers, these issues will continue to pose real and ongoing health and safety risks to the communities we serve. Legal advice indicates that many of the measures needed to deliver sustainable, long-term improvements can only be achieved through amendments to the Act itself, rather than through a Local Bill or council bylaw. For this reason, advocacy through LGNZ is important to help enable the legislative change needed to better protect communities and support responsible dog ownership and councils' regulatory role in this.

Background and context

Councils across New Zealand are experiencing increasing challenges relating to dog aggression, uncontrolled breeding, roaming dogs, and low compliance with microchipping and desexing requirements. These issues are occurring within the framework of the Dog Control Act 1996, which was introduced to promote responsible dog ownership, ensure public safety, and minimise nuisance caused by dogs. However, many councils now find the Act limits their ability to respond effectively to modern dog control issues. Recent tragic dog attack incidents across the country have heightened public concern and renewed calls from communities and councils for stronger tools to manage high-risk dogs and irresponsible ownership. Local authorities report increasing numbers of roaming dogs, dog attacks, and ongoing pressure on council pounds due to the statutory seven-day minimum impoundment period. Enforcement can also be difficult where dogs are not microchipped or cannot be easily traced to an owner.

Rotorua Lakes Council and many other councils have explored a range of options to address these issues locally. This includes reviewing dog control bylaws, strengthening local enforcement practices, and seeking legal advice on whether a Local Bill or bylaw amendments could introduce measures such as mandatory desexing of impounded dogs, mandatory vaccination for pound-released dogs, or extending microchipping requirements to working dogs. However, legal advice confirms that many of these measures cannot be implemented through local bylaws because they would be inconsistent with the provisions of the Dog Control Act 1996. For example, working dogs are currently exempt from mandatory microchipping under the Act, meaning councils cannot require this through a bylaw. Similarly, councils are

limited in their ability to require mandatory desexing except in very specific circumstances, and there is currently no legislative basis for requiring vaccinations such as parvovirus. Other challenges include outdated infringement penalties (currently capped at $3,000 for many offences), delays in prosecution and destruction order processes, and limited powers to intervene early in escalating risk situations.

Because dog control is a national regulatory issue rather than a district-specific one, legal advice indicates that a Local Bill would have little prospect of success. As a result, meaningful and consistent improvements will require amendments to the Dog Control Act 1996 at a national level. Many councils have signalled support for changes such as mandatory microchipping for all dogs, stronger seizure powers, improved containment requirements for high-risk dogs, reduced impoundment periods, and updated penalties and enforcement tools. Collectively, these changes would strengthen councils' ability to manage risk and better protect communities.

How does this remit relate to LGNZ's current work programme?

This remit directly relates to LGNZ's strategic purpose to serve members by championing, connecting and supporting local government and advocating for local government on critical issues.

How will the proposing council help LGNZ to make progress on this remit?

Rotorua Lakes Council has already shared proposed legislative improvements with LGNZ and the Minister of Local Government to support advocacy work already underway to strengthen the Dog Control Act. Rotorua Lakes Council is committed to continuing to support this work and is willing to provide further information, operational insights and data, and feedback to assist any review of the Act. Our first-hand experience with dog control and enforcement provides useful evidence about the challenges councils face and the legislative barriers that currently limit effective responses. We are also willing to work closely with LGNZ, other councils, and sector partners to help build support for these changes. This includes sharing data, contributing to working groups, assisting with policy development, and supporting advocacy to central government. Rotorua Lakes Council has proactively started work in this space and is ready to further contribute to the collaborative work needed to make meaningful improvements to the Act and ensure councils have the tools needed to better protect their communities.

Remit 2. Improved regulation of vape retailers

Proposed by:	**Wairoa District Council**
Supported by:	Manawatū District Council, Stratford District Council, South Taranaki District Council, Gisborne District Council, Napier City Council, Hastings District Council and Central Hawke's Bay District Council
Remit:	*That LGNZ advocate to central government for legislative change to provide territorial authorities with greater regulatory and enforcement powers over vape retailers, including the ability to control the location, density, operation, advertising, product visibility and compliance standards of vape stores within their districts.*

Why is this remit important?

The rapid growth of vape retailers across New Zealand has raised increasing concerns regarding youth exposure, public health impacts, community wellbeing and the concentration of vape stores near schools, community facilities and town centres. Territorial authorities currently have limited ability to influence where vape retailers operate; how many may establish within a district or how vaping products are promoted and accessed locally.

Councils are increasingly responding to community concerns regarding the normalisation of vaping among rangatahi, and the long-term social and health impacts associated with nicotine dependence. However, unlike alcohol or gambling regulation, councils currently lack sufficient legislative tools to effectively manage vape retailers through local planning, licensing or policy mechanisms.

This remit seeks stronger local government powers to enable councils to respond appropriately to local circumstances, protect vulnerable communities and ensure communities have a greater role in shaping decisions that impact public health, youth wellbeing and the character of local town centres.

Background and context

The number of vape retailers operating throughout New Zealand has increased significantly in recent years, including within smaller provincial and rural communities. Many councils are experiencing growing public concern regarding the concentration of vape stores near schools, playgrounds, community hubs and town centres, and the increasing visibility and normalisation of vaping among young people.

Vaping products are primarily regulated under the Smokefree Environments and Regulated Products Act 1990 (SERPA) and associated regulations administered by central government. Current legislation includes restrictions on sales to persons under 18 years of age, advertising and promotion controls, product safety requirements and specialist vape retailer approvals through the Ministry of Health.

Despite these controls, territorial authorities currently have very limited ability to influence:

- where vape retailers establish within a district;
- the concentration or density of vape stores;
- proximity of retailers to schools or youth facilities;
- shopfront presentation, signage or visibility, or
- local licensing or consent requirements.

Unlike alcohol regulation under the Sale and Supply of Alcohol Act 2012 or gambling venue policies under the Gambling Act 2003, councils currently have no equivalent statutory mechanisms to manage the local impacts of vape retailers.

Communities have raised concerns regarding youth access and exposure, increasing nicotine dependence among rangatahi, retail saturation in vulnerable communities, and inconsistent compliance monitoring and enforcement. These concerns are particularly significant in rural and provincial communities already experiencing inequitable health outcomes.

While councils are increasingly expected to respond to these issues, existing legislative pathways through district plans or bylaws are limited and not specifically designed to regulate vape retail activities. This creates uncertainty and inconsistency nationally.

This remit seeks legislative reform to provide councils with fit-for-purpose powers to regulate the location, density and operation of vape retailers, better protect vulnerable communities and ensure local communities have greater input into decisions affecting public health, youth wellbeing and town centre environments.

How does this remit relate to LGNZ's current work programme?

This remit aligns with LGNZ's broader advocacy focus on strengthening local decision making, improving community wellbeing outcomes, and ensuring councils have fit-for-purpose legislative tools to respond to emerging community issues.

The proposed remit supports LGNZ's advocacy regarding public health, community resilience and empowering local government to respond to place-based challenges. It also aligns with wider conversations around community safety, youth wellbeing and ensuring local authorities have appropriate regulatory mechanisms to manage activities that significantly impact local communities.

This remit does not duplicate existing legislative mechanisms currently available to councils and instead seeks to address a recognised regulatory gap within the current framework.

How will the proposing council help LGNZ to make progress on this remit?

Wairoa District Council would support LGNZ by sharing local experiences, community feedback and operational challenges associated with the growth of vape retailers within provincial and rural communities. Council would also assist in identifying the impacts that vape retailer concentration can have on youth wellbeing, public health outcomes and town centre environments.

The Council would be willing to participate in sector discussions, working groups and engagement processes relating to vaping regulation and local government powers. This may include contributing to the development of national policy positions, providing practical case studies and supporting evidence gathering to demonstrate the need for stronger local regulatory tools.

Wairoa District Council would also support collaboration with other councils and Zone networks to identify common concerns, share approaches and collectively advocate for legislative reform. In addition, Council would be prepared to engage with central government agencies and relevant stakeholders to help develop practical, enforceable and locally responsive regulatory solutions that better enable councils to respond to community expectations and local circumstances.

Vape Retail Regulation – Supporting Statistics Snapshot

National Vaping Trends

- Daily vaping among NZ adults increased from 3.5% in 2019/2020 to 11.7% in 2024/2025.[1]
- Over 509.000 New Zealander's now vape daily.[2]
- Approximately 23% of 18-24 year olds vape daily.[3]

Youth & Māori Impacts

- Daily vaping among 15-17 year olds increased from 2.6% to 13.6% since 2019/2020.[4]
- Māori youth continue to experience disproportionately high vaping rates.[5]
- School stand-downs for vaping/smoking increased by 73% between 2021-2023.[6]

Vape Retailer Concerns

- Approximately 71% of vape retailers nationally operate within 800m of schools.[7]
- Around 29% of vape retailers are within 400m (5 minute wak) of schools.
- Research shows vape retailers are disproportionately concentrated in higher deprivation communities.[8]

Legislative Gap

Under the Smokefree Environments and Regulated Products Act 1990, councils currently have limited powers to:

- Restrict vape shop locations or density.
- Prevent vape stores near schools.
- Introduce local licensing frameworks; or
- Manage local retail visibility and concentration.

Unlike alcohol regulation under the Sale and Supply of Alcohol Act 2012 or gambling venue policies under the Gambling Act 2003, councils currently have no equivalent statutory tools to manage local vape retail impacts.

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1 Annual Update of Key Results 2024/25: New Zealand Health Survey | Ministry of Health NZ
2 Vaping prevalence and trends: Findings from the 2024-25 NZ Health Survey | PHCC
3 Annual Update of Key Results 2024/25: New Zealand Health Survey | Ministry of Health NZ
4 Vaping prevalence and trends: Findings from the 2024-25 NZ Health Survey | PHCC
5 Vapefree schools | Health Professionals
6 'Kids are doing this everywhere': New Zealand wrestles with rise of primary school vaping | New Zealand | The Guardian
7 New Zealand researchers find more vape stores in deprived areas and near schools
8 Investigating the spatial and temporal variation of vape retailer provision in New Zealand: A cross-sectional and nationwide study - ScienceDirect

Remit 3. Financial support for government reform implementation costs

Proposed by: **Whangārei District Council**

Supported by: LGNZ Zone 1

Remit: *That LGNZ advocate to central government to provide specific targeted financial support to councils to implement the operational and governance changes that are proposed through the legislative reform programme, for example Simplifying Local Government and RMA reforms.*

Why is this remit important?

It is recognised that the Department of Internal Affairs is providing great support across the board for district and regional councils throughout the various reform programmes that are underway.

The toll of the changes and implementation is being felt at a local level, and it would be appropriate for central government to recognise this burden on the local government sector and provide some financial certainty to ratepayers by providing ring-fenced financial support for the reforms. Additional support could be included that ensures nationwide alignment on approach, or the provision of a suite of core document templates for use by all with a view to reducing workload at a local level.

Background and context

Since September 2025, central government has introduced significant legislative reforms affecting local government, including amendments to the Local Government Act and the replacement of the Resource Management Act.

These changes impose substantial new statutory, planning, system, and reporting obligations on councils, many of which involve one off and transitional implementation costs not provided for in existing funding arrangements.

We want to acknowledge that the Department of Internal Affairs is providing great support across the board for district and regional councils throughout the various reform programmes that are underway. This includes the support that has been provided over the last couple of years in relation to the water reforms.

It does need to be recognised that a council's ability to raise revenue is constrained. This is due to the current cost of living crisis and the proposed rates caps to be introduced in this triennium. Council is asking LGNZ to recognise that the toll for the legislative changes and their implementation is being felt at a local level and it would be appropriate for central government to recognise this burden on the local government sector and provide some financial certainty to ratepayers by providing ring-fenced financial support for the reforms.

Central government funding is required to enable timely and effective implementation of these mandated reforms, while avoiding significant increase in the cost to ratepayers or reduction in existing services.

How does this remit relate to LGNZ's current work programme?

LGNZ has an influencing role with central government, and they understand that New Zealanders need to value their local council and trust that it is financially sustainable. LGNZ has a key priority in maintaining a constructive relationship with central government but also to ensure that the membership base has the support it needs to implement changes that come from updated legislation. We believe that this remit is directly aligned to LGNZ's current work programme.

How will the proposing council help LGNZ to make progress on this remit?

Whangarei District Council will support LGNZ in conversations in relation to this remit. We are willing to provide evidence of additional costs, some of which is already gathered in public meeting agendas, and additional resource requirements the Council is having to support without any budget to fund these activities.

Remit 4. Removal of Representation Review requirements during Simplifying Local Government reform

Proposed by: **Waikato District Council**

Supported by: LGNZ Zone 2

Remit: *That LGNZ advocate to the Government, on behalf of its members, for compliance relief from the upcoming representation review requirements in light of the significant reforms proposed through the Simplifying Local Government programme and the recent Head Start pathway, which may render any review undertaken before the 2028 elections redundant.*

Why is this remit important?

Councils are required under the Local Electoral Act 2001 to undertake a representation review in preparation for the 2028 local government elections.

The current local government reform environment creates significant uncertainty about the long-term relevance and durability of representation arrangements determined through this review process.

Key contributing factors include:

- the Government's Simplifying Local Government reform programme;
- the recently announced Head Start pathway;
- potential future structural and governance changes, and
- the removal of Māori wards from some districts from 2028 onwards.

Requiring councils to commence representation reviews at this time would impose unavoidable and unjustifiable costs when ratepayer affordability pressures are already significant.

It would also require communities to participate in a complex statutory process that is likely to be superseded and ultimately rendered redundant by current government reform proposals, potentially necessitating a second review shortly thereafter.

Background and context

Representation reviews are a statutory requirement under the Local Electoral Act 2001 and must be undertaken by all local authorities at least every six years.

The purpose of a representation review is to determine how communities are democratically represented through local government arrangements. This includes consideration of:

- electoral voting systems (FPP or STV);
- Māori representation arrangements;
- the number of elected members;

- ward structures and boundaries;
- community board structures;
- population equity requirements;
- governance effectiveness, and
- compliance with Local Government Commission requirements.

Waikato District Council's last representation review was completed in 2021 for implementation at the 2022 local elections. The programme ran from March 2020 to September 2021 and included elected member workshops, a governance working group, public consultation, and hearings. The review was extensive, resource-intensive, and required substantial operational support across the Council.

A further key consideration for the upcoming representation review is the binding 2025 poll on Māori wards, through which the Council did not retain its two Māori wards. This position will vary across the country depending on the outcomes of local referendums. As a result, Māori wards in Waikato District will cease from 2028 onwards. This creates an additional structural change that must be considered as part of any future representation arrangements.

In February, the Waikato Mayoral Forum wrote to the Minister of Local Government and the Minister for the Environment in response to the Simplifying Local Government proposal and reinforced the need for compliance relief in key areas affected by the reform, including representation reviews.

In March 2026, Mayor Bech wrote to the Minister of Local Government seeking relief or a formal transition arrangement from the upcoming representation review requirement. This followed earlier engagement with both the Department of Internal Affairs and the Electoral Commission, each of which advised that it had no legal authority to grant relief. The letter set out concerns that undertaking a full review during a period of significant national reform would create unnecessary duplication, cost, and uncertainty.

The Mayor's correspondence specifically referenced:

- the Government's Simplifying Local Government reform programme;
- potential future boundary and governance changes;
- the removal of Māori wards;
- the lack of legislative discretion available for councils to defer reviews; and
- the estimated $80,000–$100,000 cost of undertaking a full representation review process.

While the Minister's office acknowledged receipt of the letter, no formal relief mechanism had been provided at the time this paper was submitted (22 May 2026).

How does this remit relate to LGNZ's current work programme?

This remit aligns closely with LGNZ's current advocacy on the Simplifying Local Government reforms and practical transition pathways for councils navigating significant system change.

This remit supports that advocacy by seeking practical compliance relief for councils currently required to undertake representation reviews during a period of significant reform uncertainty.

It reinforces LGNZ's broader focus on localism, reducing unnecessary duplication, supporting fiscally responsible decision making, and ensuring councils can direct resources towards delivering long-term community outcomes rather than potentially redundant statutory processes.

The remit complements rather than duplicates LGNZ's existing reform advocacy by seeking a nationally coordinated response on behalf of affected councils.

How will the proposing council help LGNZ to make progress on this remit?

Waikato District Council would be willing to actively support LGNZ in progressing this remit through sector advocacy, evidence gathering, and engagement with central government agencies.

The Council has already undertaken significant work in this area, including:

- preparing a strategic governance paper outlining the implications of the Head Start pathway and wider reform programme for representation review obligations;
- engaging directly with the Minister of Local Government, the Department of Internal Affairs, and the Electoral Commission to seek transitional relief, and
- working collaboratively across Zone 2 councils to raise shared concerns regarding reform sequencing, affordability, and duplication risks.

The Council would be willing to:

- share analysis, correspondence, and supporting material to inform LGNZ advocacy;
- contribute to discussions with Ministers, DIA, and sector working groups;
- support the development of a nationally consistent position on representation review relief and transition arrangements, and
- provide practical insight into the operational, governance, and financial implications of undertaking representation reviews during a period of significant reform uncertainty.

The intent of this remit is not to avoid statutory obligations, but to ensure that councils are not required to undertake potentially duplicative and resource-intensive processes while broader local government reform remains unresolved.

Remit 5. Devolution of place-naming authority to Territorial Authorities

Proposed by: **Far North District Council**

Supported by: Northland Regional Council, Porirua City Council, Kāpiti Coast District Council, Rangitīkei District Council and Whakatāne District Council

Remit: *That LGNZ advocate for legislative changes to devolve authority for officiating geographic place names from the Minister for Land Information to local authorities.*

Why is this remit important?

Local communities are best placed to make decisions about names that reflect their identity, history, and sense of belonging. While councils already name roads and streets, authority over official geographic names - such as mountains, rivers, towns, and bays - sits with the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa and the Minister for Land Information under the New Zealand Geographic Board Act 2008. This centralised system has produced outcomes that lack local knowledge, overlook iwi and hapū relationships, or fail to reflect a community's lived history. Councils have highlighted examples such as the decline of locally supported historical names (Russell, Kororāreka), or cases where official spellings have been approved that do not reflect how names are commonly used, spoken, or understood locally.

Devolving authority to local government, in partnership with mana whenua, would ensure place naming is grounded in authentic local voice while reducing unnecessary bureaucracy. At the LGNZ Rural and Provincial meeting in November 2025, Minister Penk indicated support for this remit and the localised outcomes it seeks to achieve.

Background and context

Under the New Zealand Geographic Board Act 2008, the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa (NZGB) holds sole authority to assign, approve, alter, or discontinue official geographic place names. While the Board includes representatives from local government and Māori development, its decision-making framework remains national, centralised, and governed by statutory processes that do not always reflect local identity or lived experience.

Local authorities already demonstrate strong capability in place-based naming through their delegated authority for naming roads and streets. These decisions routinely incorporate local history, community values, and the guidance of mana whenua. However, when it comes to naming mountains, rivers, settlements, bays, and other significant features, councils and iwi must defer to a national body, even in cases where local expertise, whakapapa, and historical evidence are well established.

This centralised model can create a disconnect between official names, and the communities that hold whakapapa and lived connection to those places. Consultation occurs but local knowledge is not determinative and decisions may not align with regional dialects, historical narratives, or cultural contexts. Councils have highlighted examples where locally supported names or spellings were not adopted or where national decisions did not fully recognise the depth of local iwi and hapū relationships with place. In the Far North, we refer to the name restoration process for Russell (Kororāreka) which while strongly supported at a local level, failed to receive centralised support.

Returning decision making to local authorities would strengthen the integrity and authenticity of geographic names. It would allow naming processes to better reflect regional narratives, uphold te reo Māori orthographic conventions, and ensure communities have a meaningful role in shaping the identity of the landscapes they inhabit. Devolving authority would also streamline the process by reducing a layer of central bureaucracy while retaining opportunities for national consistency through guidelines and shared standards.

How does this remit relate to LGNZ's current work programme?

This remit aligns strongly with LGNZ's long term goal of "local decisions matter", and aligns with LGNZ's advocacy for:

- strengthened local decision making;
- improved Crown-local government-iwi partnerships, and
- recognition of local identity and community driven governance.

It also enhances LGNZ's ongoing work to promote localism, reduce unnecessary centralisation, and strengthen community wellbeing through place-based decision making.

How will the proposing council help LGNZ to make progress on this remit?

The Far North District Council will support LGNZ's advocacy on this remit by contributing sector leadership and local, practical insights. We have extensive experience working with LINZ on the correction and officiating of Māori place names, including active participation in the "Approving of Unofficial Place Names" workstream. With 1,682 unofficial Māori place names currently progressing through LINZ processes, we hold a strong understanding of the challenges and opportunities within the present system.

FNDC is committed to supporting this remit's progression alongside LGNZ.

Remit 6. Enhanced role for government in supporting subnational diplomacy

Proposed by: **Metro Sector**

Remit: *That LGNZ advocate to government and the Ministry of Foreign Affairs and Trade to formalise and increase its role in supporting subnational diplomacy including developing clear policy and capability to support and grow local government's contribution*

Why is this remit important?

Subnational diplomacy (such as the work councils do through their sister cities) extends the reach of national diplomacy by connecting communities and exporters from local areas with overseas communities and export opportunities. This has been demonstrated by the complementary role sister city relationships with cities in China has played in maximising the benefits of the free trade agreement.

Background and context

A number of other nations play a more explicit role in supporting and setting direction for sub-national diplomacy.

Examples of countries which engage in this space include:

- United States of America – the US Department of State has a specific Subnational Diplomacy Unit headed by a Special Representative for City and State Diplomacy. This unit, and the ambassador, supports US national security priorities by integrating local ideas into foreign policy and fostering connections among cities, municipalities, and communities in the United States and abroad.
- Australia – the Australian Department of Foreign Affairs and Trade has offices across each state capital which supports local and state government foreign and trade relationships.

How does this remit relate to LGNZ's current work programme?

This remit aligns with LGNZ's long-term goal that New Zealanders value councils given the direct financial benefits this could provide. There is also potential alignment with the Advocacy Priority resilient communities, economies, and environments.

Remit 7. Bulk funding of transport activities

Proposed by:	**Waikato Regional Council**
Supported by:	Zone 2
Remit:	*That LGNZ calls on government, opposition parties and NZTA to support a move to bulk funding for basic and repeatable transport activities, thereby acknowledging the efficiency and financial gains, and reduction in funding risk, this change would provide to local government, and supports a trial of this proposed bulk-funding approach for the 2027-2030 funding round amongst a group of councils which have demonstrated strong performance in delivering public transport services and/or maintaining transport infrastructure.*

Why is this remit important?

Central government via NZTA tightly controls the distribution of transport funding to achieve national outcomes even though around 50% of all costs are funded via rates.

Most transport funding is approved project by project, requiring achievement of defined business case and approval requirements, before funding is committed. Stringent compliance and reporting requirements are imposed on the local government sector, increasing costs for councils, and reducing efficiency and productivity.

Accelerating the move to bulk funding for basic transport activities, as is seen in many countries globally, would enable local government to operate more flexibly, optimising investment and improving efficiency. Councils have detailed knowledge of their networks, good awareness of resilience and lifeline requirements, and a good understanding of local need.

Maintenance and renewal programmes, public transport services, and the delivery of safety and minor works packages would all benefit from predictable, multi-year funding certainty.

Background and context

In the OECD context, New Zealand is highly centralised. Central government via NZTA tightly controls the distribution of transport funding to achieve national outcomes.

Internationally, bulk funding models for transport are widely used to provide transport authorities with predictable, flexible, multi-year funding approvals. This enables the central government focus to shift from assessing and approving individual projects to supporting strategic policy outcomes. It also enables a reduction in compliance and reporting requirements. It supports local and regional stewardship of networks while improving procurement and delivery performance. A SWOT analysis and global examples of bulk funding for public transport services are provided in Attachment One.

Councils across the country are about to commence work on Long Term Plans and the Regional Land Transport Plan. These are delivered as required by the Local Government Act and the Land

Transport Management Act (LMTA). The LTMA requires regions to demonstrate alignment to the priorities of central government even if around 50% of the funding comes from ratepayers rather than the Crown.

Due to this complex legislative structure, transport programmes (in all respects, from maintenance and renewals to public transport services, and from safety works to minor and major improvements) are required to follow multiple local, regional and national processes to secure funding.

The process of prioritising and funding transport activities could be simplified and de-risked significantly if central government and NZTA trusted local government to act in good faith on behalf of communities, and, with the reassurance of accountability and appropriate performance frameworks, provided bulk funding (perhaps at regional level and perhaps in 3 or 5 year blocks) for simple, repeatable, ongoing work programmes. This would enable regions and communities to prioritise and optimise their investment in transport through smarter procurement, resulting in lower administrative and regulatory burden.

Recently announced local government reform is focussed solely on amalgamation within regions and currently proposes no change to the delivery of transport activities.

Over recent funding rounds, NZTA is acknowledged for making limited progress in moving towards bulk funding, for example for some smaller councils. There may be further tweaks in the 2027-30 funding round.

This remit supports the progress made and seeks acceleration of this for all other basic, repeatable transport activities nationally. There are multiple benefits that could be achieved from this change.

At national level, removal and de-politicisation of basic transport activities (estimated at approximately 80% of the total spend) would enable the Minister of Transport, via the Government Policy Statement on Land Transport, to fully focus on prioritising significant investment (the remaining 20%) on central government priorities such as resilience, safety, emissions reduction or roads of national significance.

There would be a large reduction in the requirements of the National Land Transport Programme prepared by NZTA. Bulk funding of basic transport activities would save NZTA significant time and cost.

Regional Land Transport Plans could be simplified and would be fully focussed on more significant inter-regional and system-change priorities. This presents a resource and cost-saving to regional councils.

Local and regional government would be able to undertake the transport portion of their Long Term Plans with less risk and more funding certainty.

How does this remit relate to LGNZ's current work programme?

The issue directly relates to several of LGNZ's 'key issues for councils'.

- Transport: New Zealand needs greater investment from central government and more joined-up central and local government planning that prioritises building and better asset management. The current approach to investment and planning is not working, nor is it fit for the future. How to make public transport more affordable and accessible.
- Funding & Financing: Advocacy for a ‘toolbox’ approach to funding and financing to provide councils with a range of options to align national goals with local needs.
- Localism: Harnessing the power, knowledge, skills and views of local people to drive better outcomes.

How will the proposing council help LGNZ to make progress on this remit?

Zone 2 councils are willing to trial this proposed bulk-funding approach for the 2027 to 2030 funding round, including development of appropriate accountabilities and performance frameworks.

Attachment One: Further Information

SWOT Analysis – Bulk Funding compared with Project-based Funding

Definition and focus

Bulk funding

- Funding is provided as a programme-level envelope (often multi-year).
- The funder agrees *what outcomes and activity types* the money is for, but not every individual project.
- The recipient has delegated authority to prioritise and deliver works within agreed rules.

Project-based funding

- Funding is approved project by project.
- Each project must meet defined appraisal, business-case, and approval requirements before funding is committed.
- Control is retained centrally by the funder at each decision point.

Decision-making and flexibility

Aspect	Bulk funding	Project-based funding
Decision locus	Decentralised (recipient decides within limits)	Centralised (funder approves each project)
Ability to re-prioritise	High – funding can shift within the programme	Low – changes often require re-approval
Response to changing conditions	Fast (e.g. weather damage, demand shift)	Slower, constrained by approval cycles

Implication: Bulk funding suits environments where needs change frequently and trade-offs must be made continuously. Project funding suits situations where scope is fixed and certainty is required.

Transaction and administrative cost

Bulk funding

- Fewer funding applications and approvals.
- Lower appraisal cost per dollar spent.
- More emphasis on ex-post performance monitoring.

Project-based funding

- High upfront transaction costs (business cases, reviews, approvals).
- Repeated effort for similar or small projects.
- Strong ex-ante assurance but higher overhead.

Implication: Bulk funding is more efficient for many small or routine activities; project funding is defensible for large, discrete investments.

Risk allocation

Risk type	Bulk funding	Project-based funding
Delivery risk	Largely sits with recipient	Shared or retained by funder
Cost overrun risk	Managed within programme envelope	Often escalated back to funder
Portfolio risk	Actively managed by recipient	Managed implicitly via approvals

Implication: Bulk funding assumes the recipient is capable of portfolio and asset-management discipline. Project funding reduces funder exposure to poorly governed organisations but can shift risk management into bureaucratic processes.

Accountability and performance

Bulk funding

- Accountability is outcomes- and performance-based.
- Requires strong monitoring frameworks (KPIs, benchmarking, audits).
- Less visibility of individual project decisions, more focus on results.

Project-based funding

- Accountability is project- and compliance-based.
- Easier to trace decisions and costs to specific assets.
- Can encourage compliance behaviour rather than outcome optimisation.

Implication: Bulk funding works best where there is high trust and mature capability. Project funding suits lower-trust or high-scrutiny environments.

Suitability by activity type

Activity type	Better suited model	Why?
Routine maintenance & renewals	Bulk funding	Predictable, ongoing, portfolio-based

Public transport operations	Bulk funding	Requires service optimisation over time
Low-cost safety improvements	Bulk funding	Many small, standardised interventions
Major new infrastructure	Project-based funding	High cost, unique, high political and fiscal risk
Complex, novel investments	Project-based funding	Uncertainty requires detailed appraisal

Behavioural effects

Bulk funding encourages

- Long-term planning and asset stewardship.
- Trade-offs across a network.
- Innovation and adaptive management.

Project-based funding encourages

- Project promotion and "salami slicing".
- Optimisation of individual projects rather than systems.
- Risk-averse design to satisfy approval gates.

Strengths and weaknesses summary

Bulk funding

Strengths

- Efficient delivery at scale
- High flexibility and responsiveness
- Strongly aligned with asset-management principles

Weaknesses

- Requires mature governance and capability
- Harder for outsiders to see "what was funded"
- Risk of under-investment in politically visible projects

Project-based funding

Strengths

- High transparency at project level
- Strong control of large or novel investments
- Clear political and fiscal accountability

Weaknesses

- High transaction costs
- Slow to respond to change
- Can undermine network-level optimisation

Conclusion

- Bulk funding is best for *ongoing, repeatable, network-wide activities* where flexibility and value-for-money over time matter most.
- Project-based funding is best for *large, discrete, high-risk investments* where certainty, scrutiny, and one-off decisions dominate.

In practice (including in New Zealand), effective transport systems use both models together, allocating each to the activity types they are best suited for rather than treating them as competing alternatives.

International examples – Delivery of Public Transport Services

Internationally, bulk funding models for public transport are widely used to give transport authorities predictable, flexible, multi-year funding while shifting the focus from approving individual routes or projects to outcomes, performance, and network stewardship. Below is a structured overview of the main models in use globally, with concrete country examples.

Block grants to sub-national governments or transport authorities

How the model works

Central government provides a multi-year block grant for public transport. Money is not tied to specific projects or routes; instead, the recipient authority decides how to allocate funding across operations, service improvements, fleet renewal, or minor infrastructure within an agreed framework.

Countries using this model

- United Kingdom (England, outside London)
    - Local authorities receive consolidated Local Transport Grants, replacing older fragmented funding streams. These grants can be used for buses, public transport priority, accessibility, and service support, with local discretion over spending priorities.
- Germany
    - Federal “Regionalisation funds” are provided to Länder as block transfers to finance regional and local public transport services, especially rail, with states responsible for detailed allocation (documented by OECD trends).

- Canada
    - Cities and provinces receive long-term federal transfers (e.g. public transit streams under infrastructure programmes) that are broadly scoped rather than project-specific, supporting operational and capital needs.

Strengths: predictability, local optimisation, lower administrative burden.
Trade-off: relies on strong oversight and capable local institutions.

Formula-based operating subsidies (network or service level)

How the model works

Funding is allocated using objective formulas (population, service km, ridership, social need). The operator or authority manages services within the resulting financial envelope.

Countries using this model

- Sweden & Nordic countries
    - Regional Public Transport Authorities receive predictable operating funding largely detached from individual line approvals, enabling network-wide planning.
- Japan (urban public transport)
    - Local and national governments provide formula-driven operating support combined with fare revenue, with strong emphasis on efficiency and service quality benchmarks.

Strengths: stability for operators, incentives for efficiency at network scale.
Trade-off: formulas must be kept current to reflect demand and cost changes.

Earmarked payroll or local tax funding (hypothecated bulk revenue)

How the model works

A dedicated tax or levy is assigned directly to public transport authorities. Revenues flow automatically and can be used flexibly for both operations and investment.

Countries using this model

- France – Versement mobilité
    - A mandatory payroll levy on employers (≥11 employees) within transport authority areas. It is the single largest funding source for urban public transport and can be used as a bulk operating and capital funding pool.
- United States (selected metro areas)
    - Local sales taxes (e.g. Los Angeles, Seattle) fund transit agencies through dedicated, voter-approved taxes allocated as multi-year funding envelopes (OECD comparative analysis).

Strengths: stable, locally controlled, strongly aligned with beneficiaries.
Trade-off: revenue growth tied to economic cycles.

Service contracts with global budgets (gross-cost or net-cost)

How the model works

Public authorities enter multi-year contracts with operators. Instead of funding individual routes, a global operating budget is set, with performance incentives and penalties.

Countries using this model

- Europe (widely used): Germany, Netherlands, France
  - Authorities specify service outputs and quality standards while paying operators via bulk payments, often linked to punctuality, reliability, or customer satisfaction.
- Australia (bus networks)
  - State governments fund metropolitan bus networks through long-term contracts with operators, using bulk payments rather than route-by-route approval (OECD evidence).

Strengths: cost control, clear accountability, flexibility to redesign networks.
Trade-off: requires sophisticated contract management.

City-region multi-year settlements (outcome-based bulk funding)

How the model works

Large metropolitan regions receive bespoke, multi-year funding settlements covering all local transport, including public transport operations, sometimes linked to agreed performance outcomes.

Countries using this model

- United Kingdom (mayoral city-regions and London)
  - City-region transport authorities receive long-term settlements enabling integrated planning across buses, metro, rail, and active transport.
- France (Île-de-France Mobilités)
  - Combines national funding, payroll levy revenue, and regional contributions into a large, flexible funding pool for the Paris region's transport system.

Strengths: supports system integration and long-term planning.
Trade-off: complex negotiation and governance arrangements.

Summary

Bulk funding model	Typical users	Key feature
Block grants	UK, Germany, Canada	Local discretion within national envelope
Formula-based subsidies	Nordics, Japan	Predictable, objective allocation
Hypothecated taxes	France, US metros	Dedicated, stable revenue source

Global service contracts	EU, Australia	Budget + performance incentives
City-region settlements	UK metros, Paris	Integrated, outcome-focused funding

Conclusion

Across countries, bulk funding for public transport is used to stabilise finances, enable network-level optimisation, and reduce transaction costs. While design details vary, successful models share three features:

1. Multi-year certainty,
2. Local discretion paired with accountability, and
3. Performance or outcome-based oversight rather than project approval.

Remit 8. Improving LTP audit requirements

Proposed by: **Gisborne District Council**

Supported by: Central Hawke's Bay District Council, Hastings District Council, Stratford District Council, Taranaki Regional Council, New Plymouth District Council, Wairoa District Council, Manawatū District Council, South Taranaki District Council, Tararua District Council, Rangitīkei District Council, Hawke's Bay Regional Council and Horowhenua District Council

Remit: *That LGNZ advocate to government for improvements to the efficiency, proportionality, and cost-effectiveness of audit requirements for Long Term Plans and Consultation Documents, including:*

1. *Greater proportionality in audit requirements, ensuring that audit effort is aligned with council size, complexity, risk, and materiality; and*
2. *Reducing duplication across audit stages, particularly where similar information and assumptions are subject to repeated review; and*
3. *Improving standardisation, transparency, and cost control in audit delivery, to reduce rework and improve consistency across the sector, and to constrain excessive or escalating audit fees through greater transparency of audit pricing and benchmarking of costs across the sector.*

Why is this remit important?

Local authorities are required to prepare Long Term Plans (LTP) that are subject to statutory audit by the Auditor-General. While audit plays a critical role in supporting transparency and accountability, the current approach imposes significant direct and indirect costs across the sector.

Audit requirements apply at multiple stages, including the consultation document and final LTP, and involve detailed supporting information, iterative review, and tight timeframes. This creates substantial organisational pressure and requires significant staff time, consultant input, and rework.

Audit effort is applied consistently across councils regardless of size, complexity, or risk, and can be disproportionate to risk or materiality.

As these requirements are set through legislative and assurance frameworks, individual councils have limited ability to influence them. Sector-level advocacy is required to ensure audit processes remain proportionate, efficient, and cost-effective while maintaining appropriate assurance.

Background and context

The Local Government Act 2002 (LGA) requires local authorities to prepare and adopt an LTP using the special consultative procedure, supported by an Auditor-General's audit opinion. This includes audit of both the consultation document and the final LTP.

These requirements are intended to support transparency, accountability, and sound long-term decision making. However, in practice, the audit component of the LTP process has become a significant cost driver for councils.

Audit processes apply at multiple stages and require extensive supporting information, detailed modelling, and iterative engagement with auditors. Councils must respond to audit queries, revisit assumptions, and undertake rework within constrained statutory timeframes. This creates sustained organisational pressure across finance, strategy, infrastructure, and governance functions.

The cost of audit is not limited to external audit fees. It includes substantial internal staff time, consultant support, and opportunity costs associated with diverting resources from service delivery and implementation.

Audit requirements are applied consistently across the sector, regardless of council size, complexity, or risk profile. This can result in audit effort that is disproportionate to the scale or materiality of the underlying issues.

In addition, the requirement to audit both the consultation document and final LTP creates duplication, with similar information and assumptions subject to repeated review.

This issue is sector-wide and cannot be addressed by individual councils, as audit requirements are set through legislative and assurance frameworks. There is an opportunity to improve the efficiency and cost-effectiveness of audit processes while maintaining appropriate levels of assurance.

How does this remit relate to LGNZ's current work programme?

This remit aligns with LGNZ's role in advocating on matters of sector-wide significance and improving the effectiveness and efficiency of local government.

It supports LGNZ's focus on value for money, reducing unnecessary costs, and ensuring regulatory and assurance settings remain proportionate to risk and scale.

The remit is targeted and practical, focusing specifically on statutory audit requirements that apply across all councils and contribute to rising costs and organisational pressure.

Based on publicly available information, this issue does not appear to be the subject of a specific LGNZ workstream. The remit would support LGNZ to advocate for improvements to audit processes that maintain transparency and accountability while improving efficiency and cost-effectiveness.

How will the proposing council help LGNZ to make progress on this remit?

Gisborne District Council will:

- work with LGNZ and other councils to articulate the practical impacts of current LTP audit requirements;
- provide evidence of direct and indirect costs, including audit fees, staff time, and organisational impacts;
- contribute examples where audit effort is not proportionate to risk, scale, or materiality;
- support the development of practical improvements, including proportional audit approaches, reduced duplication, and improved pricing transparency, and
- participate in any sector engagement, working groups, or discussions with the Auditor-General and Government to progress improvements to audit processes.

The Council is committed to supporting sector-wide solutions that reduce unnecessary cost while maintaining robust public accountability.

Remit 9. A fairer approach to uneconomic transport infrastructure funding

Proposed by:	**Stratford District Council**
Supported by:	South Taranaki District Council, New Plymouth District Council, Rangitīkei District Council, Manawatū District Council and Wairoa District Council
Remit:	*That LGNZ advocate for a fairer approach towards uneconomic transport infrastructure, where either NZTA commits to co-funding this infrastructure if councils remain legally obligated to own and maintain it, and/or the Government provides clearer guidance and support for councils downgrading or ceasing service to low traffic volume areas*

Why is this remit important?

The development of the Roading Activity Management Plan includes the replacement of our structural assets. Included in the 2027-2037 Long Term Plan (LTP), we have four uneconomic bridges that require replacement at an estimated cost of $4.5m. If NZTA will not co-fund these replacements and we cannot opt out of ownership, the burden will fall on ratepayers. We are not alone in this scenario: this is a national issue that New Zealand has to resolve.

Background and context

Within the Stratford District there are 18 bridges that will fall into the category of uneconomic transport infrastructure. The definition of this category being "bridges built and currently maintained by council that generally only provide access to individual properties, or bridges built by council that are for private use.". It should be noted that NZTA is considering a position whereby it will not co-fund the replacement of any uneconomic bridge unless it can be clearly demonstrated that the Gross Domestic Product generated from the land served by the bridge exceeds the cost of replacing the structure over its lifecycle. Legal advice obtained in 2016 states that "if the Council previously maintained/erected the bridge, then the responsibility for maintaining the bridge continues.". In layman's terms, if a public body (County, Borough or District Council), has spent public funds either constructing or maintaining a bridge, irrespective of its location, whether it is located on a maintained road or an un-maintained road (paper road), the Council still has a responsibility to maintain this bridge.

How does this remit relate to LGNZ's current work programme?

LGNZ is focussed on helping councils meet the costs of maintaining their transport networks as part of its infrastructure work programme, especially in the face of rapidly rising costs for labour and materials. The unwillingness of the NZTA to fund this sort of infrastructure while still requiring councils to maintain it could also be considered a form of unfunded mandate imposed by central government, which has long been a focus area for LGNZ.

How will the proposing council help LGNZ to make progress on this remit?

We have requested clarification of NZTA's stance on this issue through our relationship with the Director, Regional Relationships.

We are happy to make our existing legal opinion on Road Controlling Authority responsibilities available.

We are open to any other contribution that would be helpful.

15. Remit prioritisation

Every year, Local Government New Zealand adopts new remits at the AGM. Each remit requires resourcing to deliver, and there is no limit to the number of remits that can be considered and passed. This means remits can create resourcing challenges, including conflict with agreed policy priorities.

The AGM will rank the successful remits in order of priority, using the online voting system. Results will be tallied and published after the AGM.