

Regarding the Local Government (System Improvements) Amendment Bill

August 2025



List of Recommendations

Recommendations: Purpose of Local Government

1. That the Select Committee delete clause six in its entirety.
2. That the Select Committee note that the deletion of clause six would necessitate amendments to clauses 5(1), 5(3), 8(1), 8(2) and 18.

If the Select Committee decides to proceed with changes to the purpose of Local Government, then we recommend that clause six be amended by

3. replacing the phrase *"most cost-effective for households and businesses"* in the proposed new section 10(b) with the phrase *"most cost-effective for the community based on the local authority's objectives for the provision of the infrastructure or services"*
4. amending clause 18(2) by adding the words *"present and future"* before the word *"community"*.

Recommendations: Core services

5. That clauses seven and eighteen be deleted in their entirety.

If clause seven is retained then the Select Committee should:

6. amend the proposed new section 11A(1)(a) to read *"network infrastructure and sanitary works (as defined under section 25 of the Health Act 1956)"*
7. amend the proposed new section 11A(1)(d) to read *"the avoidance and mitigation of natural hazards, and activities that improve resilience to natural hazards"*
8. amend the proposed new section 11A(1)(e) to read *"libraries, museums, reserves, other recreational facilities and other community amenities"*
9. add additional limbs to the proposed new section 11A(1) that read *"the provision of regulatory services", "economic development" and "the performance of other activities prescribed by this Act or any other Act."*

Recommendation: Transitional provision for clauses six and seven

10. A transitional provision should be added to the Bill that sets a commencement date of 1 July 2027 for clauses six and seven.

Recommendation: Governance principles

11. That the Select Committee seek further advice on the interrelationship between the principles in clause ten, the law around predetermination and bias and the Mayoral powers outlined in section 41A of the principal Act.

Recommendation: Access to information

12. That clause 21(3) be amended by adding the words “*which may include prescribing circumstances in which information need not be supplied*”.

Recommendation: Governance conduct

13. That the Select Committee delete subclauses 25(10) to 25(12) from the Bill. The impact of this is to remove the power for the Secretary of Local Government to develop a binding set of standing orders.

Recommendation: Performance measures

14. That the Select Committee amend the Bill to require the Secretary of Local Government to have particular regard to the three tests set out in section 261B before making regulations specifying performance measures.

Recommendation: Public notice

15. That the definitions of public notice in the following Acts be repealed: the Local Government Act 2002; the Local Government Act 1974; the Impounding Act 1955; the Land Drainage Act 1908; the Local Government (Official Information and Meetings) Act 1987, the Local Government (Rating) Act 2002 and the River Boards Act 1908. This would make those references to public notice in these Acts subject to the definition of public notice in the Legislation Act 2019.

Recommendation: Chief Executive appointments

16. That the Select Committee add transitional provisions to clause 25(14) that clarify that if the Chief Executive is in their first five-year term of employment, then the council may offer an extension of up to five years, having completed the review of employment required by the Act and that if the Chief Executive is currently serving under an extension then the council may extend this by up to three further years by resolution of council

Recommendations: Skill sets of CCO directors

17. That clause 16 be deleted from the Bill and

18. That section 57 (3) of the Local Government Act be amended by adding the words “te Tiriti, te Ao Māori and” before the words “tikanga Māori”. The

intent of this is to equire local authorities to consider whether knowledge of te Tiriti and te Ao Māori is relevant to the appointment of CO directors.

The System Improvements Bill: An Overview

Taituarā — Local Government Professionals Aotearoa (Taituarā) thanks the Governance and Administration Committee (the Committee) for the opportunity to submit in respect of the Local Government (System Improvements) Amendment Bill. (the Bill).

Taituara offers managerial and technical insights and perspectives into the policy process.

Taituarā is Aotearoa New Zealand’s leading membership network for professionals working in and for local government. Our thriving membership base consists of just over 1,000 members, drawn from chief executives, managers, and staff across all 78 local authorities.

What unites Taituarā members is our commitment to being our professional best, supporting local government excellence through connection, collaboration, and care for the well-being of our communities.

Taituarā strengthens the local government sector by using our members’ insight and experience to influence the public policy debate. We encourage thought leadership by enabling our members to step back from the day-to-day agenda, share wisdom, create value, and build knowledge.

Infrastructure costs are the true drivers of cost increases.

The Bill proposes what is intended to be a significant change to the role of local government, and in doing so, to the relationship between local government and its communities.

The Bill intends to curtail councils’ ability to respond to community needs and preferences. The explanatory note describes this as a ‘re-focus’ of local government’s role.

The general policy statement that precedes the Bill also notes (quite correctly) “*Rate rises are being driven primarily by rising council costs, particularly for critical infrastructure*”.¹

¹ Local Government (System Improvements) Bill, page 1.

Research by Te Waihangā – the New Zealand Infrastructure Commission has revealed that

“We analysed several decades of price data for construction inputs to understand how they are affected by both global and local factors”.

“We found that infrastructure providers have limited control over their input prices. Price changes mostly reflect the impact of things that are happening outside of the New Zealand construction sector.

“For labour costs, we found that construction wages closely track wages elsewhere in the New Zealand economy. In the short term, high demand for construction workers can push wages a bit above this trend, but construction wages tend to return to trend within two years,”

“Global factors are the primary driver of material prices, especially for traded commodities like structural steel, timber, and diesel fuel. Changes in global prices flow through to New Zealand very quickly. Even when we produce or source some materials here, prices are still based on global markets,” he adds.

“The exception is materials like concrete and aggregates that are too heavy to ship long distances. Regional factors, like limits on setting up new quarries near major projects, are likely to play a stronger role for those materials.”²

In short, the cost of delivering what the Bill sees as core services is the primary driver of rates increases. A combination of cost-push and demand-pull factors has driven recent cost increases. The long-term solution to rising local authority costs lies in a combination of investments in supply chain resilience, both nationally and internationally, growing the infrastructure workforce and skills generally, and taking steps to provide the infrastructure sector with a more certain environment to invest.

The Bill provides multiple avenues for the disaffected to challenge local authority decision-making.

The Bill introduces (or reintroduces) several additional concepts to key aspects of the Local Government Act. Many of these are not well-defined. Among those terms that may give rise to challenge:

² Te Waihangā (2023), New research sheds light on the infrastructure workforce and drivers of infrastructure costs. Downloaded from <https://tewaihangagovt.nz/news-events/new-research-sheds-light-on-new-zealand-s-infrastructure-workforce-and-drivers-of-construction-costs> on 8 August 2025.

- local infrastructure, local public services and the performance of local regulatory functions (particularly as this list of functions is not well aligned with the proposed list of core services and what constitutes a public service)
- most cost-effective for households and businesses
- the list of core services.

Champions of this legislation might claim that much of the above appeared in legislation before 2019, with little case law having been created. That is true, but it ignores two societal trends that have gathered momentum in the intervening period. We refer to the loss of trust in government (at all levels – not confined to local government) and to a greater level of litigiousness. The risk is real – in the words of one Chief Executive, “Is my council going to be sued because it intends to build a pedestrian crossing and paint it in rainbow colours?”

The regulatory relief amendments are generally welcome. A review of the accountability regime is likely to generate further savings.

The Bill makes six amendments intended to reduce a compliance requirement or clarify an opaque provision. Four of these amendments are responses to issues raised by Taituarā (public notice, section 17A reviews, Chief Executive reappointment and certificates of compliance). The amendments relating to Chief Executive reappointment and development contributions are intended to save tens of thousands of dollars in costs or foregone revenue.

However, some provisions will offset those savings somewhat. We’ve already noted the likelihood that deleting well-being from the purpose and restoring a core service provision will encourage risk aversion in local authorities and judicial challenge. Both add to legal costs.

As we write this submission, there has been comment in the media regarding the likelihood of announcements about rate-capping. Regulatory regimes come with disclosure and systems requirements and the costs involved in operating the regulatory agency.

The Bill seeks to introduce further transparency into local government by widening the range of activities that the Secretary of Local Government may make mandatory performance measures and further regulating how local authorities group activities for accountability.

We observe that additional performance measures will come with further audit costs, and potentially additional systems or processes to capture and report information. Changes to the grouping of activities will require one-off changes to financial systems and systems for gathering and reporting non-financial performance.

The transparency provisions were not subject to the regulatory impact statement process. The cost of transparency and accountability is ultimately met by the ratepayer and, therefore, is a cost to businesses and households alike.

The Cabinet papers underpinning this Bill make it clear that the initiatives in this Bill are part of a wider work programme. A second Bill is likely. Along with the signalled rate-capping, further work is to consider whether the accountability regime is fit for purpose.

We agree there is considerable potential to streamline the accountability requirements. Both the Office of the Auditor-General and ourselves are on public record as saying that the disclosure requirements in accountability documents need review. The sector also increasingly raises the cost of audit requirements – both the audit fee and the investments of staff time necessary to support the process.

At the same time, we recognise that the accountability framework is seen as a strength by, among others, those who lend to the sector and the civil construction industry. A robust review must be principle-based and balance all interests.

In 2012, we prepared a submission to a government-sponsored Efficiency Taskforce that reviewed the accountability cycle. We are updating that for developments in the policy and operating environment and expect to have it available in advance of the next Bill.

The Purpose of Local Government

The Bill and accompanying documents provide no new or compelling evidence of an expansion of the role of local government.

The overview of this submission and the bill itself each notes the impact of recent sharp increases in the cost of infrastructure on the level of rates. The regulatory impact statement that discusses these changes³ is broadly correct in its assessment of the drivers of cost:

"Cost pressures on councils are driven by capital and operating cost escalation, flowing from supply chain upheaval and a tight labour market during the COVID-19 pandemic, and accelerated headline inflation since. Infrastructure costs have long been a major cause of rate increases, with councils needing to upgrade infrastructure, especially for water and wastewater treatment plants, and invest in more infrastructure to meet growth demands. Around two-thirds of capital expenditure for councils is applied to core infrastructure, not including libraries and other community facilities, or parks and reserves."

Officials are correct. Our own upcoming set of cost adjustors note that *"Producer price inflation has experienced two distinct phases since the 1990s, punctuated by two brief periods of rapid inflation. The first occurred leading up to the Global Financial Crisis (GFC), driven by a global activity and commodity boom. The second began in 2021 and has since normalised."*⁴

The evidence to support the contention that the scope of local government activity has expanded since the restoration of wellbeing in 2019 is largely anecdotal. The regulatory impact statement cites three examples that were used to support that view in 2012.⁵

³ Department of Internal Affairs (2024), *Regulatory Impact Statement – Refocusing the purpose of local government*, page 5.

⁴ BERL, on behalf of Taituarā (forthcoming), *Local Authority Cost Adjustors and Local Government Cost Index 2025 – interim*.

⁵ Page 25 of the RIS refers to councils running commercial competitive businesses, running Lotto shops, and focusing on NCEA pass rates. In fact, many of the commercial undertakings were civil contracting units formed out of Government changes to road funding in 1989 and retained for strategic and economic development reasons (and noting that all government-funded road work goes to compulsory competitive tender). The council concerned about pass rates was the Auckland Council (there were objectives along these lines in the first spatial plan). We observe that a skilled workforce is a prerequisite to economic growth and is part of the rationale for the provision of libraries and museums. Invercargill City Council ran the lotto shop. It was concerned about the withdrawal of banking services in Bluff and acquired a Kiwibank outlet, which had the Lotto franchise attached.

While equally dated, the regulatory impact statement noted the findings of both the 2006 Report of Central/Local Government Funding Project Team and the 2007 Independent Inquiry into Rates. To be specific:

- *“no evidence to date has been produced to suggest that local government as a whole is undertaking a wider group of functions than it had prior to 2003. In cases where councils have taken on additional responsibilities these have proved to be quite small in scale and operational in nature⁶”*
- *“the panel does not consider that this empowerment (the LGA 2002) has been a significant driver of increased expenditures. First, the previous legislation contained similar powers, such as the power to promote community welfare. And local government has long been involved in social activities such as public rental housing and construction of major cultural sporting facilities and in commercial operations such as parking buildings and other trading undertakings. There is little that local government is now doing that it has not previously been doing⁷”*
- *“we conclude that the new Act, and particularly the conferring of full capacity, rights and powers on local authorities, has not led to a proliferation of new activities being undertaken by councils⁸”.*

More recently, the 2019 Productivity Commission report *Local Government Funding and Financing* made two relevant findings, i.e. that.

- local government in New Zealand currently has a smaller scope of responsibilities than local governments in many other countries,
- evidence reveals no major shifts over the last several decades in the services that local government generally provides.

The Productivity Commission’s analysis of the drivers of cost increases in local government agrees very much with the comments supplied by BERL and officials.

Economic growth and development are important, but need balancing with other considerations.

The proposed new statement of purpose for local government largely replicates that which applied up to 2019. The one important difference is that clause six adds a third leg to the statement of purpose—the proposed new section 10(c) links the changes to 10(b) to supporting the growth and development of local economies.

⁶ Joint Central/Local Government Funding Project Team (2006), *Local Government Funding Issues – Report of the Joint Officials Group*, page 18. The report subsequently noted that additional spending, where it has occurred typically went to community groups, and as such would have been empowered by section 548 of the Local Government Act 1974.

⁷ Independent Inquiry into Local Government Rates (2007), *Funding Local Government*, page 78

⁸ Local Government Commission (2008), *Review of the Local Government Act 2002 and the Local Electoral Act 2001* page 3.

Adding the proposed new section 10(c) to the principal Act alongside the proposed amendments to section 10(b) recognises that democratic decision-making, local action, and service delivery do not occur for their own sake but are in pursuit of a broader objective.

The public policy issues of the 21st century (such as climate change, housing affordability, social exclusion, and the like) are complex and multifaceted. Approaching these matters solely from an economic focus may create sub-optimal results. For example, a solely economic focus might be used to support protective interventions over managed retreat. A sole focus on economic development might encourage pollution and resource depletion that create impediments in the long run.

In today's world, the mobility of investment capital and, increasingly, the mobility of skilled labour mean that national economies must compete to attract investment. While national policy settings are a factor in a package of factors relevant to a business location decision, they are not necessarily the most critical factor. Access to factors of production, in particular raw materials and skilled labour, either "on site" or through rapid transport, tends to be more critical. Increasing competition for skilled labour means "quality of place" becomes important. Place shaping for economic well-being can therefore involve enhancing local characteristics to create attractive locations for different types of businesses and industries, and highly skilled workers and entrepreneurs, as part of a broader role.

The change in purpose is reflected throughout the Bill. A decision not to make the change in purpose will necessitate other consequential changes

The Bill also excises other references to wellbeing, replacing the term 'wellbeing' with neutral terms such as 'interests'. If the changes to the purpose do not proceed, the following will also need amendment:

- clause 5(1) – definition of community outcomes
- clause 5(3) – definition of significance
- clause 8(1) and (2) – definition of sustainable development approach
- clause 18(2) – financial management in local authorities.

Clause 18(2) may inadvertently conflict with other financial management requirements. The clause amends the second step in the funding policy process to require councils to consider the impact of the results of step one on "the community". We observe that the provision, as it applied up to 2019, referred to the *present and future* community (emphasis supplied).

We submit that the omission of future communities may incentivize behaviours such as running unbalanced budgets, holding rates at an artificially low level, and excessively using financing tools.

The cost-effectiveness test will provide fertile ground for judicial challenge.

The legislation reinstates a test from the previous legislation while creating a new test (that the purpose is all subject to demonstrating that activity promotes the economic growth and development of the community).

The Bill reinstates the references to services being provided *“in a manner most cost-effective for households and businesses”*. In our view, and that of several legal experts, this will be an invitation to anyone who is opposed to a Council decision and has sufficient money to challenge it, to do so on the ground that it is not the most cost-effective option. We recollect that this aspect of the purpose, rather than the list of roles, gave rise to more challenges for local authorities under previous legislation.

To be clear, cost-effectiveness is not synonymous with ‘least cost’. Rather, cost-effectiveness is closer to being the lowest cost consistent with achieving the objectives for the decision. The distinction is not an academic one as it requires the decision-maker to have first approached the decision or undertaken an action having had an objective or objectives in mind, an idea of what ‘success’ looks like, and to make a judgement as to the cost and whether the likely outcome merits the cost.

Any or all of the steps in this chain of logic offer fertile ground for the disaffected. In our view, and that of several legal experts, this will be an invitation to anyone who is opposed to a Council decision and has sufficient money to challenge it, to do so on the ground that it is not the most cost-effective option. Local authorities are risk-averse by nature (it goes with the role as a steward of public funds). Documenting the above judgements to withstand challenge will add to compliance costs, as will any actual challenges.

We consider that an obligation to consider cost-effectiveness is already ingrained in the Local Government Act. Section 14 already places local authorities under duties to undertake commercial transactions according to sound business practice, assess the risks and returns in investment activity, and ensure prudent stewardship and efficient and effective use of resources. Section 77 also requires local authorities to consider the costs and benefits of different options.

We observe that a community is more than households and businesses. For example, every community has a community and voluntary sector – yet the statement of purpose makes no mention of this sector. Central government and its agencies are

present to varying degrees, in every local authority yet central government does not feature.

Ideally the phrase *".....in a manner that is most cost effective for households and businesses"* would be deleted from the Bill. If the Select Committee is minded to retain the phrase, then we would recommend some qualifying phrase such as *"based on the local authority's objectives for providing the infrastructure or service"*. We also recommend that the phrase *"households and businesses"* be replaced with the word *"community"*.

Recommendations: Purpose of Local Government

- 1. That the Select Committee delete clause six in its entirety.**
- 2. That the Select Committee note that the deletion of clause six would necessitate amendments to clauses 5(1), 5(3), 8(1), 8(2) and 18.**

If the Select Committee decides to proceed with changes to the purpose of Local Government, then we recommend that clause six be amended by

- 3. replacing the phrase *"most cost-effective for households and businesses"* in the proposed new section 10(b) with the phrase *"most cost-effective for the community based on the local authority's objectives for the provision of the infrastructure or services"***
- 4. amending clause 18(2) by adding the words *"present and future"* before the word *"community"*.**

Core services

"To support the prioritisation of core services in council spending, the Bill includes an additional financial management principle for councils, meaning that a local authority must have particular regard to the purpose of local government and the core services of a local authority when determining its financial management approach.

*The Government is investigating tools for limiting council expenditure on certain activities, such as the rate peg (maximum percentage amount by which a council may increase its general income for the year) used in New South Wales. This amendment is intended to encourage local authorities to adopt the sort of financial management principles that a rates capping system in New Zealand would be intended to foster."*⁹

⁹ Local Government (System Improvements) Bill, pp2-3.

The Bill would restore a statutory definition of core services to the legislation, which appears to modernise the list as it applied until its repeal in 2019.

Clause seven does not require local authorities to deliver those services or prohibit local authorities from undertaking others. Our understanding of the clause is that requiring local authorities to have particular regard to these services is intended to be a kind of statutory signal that local authorities should focus on these first. That is a very similar explanation to that the (then) Minister (Hon Rodney Hide) would have offered back in 2010.

However, the wording in the Bill (most notably clause eighteen) goes beyond this. The Government has signalled its intent to introduce rate-capping tied to expenditure on services outside the core.

Defining a set of core services in legislation effectively 'freezes' that definition. The range of services councils provide moves over time as community preferences, technology and social norms change. It would be unusual for a city of any size not to offer some form of outdoor multipurpose venue in the modern era. In the past, it was far from unusual for councils to operate abattoirs, the local fire brigade, electricity and gas. Such dynamism doesn't sit well with a definition in statute that changes only infrequently.

Defining a set of core services, no matter how carefully crafted, will always raise questions of definition and shift focus to the activities around the margins. Seeking clarification on these types of 'line call' issues will lead local authorities to revert to risk-averse behaviours, such as commissioning legal advice or proposing measures to empower local legislation, which the 2002 rewrite of the Local Government Act aimed to diminish or eliminate. This tendency towards risk aversion is compounded by an environment that has become more litigious and less trusting of government in all its forms.

To take an example from our recent webinar covering the Bill, museums are specifically mentioned in clause seven. Art galleries are not mentioned at all, even though they serve broadly similar purposes (such as acting as a repository of cultural/historic heritage and a medium for supporting the community's education). Yet this Bill, at minimum, sends the sector a view that one is less important than the other.

To take another example, the Bill uses the term recreational facilities intended to capture sportsgrounds, parks and the like. It's unclear whether multi-purpose facilities such as halls and community centres are likewise captured. These serve recreational purposes, but also act as a focal point or anchor for the community, especially in rural communities. The addition of the term "community amenities"

would alleviate these concerns. And we note community amenities was the term used in the previous core services clause.

The list's incompleteness manifests in other ways. Local communities would expect councils to provide certain sanitary facilities, such as cemeteries, crematoria, and public toilets. However, clause seven does not clearly capture these facilities.

There is some debate about whether the Civil Defence and Emergency Management (CDEM) Act's definition of civil defence emergency management captures some core responsibilities of local authorities. We also note that the CDEM Act is about to be reformed, referencing a definition that may change, which may create future issues.

The term, as defined in the CDEM Act, refers to measures that... are "necessary or desirable for the safety of the public or property" and "are designed to guard against, prevent, reduce, [recover from,] or overcome any hazard or harm or loss that may be associated with any emergency". The definition of "emergency" in the CDEM Act refers to a "situation" that results from any "happening" which causes or may cause loss of life, etc., and that cannot be managed by emergency services, or requires a significant and coordinated response. The benefit of the broader language or "avoidance or mitigation of natural hazards" is that it captures activities not necessarily in response to a happening, such as constructing new infrastructure to address longer-term flood risk, like stopbanks, levees, etc.

We were interested to see that the provision of regulatory services has been excluded from the defined set of core services. This does not sit well with the proposed changes to the purpose of local government which directly refer to the performance of regulatory functions. Again, if one views the defined set of services as those that Parliament views as most important and things councils should 'do first', it seems contradictory that functions such as food regulation, dog control, and resource management aren't regarded in the same light (especially as these are mandatory functions).

We also note that some regulatory services are empowered but not required by statute. Bylaws made under the Local Government Act are a good example of this. These bylaws protect the public from local nuisance and promote public safety – two roles that few would see as sitting outside the role of government. These should be treated as a core service.

In a similar vein, the exclusion of economic development from clause seven does not cohere with the emphasis that clause six gives to economic growth and development.

If the Select Committee wishes to retain the core services clause, then we would suggest that a cross reference to the exercise of other functions required under other legislation would better support the new statement of purpose. That would also serve to capture functions undertaken by regional councils such as regional transport planning and biosecurity.

Recommendations: Core services

5. That clauses seven and eighteen be deleted in their entirety.

If clause seven is retained then the Select Committee should:

- 6. amend the proposed new section 11A(1)(a) to read *"network infrastructure and sanitary works (as defined under section 25 of the Health Act 1956)"***
- 7. amend the proposed new section 11A(1)(d) to read *"the avoidance and mitigation of natural hazards, and activities that improve resilience to natural hazards"***
- 8. amend the proposed new section 11A(1)(e) to read *"libraries, museums, reserves, other recreational facilities and other community amenities"***
- 9. adds additional limbs to the proposed new section 11A(1) that read *"the provision of regulatory services", "economic development" and "the performance of other activities prescribed by this Act or any other Act."***

A lack of transitional provisions on the purpose and core services clauses will likely create cost and risk for local authorities.

Almost all of the Bill takes effect the day after Royal assent. Based on the date the Select Committee has been asked to report the Bill back (18 November), this suggests a commencement date before Christmas 2025.

The Bill is intended to require (or at least strongly encourage) local authorities to cease particular activities. For example, we note that some types of commercial activity appear to fall outside the new definition, and that local authorities may feel involvement in social, community, and cultural activities no longer fits with the spirit of the act.

We submit that local authorities cannot just *"turn off the tap"* from a certain random date. The local authority with a commercial activity should have time to consider how

to divest it in a way that gets the best return. It may need to consider the impact of this on its financial strategy.

Section 97 of the Local Government Act requires local authorities wishing to cease a significant activity (or even significantly reduce a level of service) to first amend their current long-term plans to reflect the change.

The amendment process includes an obligation to consult (under the special consultative procedure) and the requirement to have the amendment to have the amendment audited (using the same basic process as for the full plan). Both the consultation and (especially) the audit come with a compliance cost. And in the case of the consultation process, there is the impost on community time in responding to a change where there are no reasonable alternatives. We also observe that 12 local authorities have just (i.e. a month ago) completed their LTPs (having availed themselves of the option allowed in the February 2024 water services legislation).

All local authorities must adopt their next LTP by 1 July 2027. Suppose Parliament proceeds with the amendments to the statement of purpose. In that case, we submit that local authorities should be given some time to exit in an orderly fashion from any activity they consider sits outside the new purpose of local government. The commencement of the changes for the purpose of local government and the consequential amendments should be delayed until 1 July 2027.

A second option might be to allow local authorities exiting a significant activity due to the changes to the purpose to make the changes without having the necessary LTP amendments audited. This echoes the approach that the recently enacted Local Government (Water Services) Act has taken where local authorities need to amend their LTPs to give effect to the transfer of water assets.

Recommendation: Transitional provisions for clauses six and seven

10. That a transitional provision be added to the Bill that sets a commencement date of 1 July 2027 for clauses six and seven.

Governance

We are unconvinced of the effectiveness of the two new principles in clause ten.

Clause 10 adds two further governance principles to section 39 of the principal Act.

The concern about a lack of freedom of expression of views has arisen from two sources. The first arises from a small number of cases where elected members have made statements that have raised risks of predetermination in decision-making processes. The second appears to stem from concerns about using codes of conduct to sanction what members see as no more than the legitimate expression of views.

This amendment may not address concerns about the expression of views alone. Predetermination and presumptive bias are primarily issues of administrative law. A decision-maker should not act as a judge in their own cause and must consider feedback with an open mind. The proposed new section 39(f) complicates that presumption and creates conflicts for the decision-maker (and their advisors). This principle might give decision-makers a false sense of security and pose ongoing risks to decision-making.

If Parliament wishes to resolve this issue, it may need to intervene more clearly and directly. However, Parliament should exercise caution in doing so—there are times when members act in quasi-judicial capacities (for example, in an RMA hearing). We submit that nothing is more likely to erode public confidence in the accountability and consultation process than a perception that consultation is mere box-ticking on an outcome that has been predetermined.

Regarding the use of codes of conduct to limit freedom of expression, we note that case law indicates the right to ‘political speech’ is not unlimited. Officials generally do not have rights of reply against claims made in the exercise of such speech, so such a defence does not apply.¹⁰

In other cases, the community or other members hold individuals accountable, for example, regarding using a racial epithet or highly offensive language directed at an elected member and staff in another council. In doing so, the codes of conduct do no more than what the Justice Committee did when it decided not to accept submissions containing certain (identified) offensive words.

We appreciate the intent of the second principle, which is essentially about the importance of collaboration between the entire team of governors. This is a statement of the ideal.

¹⁰ See *Vickery v McLean* (2006) – while this is a defamation case it establishes that political speech and freedom of expression do not extend to claims made about non-political figures.

On a practical level we're uncertain how this new principle intersects with other governance provisions. In particular, section 41A of the principal Act (the 'strong Mayor' provisions) give Mayors the right to appoint a Deputy Mayor and Committee chairs (though these can be overruled by council) and an obligation to lead the development of plans and policies.

Recommendation: Governance principles

- 11. That the Select Committee seek further advice on the interrelationship between the principles in clause ten, the law around predetermination and bias and the Mayoral powers outlined in section 41A of the principal Act.**

Access to information

We are unaware of any systemic issue regarding elected members' access to information and note that the changes to governance provisions were not covered in a regulatory impact statement.

The examples we know of all centre on councils that have tried to set clear expectations for members regarding how information may be used. In some cases, this has been followed by misuse of information (such as leaking matters under negotiation or otherwise commercially sensitive).

There are legitimate circumstances where information should not be circulated. For example, a request for staff home addresses, salaries, or leave balances of named individual staff would compromise privacy and employment law obligations (as would a request for information that might lead to the identification of individuals).

Similarly, information that might prejudice maintenance of the law or endanger the safety of any individual should be withheld (along with other conclusive grounds under official information legislation).

The point is that the legislation needs to allow for any process or procedures set by the Department to explicitly set out circumstances where information may not be accessed.

The misuse of information can have real consequences for local authorities and communities. For example, the leak of commercially sensitive information (such as information received in bids and tenders) can damage relationships with the business

community, dissuade the receipt of tenders, and ultimately may end costing ratepayers.

We submit that if these provisions are to proceed then legislation must allow for consequences for the misuse of information and any mandated code of conduct must have provisions covering sanctions.

Additionally, wider access to information will lead to requests for more detailed data, such as line-item budgets at activity level and all invoices exceeding a certain minimal amount. Parliament and the community can expect that some local authorities might need to hire additional staff to handle the increased volume and detail of these requests.

Recommendation: Access to information

12. That clause 21(3) be amended by adding the words “*which may include prescribing circumstances in which information need not be supplied*”.

Much of the sector would welcome a standardised code of conduct. We do not consider that there are similar issues with differences in standing orders.

Clauses 25(1) to 25(7) make amendments to empower the Secretary of Local Government to prepare and issue a code of conduct that would ‘bind’ local authorities, local boards and community boards.

Codes of conduct were intended to allow elected members to set their standards and expectations of their behaviour individually and collectively. They were also intended to set formal procedures for breaching these expectations, including processes for investigation and some limited ability to sanction.

Taituarā shares many of the views that the Local Government Commission expressed in its 2021 report.

If other governance tools are misunderstood and misapplied, then codes of conduct become the default means for managing behaviours. In councils where relationships are already fragile, the code of conduct can be ‘weaponised’ and cause further damage to relationships.

The complaint and investigation process is highly visible and does not always lend itself well to a long-term resolution. It can be used for political ends by both the subject of the complaint and others.

Most require that the council's Chief Executive first assess a complaint. Then, the chief executive will determine whether a formal investigative process is necessary (and generally will also attempt to resolve a matter using less formal means). We observe that having to make even this type of judgment about the behaviour of an individual who is part of the body that employs the Chief Executive can place the Chief Executive in an invidious position.

Most councils retain some independent expertise in the investigation process—often a solicitor or independent governance expert. Involving an independent person brings neutrality, but it comes at a cost.

There is a lack of effective sanctions within the process. If the subject of a successful complaint is sanctioned, such as being required to apologise, attend training or counselling, donate to a charity, etc., and declines to do so, there is no way to enforce this. Sanctions that councils can apply and enforce, like removal from a Committee chair role or denying approval to travel to conferences, don't necessarily "fit the crime".

We are working with the Local Government Commission as it develops proposals for a code of conduct, and have made the above points as part of those discussions.

The Commission observed that:

*"Codes can only be effective in determining and addressing poor conduct if they are balanced with the opportunity to understand what constitutes good governance behaviour. Within the wider suite of governance tools then, there is a need to bolster the kind of governance skills that allow mayors and chairs to build and lead teams, and members to work effectively with each other and with council staff. The Commission recommends exploring a sector specific education framework for members and council staff, starting at the pre-candidacy stage, and continuing through on-going professional development."*¹¹

We agree and assert that legislation alone is the archetypal ambulance at the bottom of the cliff. Investing in strengthening the sector's governance capability will yield benefits in better decision-making and increased public trust in the democratic process.

We were surprised to see that the Bill empowers the Secretary with the power to create a binding set of standing orders and has already commissioned Standards New Zealand to do so. We were unaware of the sector or the public (including interest groups) having the same level of concern about standing orders. Even on an

¹¹ Local Government Commission (2021), Local Government Codes of Conduct – A Report to the Minister of Local Government, page 3.

anecdotal level, we observe that media and public reports far more frequently notice problems with the codes of conduct.

The sector has access to a template set of standing orders developed by Local Government New Zealand (with assistance from Taituarā). These provide a base for local authorities to adapt to local circumstances. To take some examples of the kinds of circumstances nationally set standing orders will not adequately provide for:

- different communities have different expectations regarding how and when “open fora” within council/committee meetings occur
- some councils set particular voting thresholds for particular council specific decisions in their standing orders. The New Plymouth District Council submission highlights a good example of such decision
- the availability of a casting vote for the presiding member at meetings.

We suspect that any issues with standing orders lie more in the understanding and application of standing orders in real time by those presiding over meetings. Ensuring compliance with standing orders can be challenging because they cannot account for the full range of circumstances that might occur. Again, this points to a need to invest in developing the governance capability of the sector.

Recommendation: Governance conduct

13. That the Select Committee delete subclauses 25(10) to 25(12) from the Bill. The impact of this is to remove the power for the Secretary of Local Government to develop a binding set of standing orders.

Transparency

Performance measurement and performance improvement are not synonyms. The comparisons established in the Bill are the former.

Clauses 21 and 22 propose to extend existing powers for the Secretary of Local Government to set mandatory measures of non-financial performance (with some recognition of the impact of the impending reforms to water services). As the intent is to widen the range of activities covered by benchmarking, these clauses also give the Secretary the authority to regulate the groups of activities (in effect how local authorities present their information in their accountability documents).

When performance comparisons are approached with honesty of purpose and integrity of method, they can provide useful information to local authorities and ratepayers (not least by helping identify the 'right questions to ask'). A significant number of local authorities undertake some form of comparison voluntarily and with different degrees of formality.

A local authority's primary accountability is to its community. The contract implicit in the accountability process relies on a trade-off between community needs and preferences and community ability and willingness to pay.

The clause aims to support the public's ability to, among other things, develop league tables from the benchmarks once this information becomes publicly available. When that occurs, even the most well-designed systems and measures can incentivise local authorities to focus on their "position on the table" rather than on sustainable delivery of community needs and priorities.

The current performance measures have not attracted significant public interest so far. There has been no effort to create a league table or any form of composite performance index, and the release of new information goes unnoticed by interest groups.

Looking at those measures that already exist provides illustrative examples of the kinds of issues that arise with this form of intervention. Some measures, such as "the percentage of the sealed local road network that is resurfaced", make a dubious contribution to an activity's effective and efficient management in that they incentivise activity for activity's sake. Others, such as various measures of customer response time (which we agree is essential), require investment in systems development.¹² Others are simple binary statements such as

¹² As a result, several local authorities receive modified annual report opinions because they have not, as yet, been able to justify the investment in systems to their communities.

“The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the local authority’s relevant planning documents (such as its activity management plan, asset management plan, annual works program or long-term plan).”¹³

Widening the powers to make rules is likely to see further measures added and a need to ensure that any rules for grouping activities are adhered to. In both instances this appears to widen the scope of audit – noting there are currently no proposals in this Bill that would reduce the scope of audit.

Performance improvement is more than collecting and reporting a set of numbers, particularly a set of measures selected centrally. That is to incentivise ‘teaching to the test’. The Government must be wary that the proposed performance reporting does not work against the very innovation, cross-sector learning, and cooperation these approaches claim to promote.

The requirements to report seem to be a fait accompli; what we are open to is the next stage – performance improvement methodologies.

The obligations the Secretary has when developing proposed performance measures are too loose.

Clause 22(2) proposes replacing existing section 261B of the principal Act. The proposed 261B(2)(b) echoes the existing tests the Secretary must consider when assessing proposed performance measures. These tests are reasonable. They are:

- that a measure is genuinely related to a major aspect of a level of service
- that the measure addresses a part of a level of service that is of widespread interest to communities and
- that a measure will help with the effective and efficient management of the activity.

However, we argue that the obligation on the Secretary (to have regard to) is too weak. Each of the measures mentioned above struggles to meet one or other of these tests for the above reasons.

We suggest that the requirement should be upgraded to “having particular regard to”. To have regard to is often read as an obligation to give genuine attention and thought to a particular matter. To have particular regard to implies the specified

¹³ Levels of service for flood and river control are notoriously difficult to define and measure – if a level of service is not met then the local authority and community might have higher priorities to concern themselves with. Taituarā advised the Department to leave a requirement to set performance measures for flood and river control out of the legislation.

matters are specifically important to the decision and must be carefully weighed. We consider this to be much closer to Parliament's original intent.

Recommendation: Performance measures

14. That the Select Committee amend the Bill to require the Secretary of Local Government to have particular regard to the three tests set out in section 261B before making regulations specifying performance measures.

Any requirement to report expenditure on consultants and contractors must be accompanied by either centrally developed guidance or a regulation that defines each term.

Clause 26(11) would require that local authorities report their expenditure on consultants and contractors.

The purpose of such reporting would be to give the public a reliable and comparable understanding of the total level of capability that has been employed or utilised to deliver upon council work programmes and how they differ across councils. The point is to encourage Chief Executives to ensure they are striking an appropriate balance between baseline and external capability and using external resources only where it is value for money.

Occasionally, some place negative connotations or interpretations on using contractors and/or consultants. There are many reasons why using either of these can be a prudent use of public money. To take some examples:

- providing additional capacity to deal with temporary 'surges' in workload. For example, the water reform processes of both this Government and the last called on capacity far beyond the usual baseline resourcing available to the Department of Internal, especially in the transition
- providing for specialist skills or knowledge that councils might need only for a one-off task or so intermittently that employing staff in-house is not economic. For example, few councils would be able to afford to employ a full-time person to forecast increases in sea levels, they purchase this from NIWA or other suppliers

- providing backfill where council has a vacancy, particularly where filling the vacancy takes some time.

There is merit in disclosing this information, especially as it complements the disclosure of the FTE staff count and remuneration. Indeed, some local authorities have already voluntarily disclosed this information.

For this to meet the intended purpose the disclosures across the sector must be clear and consistent. And in particular there should be a consistent approach to defining who is a consultant and a contractor (or at least as consistent as possible). In particular, the line between an employee and an independent contractor seems to be continually tested in the courts.

We doubt that a definition of each in legislation is appropriate, if only because legislation is not easy to amend.

A third approach, which appears to apply in the public service, is to develop binding guidance. The Public Service Commission prepares guidance for public service agencies, defining consultants and contractors.¹⁴ They do this because the requirement to report such expenditure resulted from a Cabinet directive rather than legislation. While not specifically prepared for local government, we know at least two councils that use the Commission's definition as a starting point and then customize for local needs.

We suspect those most interested in this information are unlikely to accept any sector-led guidance defining 'consultant' and 'contractor'. At a minimum, then, the Committee might note this issue and recommend that the Department develop a guide in consultation with the sector and the Office of the Auditor-General.¹⁵

We observe that outsourcing is common in local government – for example, through various local authority shared services organisations. Some of those functions might be considered 'core' such as collecting and enforcing rates. Other matters, such as our own toolkit of resources and support, are funded through a levy on councils. Is Parliament intending that would be treated as a consultancy expense?

¹⁴ Available online at <https://www.publicservice.govt.nz/assets/DirectoryFile/Contractors-and-Consultants-Guidance.pdf>

¹⁵ This disclosure will not be subject to the audit. There would therefore be no conflict of interest in the Office participating in setting a standard and then auditing to that standard.

Regulatory Relief

In this section, we comment on the six items listed on page 3 of the explanatory note under the heading “Providing regulatory relief to councils.” We note that Taituarā submitted a proposal, Tuning up the Engine, to the previous Minister that contained the first four of the items discussed below, and thank the Government for moving to address these.¹⁶

Section 17A is antithetical to the efficiencies it claims to incentivize.

Section 17A of the Local Government Act 2002 inserted a requirement to review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions. The Bill proposes to repeal sections 17(A)(1) to 17(A)(4) thus removing the requirement in its entirety.

Section 17A is intended to provide local authorities with a legislative direction to review their service delivery arrangements to find efficiency gains. No reasonable person can argue that bodies that spend public money should not be looking for opportunities to deliver services more efficiently.

This is one reason shared capability arrangements are so prevalent in the sector. The average local authority is involved in six of these. They are a major driver behind the move to make more services available online and improve other business processes.

We agree that local authorities should periodically review the cost-effectiveness of their service delivery arrangements. However, the section 17A process is outlined in very detailed terms, including when reviews are conducted, which options must be considered, and what occurs if the review finds that governance and delivery should be separated.

By specifying this level of detail, the Act has created a potential procedural trap for local authorities and has encouraged reviewing services merely to comply with legislation. Neither outcome is consistent with the outcomes section 17A was intended to promote.

We submit that the principles of local government in section 14 of the Act provide local authorities with legislative signals that they should be looking for opportunities to improve. Section 14(1)(e) states that a local authority should *actively seek to collaborate and co-operate with other local authorities and bodies to improve the effectiveness and efficiency with which it achieves its identified priorities and desired*

¹⁶ Members interested in the full set of proposals can find these [here](#)

outcome. Reviews of this nature ensure prudent stewardship and the efficient and effective use of (the local authority's) resources as per section 14(1)(g).

In short, the present section 17A is both unnecessary and ineffective.

Newspapers have become an ineffective way of giving public notice.

Local government provides important information about a local authority's intended actions or of the availability of particular information or of a legislative right through a set of processes collectively known as 'giving public notice'.

In the Local Government Act 2002 public notice requires both of

- a. publication of the required notice on the Local Authority's internet site and
- b. either publication of the required notice in at least one daily newspaper circulating in the region or district of the local authority or 1 or more other newspapers that have a combined circulation in that region or district at least equivalent to that of a daily newspaper circulating in that region or district

Legislation without a definition, in which case the definition in section 13 of the Legislation Act 2019 applies. This is more permissive in choice of media Local authorities may use any or all of:

- a. publication on an internet site maintained by or on behalf of the local authority or
- b. one or more newspapers circulating in the area or
- c. publication in the New Zealand Gazette.

The Bill proposes to repeal the definition in the Local Government Act 2002, in which case the more flexible Legislation Act requirements would apply to any public notice under the Local Government Act 2002. This is now the most appropriate manner for public notice to be given, including the option of relying on multiple forms of notification.

We observe that newspapers have become a disrupted technology thanks to the internet and the prevalence of electronic media. The *RIS: Discrete Interventions* notes that the number of enterprises engaged in newspaper publishing decreased by a third, and since then there have been two rounds of closures of community newspapers. In some smaller communities, newspapers may now only appear weekly.

Regardless advertising in newspapers is also becoming increasingly expensive. Newspaper advertising costs can now reach thousands of dollars for a single advertisement.

We are aware that five other pieces of legislation within the local government portfolio call for public notice and have their own definitions. For example, the road-related functions of the Local Government Act 1974 and the Rating Act 2002 each require publication in a newspaper in general circulation or (where no such newspaper is available) publication on a placard in the area to which the notice relates.

This Act does not amend any of these. There is an opportunity to generate further cost savings by making the same amendment across each of the following:

- Impounding Act 1955
- Land Drainage Act 1908
- Local Government Act 1974
- Local Government (Rating) Act
- River Boards Act 1908.

Three pieces of legislation point directly to the Local Government Act 2002 definition: the Dog Control Act 1996, the Freedom Camping Act 2011, and the Local Government Official Information and Meetings Act 1987. Strictly speaking, the definitions of public notice should be repealed here, too (as they would refer to a definition that no longer exists).

Recommendation: Public notice

15. That the definitions of public notice in the following Acts be repealed: the Local Government Act 2002; the Local Government Act 1974; the Impounding Act 1955; the Land Drainage Act 1908; the Local Government (Official Information and Meetings) Act 1987, the Local Government (Rating) Act 2002 and the River Boards Act 1908. This would make those references to public notice in these Acts subject to the definition of public notice in the Legislation Act 2019.

Clause 19 is a practical step that reflects the realities both of borrowing and day-to-day life in a local authority.

Clause 19 amends section 118 of the Act regarding who may sign a certificate of compliance.

Section 118 of the Act establishes that a local authority's financing transactions under this Act are deemed a protected transaction. This makes them valid and enforceable at law even where there is a procedural or technical error – for example

there was some defect in the appointment of some agent or attorney of the local authority acting on the transaction.

This gives lenders and borrowers confidence, lowering the lenders assessment of risk in a particular transaction. Local authority borrowing occurs in a political environment, were this protection not there those opposed to a particular project or transaction would devote their energies to finding flaws in resolutions in an attempt to 'defund' the project.

To activate the protections of section 118, the local authority's Chief Executive has to sign a certificate of approval. The certificate of approval is deemed to be conclusive proof of compliance with the statutory requirements that apply to the transaction.

While this is a sound regime, applying it has practical difficulties. The only person that can sign the certificate is the CE. That simply does not work where councils need to enter into financing transactions, but the Chief Executive is not available.

The offices of Acting Chief Executive or an Interim CE are not positions recognised under the LGA. Despite councils delegating powers under the Act, lenders do not accept a certificate signed by an Acting or Interim Chief Executive unless the local authority provides a solicitor's opinion stating that they have reviewed the council resolutions and confirming that the Acting / Interim CE has all the powers of the Chief Executive and can therefore sign the certificate of approval.

One of the law firms with a significant share of the local authority market advised us that the firm signs an average of one of these opinions a week. They comment that *"while good for us, it's hardly efficient"*. We agree – this provision should be enacted without amendment.

Clause 25 supports councils to retain competent Chief Executives.

Clause 25(14) amends one of the provisions relating to the appointment of Chief Executives of councils.

The council cannot reappoint a Chief Executive without advertising, though it may decide on a one-off extension to a contract for up to two years. The Bill would increase the extension to up to five years. In short, upon completion of the first term of employment, the council may offer the CE a second full term without advertising the role (though it may decide to extend it by a lesser period if it wishes).

The Bill does not change the existing proviso on the extension power. No less than six months out from the completion of a five-year term, the council must complete a review of the Chief Executive's employment, including an assessment of performance

and the incumbent's skills and attributes. Of course, this process only applies where the Chief Executive wishes to seek reappointment.

These provisions ensure that Chief Executives do not expect that, all other things being equal, a failure to reappoint on completion of a term would give grounds for a personal grievance under employment legislation.

The Bill provides a greater degree of certainty for Chief Executives by empowering councils to employ a competent CE for a second full term. This will better support the CE's role in providing free and frank advice and innovating (for example, in introducing new business processes).

Increased job certainty may increase the number of qualified and experienced persons prepared to apply for a Chief Executive position, especially in smaller communities where the Chief Executive is a highly visible position. But the provision also retains the existing balance – the review of employment.

However, this raises a transitional issue around the reappointment of the existing Chief Executives, particularly those nearing the end of their first term of employment. Is the intent that the potential five-year extension apply immediately so that all councils and Chief Executives can access the certainty and cost savings? What about those Chief Executives nearing the end of their first five-year term – is the intent that the existing two-year option apply or that they have access to a five-year extension. This is not an academic point – the appointment and reappointment of Chief Executives can be a matter of great public interest, and some dispute (see *Howe vs Keown* as a challenge to a single elected member's involvement in a process).

The Select Committee should provide maximum certainty for local authorities and Chief Executives with a transitional provision that might provide that:

- a. if the Chief Executive is in their first five-year term of employment, then the council may offer an extension of up to five years, having completed the review of employment required by the Act
- b. if the Chief Executive is currently serving under an extension then the council may extend this by up to three further years by resolution of council

Recommendation: Chief Executive appointments

16. That the Select Committee add transitional provisions to clause 25(14) as above.

Tikanga Māori is a generally relevant skill set for board directors. Section 57(3) of the Principal Act should be strengthened, not repealed.

Clause 16 would repeal section 57(3) of the principal Act and thereby removes any requirement to consider whether tikanga Māori is a relevant skill or knowledge set when appointing members of the boards of council-controlled organisations (CCOs).

This is the one item amongst this group of recommendations that concerns us.

There are approximately 210 CCOs in existence at present, and these will likely be joined by newly formed water services CCOs established as part of the Government's water reforms. CCOs come in all shapes and sizes, ranging from Auckland Transport to various economic development entities to small organisations such as Santa Parade Trusts.

A CCO is required to achieve the shareholder's objectives (both commercial and non-commercial) and exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.¹⁷

We submit that tikanga Māori incorporates values of seeking consensus, respect, care, stewardship, intergenerational equity, and relationship building that are all directly relevant to the operations of most CCOs.

The existing clause only requires councils to decide whether tikanga Maori is a desirable skill set for CCOs. The outcome of such a deliberation is still a policy decision for councils to make. It is not clear to us what actual cost savings the amendment achieves, and indeed, this amendment features in neither of the regulatory impact statements officials prepared.

We agree that the amendment in this Bill does not preclude councils from appointing individuals with knowledge of tikanga Māori from CCO boards. But this kind of de minimis approach would not actively encourage such an appointment, when as we have seen, tikanga Maori is an invaluable skill set for these boards to have.

In our view even the existing section 57(3) does not go far enough. Article Two of Te Tiriti guarantees Māori the right to make decisions over the resources and taonga they wish to retain. A CCO is an entity that may make decisions that impact on lands,

¹⁷ Section 59, Local Government Act 2002.

waters and taonga. Article Two recognises both shared authority over resources and taonga and the rights of Māori to contribute to these decisions.

Knowledge of tikanga Māori goes part of the way but is insufficient on its own. Knowledge of te Ao Māori and te Tiriti could be useful for directors of CCOs and therefore that the obligation to consider whether knowledge would be useful should be strengthened rather than removed.

Recommendations: Skill sets of CCO directors

That:

17. clause 16 be deleted from the Bill and

18. section 57 (3) of the Local Government Act be amended by adding the words “te Tiriti, te Ao Māori and” before the words “tikanga Māori”. The intent of this is to require local authorities to consider whether knowledge of te Tiriti and te Ao Māori is relevant to the appointment of CCO directors.



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