

ELECTED MEMBERS' GUIDE TO GOVERNANCE AND LOCAL GOVERNMENT >

// He aratohu mā ngā mema pōti:
te kāwana me te kāwanatanga ā-rohe

LGNZ // September 2025



Foreword

// He kupu takamua >

Councils provide essential infrastructure and services to communities as well as giving people a say in these decisions. Local government is part of New Zealand's constitutional arrangements and councils play a critical role in New Zealand's governance.

Councils are complex organisations that must meet multiple expectations and there is often little time for new elected members to get up to speed.

This Guide provides an overview and introduction to how councils work. It covers:

- // What councils do
- // How accountability works
- // The difference between governance and management
- // How remuneration for elected members works
- // How councils are funded
- // How to assess the performance of your council.

It is part of a suite of resources that LGNZ has prepared for councillors, Mayors, Chairs, community and local board members. It sits alongside our Ākona programme, which offers in-depth modules on these topics.

LGNZ advocates for local government while also connecting elected members and supporting you to provide effective and efficient local services and leadership. For more about LGNZ or any of the topics covered in this guide, go our website at www.lgnz.co.nz



Scott Necklen
Interim Chief Executive
LGNZ



Contents

// Ngā ihirangi >

Foreword	p/02
Contents	p/04
01. Local government and its role	p/10
A short history	p/11
Local government structure	p/12
Role and functions	p/13
Revenue and expenditure	p/15
Powers and purpose	p/17
How councils work	p/18
The New Zealand model in the world	p/19
Want to learn more?	p/21
02. Your role as an elected member	p/22
What does it mean to be an elected representative?	p/23
The boundary between governance and management	p/26
Where does accountability lie?	p/28
What qualities make for an effective member?	p/28
The role of mayor and chair	p/31
The role of councillor	p/32
The role of a community board member	p/34
The role of the chief executive	p/36
Opportunities for improving knowledge and understanding	p/38
Frequently asked questions	p/39
Want to know more?	p/40
03. Elected members: legal rights, obligations and remuneration	p/42
Individual obligations as an elected member	p/43
Qualified privilege (s.43 LGA 2002)	p/48
Code of Conduct	p/48
Shared obligations as a member of council	p/50
Changing council membership, boundaries and voting systems	p/52
Local Government Official Information and Meetings Act 1987	p/54
Protected Disclosures Act 2000	p/55
Pecuniary Interests Register	p/56
The Health and Safety at Work Act	p/58
Remuneration of elected members	p/60

04. Tax and elected members	p/62
Tax obligations for you and council	p/64
Individual tax returns	p/66
Reimbursements and allowances	p/67
Other taxes	p/70
Frequently asked questions	p/71
Want to know more?	p/72
05. Engagement and participation	p/74
Consultation	p/75
Engaging with diverse communities	p/79
Frequently asked questions	p/82
Want to know more?	p/84
06. Engaging with māori	p/86
Māori participation arrangements and relationship agreements	p/89
Frequently asked questions	p/92
Want to know more?	p/93
07. Decision-making, delegations, and the role of committees	p/94
Finding the right decision-making model	p/97
The role of committees	p/98
Delegations	p/99
Frequently asked questions	p/101
Want to know more?	p/102
08. Standing orders and meetings	p/104
Each council must adopt standing orders	p/105
Types of meetings	p/106
Getting items on a meeting agenda	p/107
Conduct at meetings	p/109
Meeting rules and procedures	p/110
Rules of debate	p/111
Voting at meetings	p/113
Minutes	p/113
Frequently asked questions	p/114
Want to know more?	p/115
09. Stewardship: looking after your community's assets	p/116
What are infrastructure assets?	p/117
Levels of service	p/118

Asset management – what members need to know	p/119
Asset management plans	p/121
30-year infrastructure strategies	p/123
Financing infrastructure	p/124
Delivering services	p/126
Want to know more?	p/127
10. The long-term plan and annual plan	p/128
The role of elected members in the LTP	p/130
The role of the public in the LTP	p/130
Putting together the long-term plan	p/131
The annual plan	p/134
The annual report	p/134
Key questions	p/135
Want to know more?	p/136
11. Financial management and funding	p/138
Financial governance	p/139
Financial strategy	p/140
Balanced budget	p/142
Depreciation in the local government context	p/143
Frequently asked questions	p/145
Want to know more?	p/146
12. Local government rates	p/148
General rates	p/149
Targeted rates	p/150
Non-rateable land	p/151
Other rating matters	p/152
Frequently asked questions	p/154
Want to know more?	p/155
13. Assessing council performance	p/156
Legislative requirements	p/157
Performance and the long-term plan	p/158
Official measures of performance	p/159
Ministerial review of a council	p/159
Te Korowai	p/160
Pre-election reports	p/160
Satisfaction surveys	p/161

Frequently asked questions	p/162
Want to know more?	p/163
14. Community boards	p/164
What are community boards?	p/165
The role of a community board and its members	p/166
Decision-making and delegations	p/168
Importance of being known by the community	p/170
Relationship between the council and community boards	p/171
Want to know more?	p/172
15. The resource management act	p/174
Sustainable management as a driving principle	p/175
Policy statements and plans	p/176
The RMA in practice	p/178
Resource consents	p/179
Role of central government	p/182
The interface of the RMA and the LGA	p/182
Want to know more?	p/183
16. Council-controlled organisations	p/184
What are council-controlled organisations?	p/185
Why establish a CCO?	p/186
How to set up a CCO?	p/186
Objectives and statements of Intent	p/187
Performance monitoring	p/188
Dis-establishing CCOs	p/188
Frequently asked questions	p/189
Want to know more?	p/190
Attachment 1 experiencing abuse, harassment, and intimidation from the public	p/191
Online harm and the Harmful Digital Communications Act (HDCA) 2015	p/194
Other tips for keeping safe	p/195
Want to know more?	p/197
Practical tips to deal online abuse	p/198
Attachment 2 key legislation in the history of local government	p/200
Attachment 3 glossary	p/207



01.

Local government and its role

// Te kāwanatanga ā-rohe me tōna
tūranga >

Local government is how communities make democratic decisions about how their towns, cities and regions work and how they'll develop. It refers to the activities of organisations known as local authorities – city, regional and district councils as well as community and local boards.

City, district, and regional councils are statutory corporations with perpetual succession that have the authority to make decisions and set direction in the best long-term interests of their communities. They are governed by representatives elected from the community they serve.

As the community's representatives, Mayors, Chairs, and local and community board members have a responsibility to act in the best interests of their communities.

A short history

// He kōrero hītori

Formal local government began shortly after 1840, with the Colonial Office in London instructing British governors to “*divide the land into districts, counties, towns, townships and parishes and to promote the establishment of local bodies to oversee such matters as drainage*” (Bush, 1995, p. 11).

Early governors, however, were not enthusiastic, citing the small number of settlers and the cost as issues to overcome. Eventually, the decision was made to establish a system of provincial government, with the provinces empowered to establish local governments. By the late 1860s a nationally consistent form of borough and county government had begun to emerge, and, in 1875, the provinces were disbanded to be replaced by national system of local government.

Over the following century, the number and range of local bodies expanded to include, for example, road boards, hospital boards, harbour boards, rabbit control boards, and catchment boards. The proliferation of special-purpose boards and local authorities was so popular that multiple attempts were made over the next century to number. The failure to rationalise numbers, which had grown to more than 800, led to the formation of the Local Government Commission in 1946.

It took until 1989, seven Commissions later, that the government achieved the objective of reducing the number of local bodies, replacing what had grown to 852 local bodies with 85 multi-functional local authorities. The local government re-organisation of 1989 was the biggest local government reform for more than a century, and one of the most comprehensive local government reform processes undertaken internationally.

The number of local authorities remained relatively stable until 2010, when the government acted on the recommendations of the Royal Commission on Auckland Governance and consolidated the seven councils in Auckland into a single unitary council, Auckland Council. Today, local government is a Big Deal:

Table 1 statistical overview 2024

Total assets	\$195.6 billion
Operating Revenue	\$13.8 billion
Operating Expenditure	\$15.7 billion
Rates Revenue	\$8.8 billion

Local government structure

// Ngā hanganga kāwanatanga ā-rohe

Local government and central government are both creatures of Parliament. However, where central government receives its mandate from parliament, councils are accountable to their communities. Technically, local government is a creature of statute, its role and powers are defined in legislation. As such, the system has no constitutional protection and can be abolished at any time by a simple majority vote in Parliament.

New Zealand has 78 councils (also referred to as local authorities). They consist of:

- // Eleven regional councils,
- // Sixty-one territorial authorities (11 cities and 50 districts);
- // Six unitary councils (territorial authorities with regional council responsibilities). They are:
 - // Auckland Council,
 - // Gisborne District Council,
 - // Chatham Islands Council,
 - // Marlborough District Council,
 - // Nelson City Council and
 - // Tasman District Council.

In addition, there are also democratically elected bodies operating below and with cities and districts; they are community boards and local boards.

Community boards

Established as part of the re-organisation of local government in 1989, there are now around 110 community boards, ranging in size from some which represent only a few hundred residents to others, such as those in Christchurch, which represent over 50,000.

Community boards are elected bodies that are both a community voice and a mechanism for decentralising local services. As unincorporated bodies, they are neither a local authority nor a committee of a local authority. They are generally funded through either the general rate or a combination of general and targeted rate. (See [chapter 14](#) for more information on community boards)

Local boards

Local boards were established as a critical component of the new Auckland Council in 2010. They were designed to make decisions on local matters within the city so that so that the governing body could concentrate on metropolitan or council-wide matters. The basic principle in the Auckland Council Act 2009 is that boards would have responsibility for making decisions on non-regulatory activities unless residents' wellbeing would be enhanced by taking a regional approach.

Role and functions

// Ngā tūranga me ngā mahi

Today, councils have a unique role as they are the only form of government with responsibility for a specific geographic area or rohe – a role often known as ‘place making’ or ‘place shaping’. It involves both the representation of local citizens and the governance of local places. Inherent in both are the roles of providing, facilitating and scrutinizing public services in the locality.

Local government responsibilities involve:

- // Activities required by legislation (such as approximately 30 regulations, ranging from dog control to local alcohol bylaws)
- // Activities undertaken in response to community need/demand and
- // Activities undertaken as a result of elected members’ discretionary authority.

City and district councils have the widest range of responsibilities, which include:

- // infrastructure services, such as the ‘three waters’ - waste water, storm water and drinking water
- // town planning and resource management,
- // local regulatory services, such as building consenting, dog control and liquor licensing (councils are responsible for more than 30 separate regulatory functions),
- // developing and maintaining parks, recreation and cultural facilities, libraries, art galleries, museums and cemeteries,
- // civil defence and emergency management,
- // economic development (spending more than \$250 million per annum) and tourism promotion, and
- // supporting and promoting the arts and cultures of the rohe.



“Local government is one of the most important institutions our species has created for expanding human wellbeing.”

(Prof. Paul Dalziel)

Regional councils play a core role in the management of the natural resources of an area. This includes:

- // biosecurity control (including pest control and harmful plants),
- // resource management (quality of water, soil, coastal planning) including flood and river management,
- // public transport,
- // civil defence (natural disasters, marine oil spills), and
- // regional transport planning and passenger transport services.

Responsibilities will vary between councils due to community preferences and the adoption of different delivery models, see the following insert.

OPTIONS FOR DELIVERING SERVICES

- // providing services directly through a council business unit,
- // providing services through an arms-length entity, such as a council-controlled organisation,
- // providing services through a jointly owned council-controlled organisation,
- // contracting with the private sector or not-for-profit sectors,
- // contracting a neighbouring council to provide the service,
- // smart purchasing,
- // facilitating community and action, and
- // co-production with communities themselves.

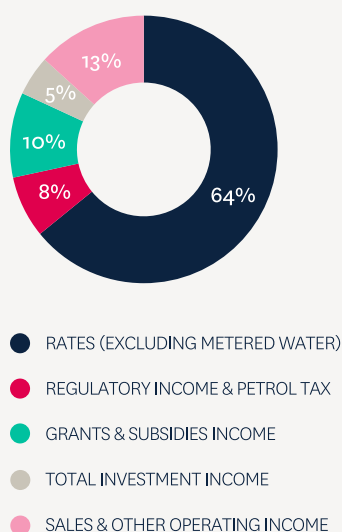
It is the role of elected members to ensure that the services they are responsible for are provided in an effective and efficient manner. Your chief executive can provide you with information on the advantages and disadvantages of the different service delivery models that are available. These are also discussed in [Chapter 9, Stewardship: Looking after your assets](#).

Revenue and expenditure

// Ngā moniwhiwhi me ngā whakapaunga

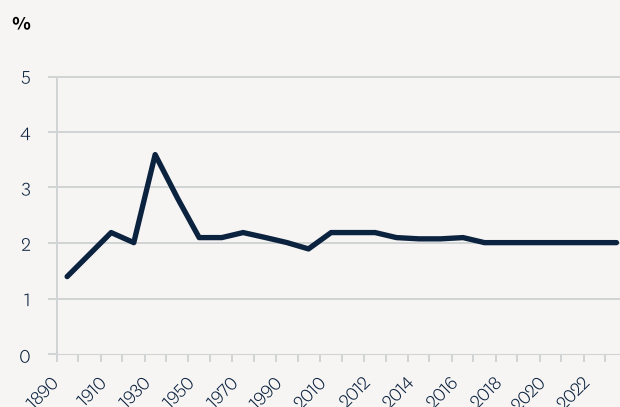
On average 60 per cent of all council revenue comes from rates, or property taxes. These can be general rates, based on the value of properties, targeted rates or uniform charges (See [chapter 9](#) on funding and financing). Other major sources of revenue include sales and operating income at 13 per cent, grants and subsidies (mostly roading and transport subsidies) at 10 per cent and regulatory income, see figure 1.

Figure 1 Sources of revenue



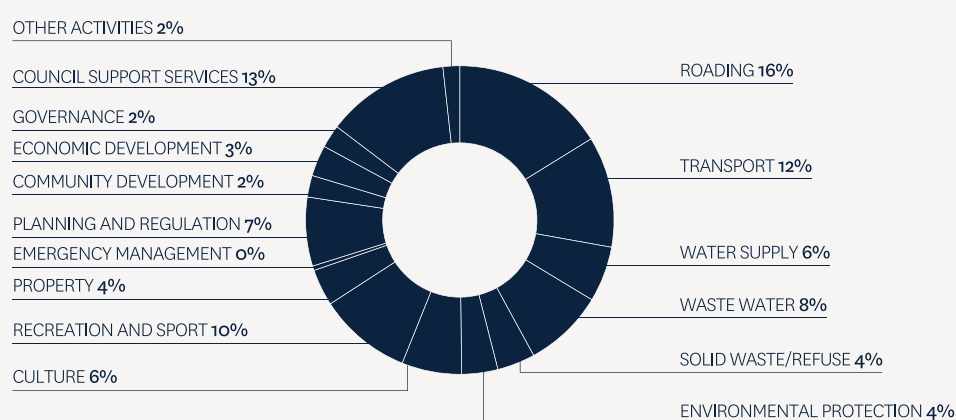
While New Zealand's reliance on property taxes is greater than any other country in the world, it is a stable way of funding local government, but property taxes are not buoyant, and therefore need to be increased every year, raising questions about whether councils will be able to afford to address future challenges. Since 1958 at least eight local government funding reviews have been held with each review recommending that councils be given additional income streams. Property taxes, as a share of gross domestic product, have not increased since the beginning of the 19th Century, see figure 2.

Figure 2 Local government taxes as a share of GDP



Local government expenditure (operating and capital combined) is mostly spent on purchase and operating costs (43%), the cost of staff (21%) and depreciation (18%). In terms of functions, most operating expenditure is allocated to roading and transport at 28 per cent, combined. The next largest expenditure items are support services at 13 per cent and drinking and wastewater at 12 per cent, see figure 3.

Figure 3 Expenditure by function



Powers and purpose

// Ngā mana me te koronga

New Zealand local government receives its powers and authority through legislation and is subject to more than 100 different statutes. Some, such as Land Transport Management Act 2003, provide specific powers and duties while others, primarily the Local Government Act 2002 (LGA 2002) provide more general powers.

The LGA 2002 is local government's overall empowering statute. It spells out local government's purpose, its general powers, principles and processes that councils must follow when making decisions. Unfortunately for the efficient operation of local government, the purpose of local government and other parts of the LGA 2002 have been subject to constant amendment over recent decades, as successive governments have attempted to bring councils into line with their own political priorities.

The Systems Improvement Bill, which is expected to pass in late 2025 or early 2026, proposes once again to amend the purpose of local government and re-introduce a list of core services, which was removed from the LGA 2002 in 2019. If the Bill is enacted in its current form the new purpose will be:

- a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses; and
- c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b).

In addition to the amended purpose, the Systems Improvement Bill defines the core services of local government as.

- a) network infrastructure:
- b) public transport services:
- c) waste management:
- d) civil defence emergency management (as defined in the Civil Defence Emergency Management Act 2002):
- e) libraries, museums, reserves, and other recreational facilities.

In performing its role, a local authority must have particular regard to the contribution that the core services make to its communities.

At this stage, with the Bill still before select committee, it is not clear what the impact of the core service provision will be, or even that there will be an impact. A "core services list" was originally introduced in 2010 and remained until repealed in 2019 – no observable impact on the services and activities undertaken by councils was ever identified.

How councils work

// Ngā whakahaere o ngā kaunihera

Local authorities consist of a governing body, usually referred to as the council or committee of the whole. Governing bodies consist of at least six elected members and a maximum of either 30 in the case of a territorial authority or 14 in the case of a regional council.

The number of elected members tends to be proportional to the population of the authority, although this is not a firm rule, as community preferences are also taken into account.

Aotearoa's governance approach is based on well-established divisions between the political and administrative side of councils. The governing body directly employs the chief executive who then employs the council staff on its behalf.

Mayors are directly elected by the community, whereas the Chair of a regional authority is elected by his or her fellow councillors. Normally Chairs are chosen for a three-year term, although they can be changed during the term.

The governing body is the predominant decision-making body within a council. It is required to operate in an open and transparent manner with its decisions implemented by the councils' chief executive and their staff. Decisions need the support of a majority of members present at a meeting, as long as the quorum is met, with Mayors and Chairs having only one vote (unless council standing orders provide them with a casting vote to be used when votes are tied).

Councils will generally delegate a range of decision-making powers to subordinate bodies, such as committees and local/community boards. The chief executive will also have a range of delegations to enable the councils to operate on a day-to-day basis and they will pass on some of those decision-making roles to officials, especially in the regulatory area.

How Auckland Council works

The way in which Auckland Council works is slightly different to other councils, as it has two complementary decision-making parts:

- // the governing body, consisting of a Mayor elected at large and 20 governing body members elected on a ward basis, and
- // Twenty-one local boards, with between five and 12 members, elected on the basis of each local board area.

A key difference between Auckland and other local authorities is that the governing body and local boards share decision-making responsibilities. The governing body is designed to focus on region-wide strategic decisions and services while the local boards are designed to represent their local communities and make decisions on local issues, activities, and facilities. Under the Local Government (Auckland Council) Act 2009 the governing body must delegate to local boards those activities that have a local impact, such as local parks. Other responsibilities of local boards include to:

- // monitor and report on implementing the local board agreement for their local board area,
- // communicate with community organisations, identifying and communicating the interests and preferences of the people in relation to the content of the strategies, policies, plans and bylaws of the Auckland Council,
- // identify and develop bylaws specifically for its local board area and proposing them to the governing body.

In addition, boards must undertake any non-regulatory decision-making responsibilities and duties delegated by the governing body. Local boards may also consider and report on any matter of interest or concern, whether the matter is referred to them by the governing body.

Every three years, local boards must prepare a local board plan that will inform the Auckland Council's Long-term Plan (LTP). The local board plan describes the local communities' priorities and preferences for the next three years, sets out the default levels of service for local activities and an indicative budget for these.

The New Zealand model in the world

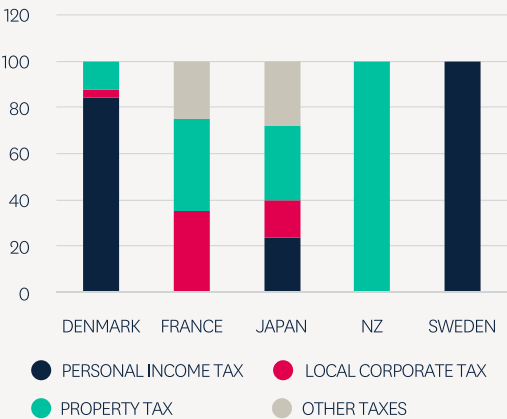
// Te taura o Aotearoa i te ao

The New Zealand model of local government, reflecting our colonial past, is often referred to as an Anglo-Saxon model, in that it has similarities with local government systems in other former British colonies. Amongst the features of the Anglo-Saxon model are:

- // A tendency to have fewer responsibilities than other local government systems e.g. health and education sit with central or federal government,
- // The populations and geographical areas services by councils tend to be larger
- // They tend to lack constitutional protections.

One of the areas of difference is the way in which local government is funded. Until recently, New Zealand councils have had historically considerable fiscal autonomy (as well as political and administrative autonomy). Our councils raise more of their own revenue and receive proportionally less funding from central government than councils in other countries. Unlike many other countries, however, councils in New Zealand have a narrow funding base, relying on a single tax, which is property. As figure 4 shows, while NZ councils rely on property taxes, systems elsewhere have access to a broader range of funding sources.

Figure 4 Types of local government tax



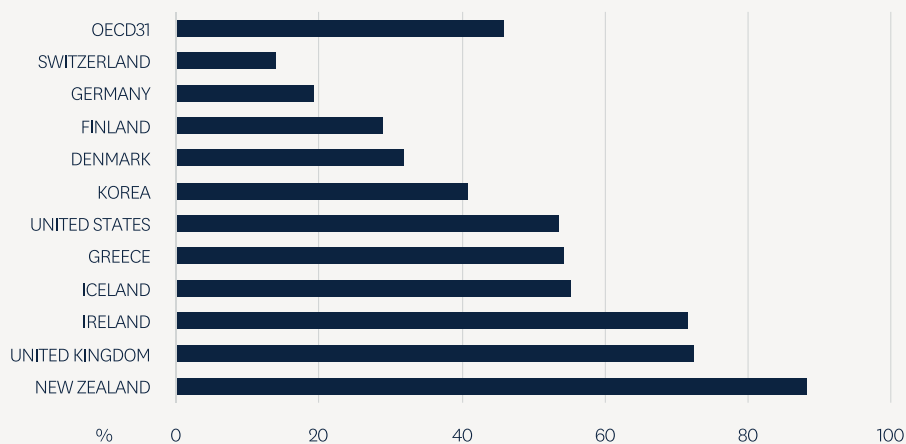
Another feature of the New Zealand model is that councils, on average represent a relatively large number of citizens and big geographic areas. In fact, within the OECD, NZ councils are the second largest by area, after Australia. Table 2 shows the average number of residents represented by councils in a range of countries, with the smallest average number being Slovenia at approximately 1,850 residents per council. New Zealand councils, in contrast, represent, on average 68,590 residents, significantly more than either Canada, where councils represented on average 8,205 residents and the US, where the average is 8,990.

Table 2 Average number of residents per council

Country	Average population per council
Slovak Republic	1,850
Switzerland	3,590
Spain	5,605
Canada	8,205
United States	8,990
Norway	12,185
Sweden	33,890
Australia	41,005
New Zealand	68,590
Ireland	149,530
United Kingdom	166,060

Finally, the New Zealand local government system is one of the smallest in the developed world. Figure 5 shows the proportion of public expenditure allocated by national and federal governments and by implication the proportion allocated by local governments.

Figure 5 Central government expenditure as a proportion of all public expenditure



Source OECD 2016

As figure 5 highlights, central government in New Zealand allocates almost 90 per cent of all public expenditure, well above the OECD average of 46 per cent.

Want to learn more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

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02.

Your role as an elected member

// Tō tūranga hei mema pōti >

As an elected representative you have been given a mandate from your community to make decisions and allocate public resources that will shape future outcomes, on their behalf. It is not a responsibility to be taken lightly.

By stepping forward to be an elected member, you have accepted the challenge to act in the best interest of the entire community and support the resilience and prosperity of all people, not just those who share your views or voted for you. As an elected representative you have a duty of care to the members of your political community (community, district, city, region) and a widely shared expectation that you will leave your community in a better state than when you were elected. – for many that means, thriving businesses, safe spaces, a healthy natural environment and places that support a thriving local democracy.

It's hard work but extremely rewarding.

Principles of stewardship and impartiality, trust and integrity, respect for others and cultural awareness are what underpin the behaviour of successful elected members; in turn members who display these traits gain the respect and trust of the communities they represent.

This chapter discusses key concepts relevant to elected members and the behavioural characteristics needed to live up to the expectations of your community.

What does it mean to be an elected representative?

// He aha te tikanga o te tū hei māngai pōti?

The first clause of section 10, LGA 2002, prescribes the democratic purpose of local government, two aspects are highlighted, to enable democratic decision-making and action **by and on behalf** of communities.

Enabling decision-making by communities is often called “participatory” democracy, it involves devolving decision-making authority to citizens themselves, such as through participatory budgeting. The reference to “on behalf of” reflects the more traditional notion of “representative” democracy. As the community’s representatives you are expected to make decisions and act in their best interests.

In addition to your role as a representative you also have a role to “govern” those communities who have elected you. This means making decisions not only for current generations but future ones yet to come, as well as being a “steward” of the community’s assets, such as infrastructure and the council as an organisation.

In short, you are responsible for both representing your community and for its governance. These two concepts, representation and governance, are at the heart of local government. In practice, it means that you are often wearing two hats, the representative hat sees you raise local issues on behalf of your community, and a governance hat, which sees you assess the validity of those issues in relation to the implications for the whole area you represent.

Representation

Representation is to speak on behalf of individuals and organisations in your community, including those who did not vote for you. Representation means to act in the best interests of the area, making decisions that consider the wider context and the needs of both current and future generations.

You also have a responsibility to voice the views and concerns of your ward or constituency at the council table; but when you come to make decisions you must balance those individual concerns with the interests of the whole community.

Being an effective representative means being in regular contact with all members of the community. It involves forming relationships with local iwi and hapū, community groups and organisations, and empowering them to play an active role in local democracy. It is about fostering a culture of inclusion and belonging and ensuring all voices are heard.

Your own knowledge, gleaned from your community engagement, will complement the results of formal consultation exercises undertaken by your council. This engagement is vital if you want to ensure that your council is providing the right services, at the right level and at the right cost.



Governance as “thinking about strategic issues, rather than the operational day-to-day running of the business” (The Institute of Directors New Zealand).

Governance

Good governance balances short-term and long-term responsibilities, and the stewardship of the organisation, informed by the knowledge of external opportunities and challenges. It means to focus on the overall performance of the council such as how it meets community expectations and aspirations, fulfils statutory obligations and looks after its assets.

For you, it includes the development of long-term plans and strategies, policy making, allocating resources and reviewing the council's performance – your scrutiny role.

The key aspects of a governance role are shown in figure 6 below and include:

- // strategic planning,
- // decision-making,
- // policy and strategy review,
- // scrutiny of management's performance,
- // community leadership and engagement,
- // maintaining a financially sustainable organisation, and
- // setting appropriate levels of service.

Figure 6: Good governance



Good governance helps an organisation:

- // improve performance,
- // take a big picture view separate from the operations,
- // ensure there is accountability and oversight of operations,
- // manage risk, and
- // find the right balance between making short-term gains and building long-term wealth.

Achieving good governance has important and on-going benefits for both your council and your communities. For example, good governance:

- // **Strengthens community confidence in your council** - people are more likely to have confidence if decisions are made in a transparent and accountable way. This helps people feel that local government will act in the community's overall interest, regardless of differing opinions.
- // **Strengthens confidence of staff and elected members** - the application of good governance means elected members are more likely to trust the advice they are given by council staff (staff) and staff are more likely to provide free and frank advice.
- // **Leads to better decisions** - decisions informed by good information, data, stakeholder views and open honest debate will generally reflect the broader interests of the community rather than the interests of a specific group. Members of the community are more likely to accept the outcomes if the process has been good, even if they don't agree with the decision.
- // **Supports ethical decision making** - good governance creates an environment where elected members and staff are likely to ask themselves "what is the right thing to do?" when making decisions. Elected members are covered by a code of conduct that sets out expected ethical behaviours; see more on this below.

Making choices and having to account for them in an open and transparent way encourages honest consideration of the choices facing those in the governance process. This is the case even when differing moral frameworks around the council table means that the answer to "what is the right thing to do" is strongly contested.

To be effective and truly represent the needs of the entire community, councils must collaborate and partner with many community-based organisations and providers. The importance of partnership cannot be understated.

Relationships with local iwi and hapū are critical and many post-settlement iwi have invested in their localities, developed co-governance arrangements with councils and participated with councils in commercial investments.

There are provisions in the LGA 2002 that relate specifically to Māori, to give effect to Te Tiriti o Waitangi obligations centred on partnership and to acknowledge the indigenous authority of iwi and hapū as mana whenua. See more in [Chapter 5](#), Engagement and participation.

The boundary between governance and management

// Te pae i waenga i te kāwana me te whakahaere

A crucial issue for all elected members concerns the boundary between their role as governors and that of management.

A governance role involves focusing on the 'big picture' to guide the future development of communities to enhance wellbeing. This includes developing a vision alongside communities, translating that vision into achievable goals, strategies and objectives (with their communities) and adopting plans and making decisions about which programmes and services should be supported to achieve that vision.

However, setting direction is best done with the involvement of those responsible for the managing delivery to ensure that the capacity exists to get there.

The boundary between governance and management, see table 3, can also vary according to the size of a local authority. Elected members in small councils, for example, may find themselves more closely involved with the operation of their council than elected members in a large metropolitan local authority, which has the depth to draw on multiple levels of management.

Table 3 Complementary roles

Governance		Management
Long-term strategic view	'Grey' Area	Planning to implement long-term
Effective (doing the right things)		Efficient (doing things right)
Concepts		Here and now
Strategy and policy leadership		Strategy and policy advice
Performance monitoring		Performance
Employ CE		Employ staff
Identify opportunities		



Where does accountability lie?

// Kei hea te papanga?

The LGA 2002 requires all elected members to make a declaration before taking up their new responsibilities. This occurs at the first meeting following election. The declaration states

I, [full name of elected member], declare that I will faithfully and impartially, and according to the best of my skill and judgment, execute and perform, in the best interests of [name of region or district], the powers, authorities, and duties vested in or imposed upon me as a member of the [name of local authority] by virtue of the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987, or any other Act.¹

The declaration makes it clear that you must make decisions in the interests of the district or region as a whole. The oath is designed to ensure that councils are not held hostage by elected members promoting the interests of one part of the district or region; undermining the ability of the local authority to make decisions in the best interests of the community, including the best interests of generations to come.

What qualities make for an effective member?

// He aha te āhua o te mema whai hua?

To be effective in representing your community, supporting good governance and in honouring Te Tiriti the following behaviours are critical.

Be open and sincere

It is critical that we maintain public trust in the integrity of the democratic process. Elected members must be proactive in their engagement with others and sharing publicly available information about council decisions and activities. They must take ownership and responsibility for their actions and not misrepresenting themselves or others for personal gain.

Be impartial

Elected members must act in the best interests of their community and declare any interests that could be perceived as a conflict to being impartial.

Be positive and respectful

Elected members should model positive and collaborative values and behaviours and discourage unethical behaviour. They need to argue the issue and facts under discussion and never attack the competence or personality of others. You must be able to work respectfully with council staff (staff) and other partners and value their roles, advice, and contribution.

Be responsible

Elected members should work to promote issues or actions they believe are in the public good across a range of considerations, both ethical and financial. Elected members should be prepared to defend their decisions in the long-term interests of the whole community.

¹ Community board members also make the declaration but for their specific community, not the whole district. Councillors appointed to community boards make two declarations, one for the district and one for the community.

Be culturally aware

Elected members need to be capable of understanding and empathising with all cultures and aspirations. This includes working to understand the impact of decisions on diverse communities and cultures. This means familiarising yourself with tikanga Māori, partnering with Māori and honouring the council's responsibilities under Te Tiriti o Waitangi.

Act in the public interest

Elected members must consider the interests of the whole community to reflect the wishes of most, rather than a sole group or special interest faction. This means you will need to listen carefully to all advice and views and weigh up all the pros and cons before making recommendations or

You will need to draw on the following skills:

- // Leadership, communication and relationship management
- // Providing direction and making things happen to achieve the councils' vision and outcomes with an emphasis on strategic priorities.
- // Building productive, collaborative, and supportive relationships to create and deliver the council's vision and outcomes.
- // Being a clear and confident communicator, representing and promoting the council in a genuine and unified light and avoiding risks to council's reputation including with media.

Strategic thinking and quality decision making

- // Understanding local priorities and how they relate to national and international developments and strategies.
- // Understanding the national and local political environment and the respective roles of governance and management.
- // Being able to get to the bottom of issues and assessing the pros and cons of different options.
- // Making decisions based on advice, community views, wisdom, experience and informed judgement.
- // Being financially prudent and having an eye for risk.

Understanding of complex, technical information

- // Being able to unpack large volumes of information and use that information to guide decision making.
- // Understanding the role of the council and its financial language, budgets and processes.
- // Understanding and complying with relevant legislation

As an elected member you will have many questions about the operation of your council, the legislation that sets the rules and the extent of your authority. We recommend that in the first instance elected members refer their queries to their chief executives as your chief adviser.

NOLAN PRINCIPLES

What are known as the Nolan principles were proposed by the Committee for Standards in Public Life, set up by the British Government in 1994. They are recognised as a cornerstone of ethical behaviour in public institutions.

Selflessness: Holders of public office should act solely in terms of the public interest.

Integrity: Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

Objectivity: Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability: Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness: Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty: Holders of public office should be truthful.

Leadership: Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

The role of mayor and chair

// Te tūranga o te koromatua me te heamana

Whether acting on their behalf, or facilitating residents to make their own decisions, the council is involved in providing community leadership. To be effective, good leaders work alongside others and take their communities with them (see [Chapter 5](#) on engagement and participation for more information).

Within councils and their governing bodies, Mayors and regional council Chairs are often the public face of this leadership function. In the case of territorial authorities, the LGA 2002 describes the role of Mayor as being to provide leadership to:

- // the councillors of the local authority,
- // the people of the city or district, and
- // lead development of the council's plans (including the long-term and annual plans), policies, and budgets (for consideration by councillors).

Mayors also have the authority and option to appoint the Deputy Mayor and establish council committees and their terms of reference and appoint the chair and members of each of those committees. However, a governing body can undo many of these decisions (for more information on delegations see LGNZ Guide to Standing Orders at www.lgnz.co.nz/learning-support/governance-guides/).

The role of Mayor can be understood as consisting of three leadership roles: political leadership, policy leadership and community leadership.

/01.

Political leadership refers to the Mayor's role as 'presiding' member (meeting chair). Traditionally the Mayor speaks publicly for the council to keep the community informed. The Mayor is also expected to promote or sell their council's plan to the community.

/02.

Policy leadership involves translating community wishes into defined outcomes. It is a two-way process in which Mayors get to know the community and ensure community concerns and aspirations are reflected in the council's on-going programme of policy development.

/03.

Community leadership refers to the Mayor's role as the community's champion.

Being successful mayors and chairs

Effective governance and the performance of the council is heavily influenced by the quality of relationships formed, particularly within the governing body and with the council's chief executive. To work, relationships must be based upon effective communication, mutual respect and an understanding of the different roles that members play.

Mayors and regional council Chairs have no legal power to exert authority over elected members other than in their role as presiding members. Successful Mayors and regional Chairs facilitate an inclusive approach to decision-making and the involvement of others. They take responsibility for elected members' training and ensure their council provides both the resources and assistance members need to develop their skills and understanding. They also assist councillors to have issues important to them placed on the agenda of the governing body or relevant committee.

Successful Mayors and regional Chairs seek to facilitate the resolution of any disputes between elected members before they get to the point where a Code of Conduct complaint might be made.



More information about being a successful Mayor or Chair can be found in LGNZ's Guide for new Mayors and Chairs at www.lgnz.co.nz/learning-support/governance-guides/.

The role of councillor

// Te tūranga o te kaikaunihera

The role of councillor broadly encompasses three main areas of responsibility across representation and governance:

Leadership and decision making

- // leadership, setting direction and making decisions
- // balancing a wide range of considerations and perspectives to provide the best possible outcomes for the district, city or region
- // bringing the views on the future of your district or region into the collective vision-making process
- // making decisions, without bias, that take into account the needs of your district or region for good quality local infrastructure, local public services and local regulations, both now and in the future
- // making financially responsible decisions that ensure your council has a sound financial future
- // appointing a chief executive
- // debating issues and considering all views, but once a decision is made, respects the democratic process and accepts this as part of collective responsibility ensures decisions are transparent and is aware of conflicts of interest.

Engaging with communities

- // engaging with the community, interest groups and organisations, at both a local and regional or metropolitan level
- // being aware of and interested in ward or constituency issues, including attend local events, meetings and local board meetings
- // responding to requests from constituents
- // developing relationships with mana whenua and maatawaka organisations.

Monitoring and scrutinising performance

- // overseeing the council's regulatory activities, consenting and by-laws
- // monitoring and scrutinising the performance of the organisation to ensure outcomes and priorities are achieved in an efficient and effective manner
- // overseeing emergency management processes and protocols
- // identifying risks early and gaining assurance that the organisation is managing risks appropriately.



The role of a community board member

// Te tūranga o te mema poari hapori

The role of a community board member is also varied. Being an effective community board member requires more than just attending community board meetings. It also involves a high level of commitment. To be an effective representative you will need to attend many other meetings and events in your local community. Your community board will only be as good as you and your colleagues make it.

Representative role

- // to promote residents' issues and initiatives to the community board and the council
- // to respond to resident and community issues and submissions, and to act as leaders in the community where problems may arise and where issues or initiatives need to be promoted
- // to clarify and promote the role of the community board in the ward and wider communities.

Governance role

- // to work in cooperation with the council. Community boards are part of the local authority and must work within the framework of the powers and functions set out in statute and delegated by the council
- // to act as an interface between the council and the community. Board members should listen to the diversity of viewpoints and concerns in their community, represent and communicate these to the council, and work towards a common understanding
- // to attend meetings of the community board and any other bodies the member has been asked to serve on.

Decision-making

- // to contribute to the development of community board policies, to set and monitor key performance indicators
- // to ensure the integrity of the community board and its decisions, and represent these to the community and particular groups in a way that promotes the board rather than the individual
- // to scrutinise council policies and services within the community board area, and to advise the council on ways of enhancing effectiveness
- // to ensure that decisions are made on the basis of sound information and rationale, and that they reflect the interests of the communities represented by the board
- // to ensure that the structures and systems used by the board, such as the agenda, support and encourage effective democratic decision-making.

Information gathering

- // to actively seek good quality information and keep well informed of community priorities, broader issues and local initiatives
- // to attend specifically to information directed to board members, such as emails, submissions, deputations, and financial reports.



Effective governance and the performance of the council is heavily influenced by the quality of relationships formed, particularly within the governing body and with the chief executive.

To work, relationships must be based upon effective communication, mutual respect, and an understanding of the different roles that each party members plays.



The role of the chief executive

// Te tūranga o te tumu whakarae

The chief executive employs all staff on behalf of the local authority and is responsible for providing elected members with advice. They oversee the day-to-day matters of your local authority, carry out the policies set by the council and enforce regulations, the majority of which are set by Parliament.

Your chief executive is the one member of staff that the governing body appoints and whose performance they can monitor directly.

The council is responsible for hiring and evaluating the chief executive. The chief executive is responsible for:

- // implementing the decisions of the council,
- // ensuring that all functions, duties and powers delegated to them are properly performed or exercised,
- // determining the means of achieving the outcomes sought by the council,
- // ensuring the effective and efficient management of the activities of the local authority,
- // maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the local authority,
- // providing advice to councillors and members of community boards, and
- // appointing and terminating staff, including negotiating their terms of employment.

The working relationship between a council and its chief executive is vital to operational success. For a council to perform well it must be able to work effectively with the chief executive and have confidence in management and staff

The focus of the council and councillors should be on governance, strategy, policy and outcomes. Administration is concerned with advice, implementation and operations.

Setting out expectations

Your local authority will hold an induction workshop as soon as practicable after your election. These workshops are crucial if you and your council are to achieve your objectives. In addition to a logistical briefing about how the organisation works, your induction workshops should also include:

- // a briefing on the major issues facing the district,
- // the priorities as set out in the council's Long-term Plan,
- // an introduction to the council and its services,
- // an overview of the council as an organisation, its finances and the state of its assets, and
- // an opportunity for members to share their expectations, including:
 - // their goals and objectives and reasons for standing, and
 - // the style in which they would like the governing body admits committees to work.

Having established priorities and an agreed way of operating it is important that you keep on track. One way of doing this is having a 'councillors' charter', which includes the agreed way of operating and a scheduled review process to ensure the council is operating in accordance with the charter or decide whether changes need to be made.

Council staff

Staff are accountable to the chief executive; members cannot direct them. Successful councils have explicit protocols for guiding day-to-day interaction and demonstrate an appreciation that there are limits to the level of work that the administration can undertake.

Although senior staff report directly to the chief executive, ultimately the council must ensure that staff implement council policy and directives. Staff are also responsible for providing 'free and frank' advice including advice that does not support a policy proposal advanced by some members.

Every council, and specifically the chief executive, must operate as a good employer; one that provides for the fair and proper treatment of its employees. Through its performance agreement with the chief executive, and regular performance reviews, a council is effectively evaluating the performance of the whole organisation.

Monitoring the chief executive and the organisation

The chief executive is appointed for a term not to exceed five years, but the council may appoint the chief executive for a second term not exceeding two years. It must first complete a review of the chief executive's performance six months before the completion of their initial term. After the chief executive's term ends, they may apply for reappointment to the position after it is publicly advertised.

Good practice involves the following:

- // establishing a chief executives' performance committee or subcommittee (which may have delegated or advisory powers),
- // agreeing meaningful performance measures,
- // annually reviewing performance against the measures with amendments as required.



See LGNZ's Guide to employing and managing chief executives at https://www.lgnz.co.nz/documents/415/The-Good-CE-guide-Recruiting-and-managing-Council-CEs_saJ48oS.pdf

Opportunities for improving knowledge and understanding

// Ngā ara hei whakapiki ake i te mātauranga me te mārama

It takes some time to learn all you need to know to be a successful elected member. LGNZ provides several mechanisms through which elected members can bring themselves up-to-date with current issues, new policy initiatives and generally upskill themselves. These include:



Conferences: The annual LGNZ Conference provides an opportunity to meet other elected members from all around Aotearoa and be briefed by senior politicians and international experts, as well as attend workshop sessions on topical issues. There are also many specialist conferences such as conferences for council engineers; senior managers; recreation specialists; rating officers and planners. Many of these welcome elected members as well.



Zone meetings: These are regional meetings of councils that occur three-four times a year and all elected members are invited. Zone meetings involve good practice presentations, briefings on current issues and information distribution.



Ākōna – meeting your training and development needs

All LGNZ members have full access to the LGNZ Ākōna development program built to cater to the unique learning needs of elected members regardless of background and prior experience. This comprehensive program offers learning activities across the full range of skills required by elected members – whether you're a Mayor, Chair, councillor or community board member.



Sector and All-Council meetings: Usually held in Wellington, sector meetings bring councils together by type. The Metropolitan Sector brings together the Mayors and chief executives of our 10 biggest councils; the Regional Sector likewise brings together the Chairs and chief executives of the regional and unitary councils; and the Rural and Provincial Sector brings together Mayors, chief executives and elected members from rural and provincial local authorities.



Websites are a good source of information, such as www.localcouncils.govt.nz which contains financial information on each council. The LGNZ website www.lgnz.co.nz has a calendar of events.

Frequently asked questions

// Ngā pātai auau

Can I speak directly to council staff?

This varies from council to council depending on the policy adopted by the chief executive. Some councils operate a policy whereby elected members are required to refer all inquiries to designated senior managers.

Such policies are usually justified by the need to make it clear who the staff are accountable to. The nature of relationships will also vary according to the size of the council. Smaller councils tend to have much greater interaction between elected members and officials than larger ones.

What do I do if I am unhappy with the behaviour of a council official?

As an elected member you are responsible for how the council is perceived and complaints about officials may very well be made to you directly. Any complaints or concerns must be made directly to the chief executive. The chief executive employs the staff and it is the chief executive who must investigate any issues to do with staff behaviour.

What do I do if I am concerned about the behaviour of a fellow elected member?

Concerns about the behaviour of a fellow elected member should be referred directly to your Mayor, regional council Chair, or chair of your local or community board. Depending on the nature of your concern you should check the council's Code of Conduct, which sets out desired behaviours and includes some sanctions that can be applied when an elected member contravenes the Code.

Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

**SEE LGNZ'S GUIDE FOR
MAYORS AND CHAIRS**

For more information on managing chief executives

+

AVAILABLE AT:

www.lgnz.co.nz/learning-support/governance-guides/

**OAG (2002). REPORT OF
THE CONTROLLER AND
AUDITOR-GENERAL:**

Managing relationships between a local authority's elected
members and its chief executive

+

AVAILABLE AT:

[https://oag.parliament.nz/2002/chief-execs/docs/
chief-execs.pdf/view](https://oag.parliament.nz/2002/chief-execs/docs/chief-execs.pdf/view)

**COLIN COPUS (2021)
A MANIFESTO FOR COUNCIL**

Published by the Local Government Information Unit

+

AVAILABLE AT:

<https://lgiu.org/publication/a-manifesto-for-councillors/>





03.

Elected members: legal rights, obligations and remuneration

// Ngā mema pōti: ngā motika ā-ture,
ngā herenga me te utu >

A feature of the New Zealand local government system is the nature of its accountability and transparency provisions, a strength that has contributed to New Zealand's reputation as having one of the least corrupt systems of government in the world.

In chapter two: the role of elected members, the obligation of members to provide representation and governance, and to honour the principles of Te Tiriti o Waitangi are outlined. The chapter also discusses the requirement for a council (council) to adopt a Code of Conduct and how all members must comply with the Code. We recommend you read chapter two before reading this chapter as the obligations around how members behave are just as critical to your success as those outlined in this chapter.

This chapter will introduce you to some of the critical checks and balances and legislative requirements that apply to you and your council and provides information on conflicts of interest, your remuneration and tax obligations.

Individual obligations as an elected member

// Ngā herenga takitahi hei mema pōti

Disqualification and resignation

An individual cannot remain an elected member if they:

- // cease to be, or are disqualified from registration as an elector,
- // are convicted of an offence punishable by a term of imprisonment of two years or more (disqualification does not take effect until appeal remedies are exhausted, during which time the member concerned is deemed to have leave of absence),
- // have a financial interest in a contract with their local authority (disqualifying contract) where the total payments made or to be made, by or on behalf of the local authority exceed \$25,000 in any financial year, unless the Office of the Auditor General (OAG) has approved that contract, or
- // resign. A resignation must be made in writing to the chief executive of the council. The resignation takes effect on the day it is delivered to the chief executive. Post-dated resignations are not valid or acceptable.

Disqualifying contracts

Under the Local Authorities (Members' Interests) Act 1968 (LAMIA), a person cannot be elected or appointed to a local authority if they have a disqualifying contract in the financial year the election or appointment takes place.

However, certain types of contracts or conditions will not disqualify a candidate. They are as follows:

- // before the election or appointment, the amount to be paid by the council has been fixed (subject to amendments and additions as allowed for in the contract), whether or not it has been paid; and regardless of whether the candidate's obligations under the contract have been performed.
- // although the candidate's obligations under the contract have not been performed before the election or appointment, either the contract's duration does not exceed 12 months or the contract is relinquished (with the council's consent) within a month of the candidate becoming a member and before he or she starts to act as a member.

The Auditor-General cannot give prior or retrospective approval for contracts between a candidate and a council.

Conflicts of interest

Elected members must disclose conflicts of interest and a local authority must keep a register of the pecuniary interests of their members, including community and local board members.

A conflict of interest is something of a personal or private nature that could be considered as likely to influence your decision making. A pecuniary interest is of a financial nature, for example business associations, employment, trade, or contracts that are held.

The Local Authorities (Members' Interests) Act 1968 (LAMIA) provides rules about members discussing or voting on matters in which they have a pecuniary interest and about contracts between members and the council. LAMIA has two main rules, referred to as the contracting rule (in section 3 of LAMIA) and the participation rule (in section 6 of LAMIA).

// The **contracting rule** prevents a councillor from having interests in contracts with the local authority that are worth more than \$25,000 in a year unless the Auditor-General approves the contracts. Breach of the rule results in automatic disqualification from office.

// The **participation rule** prevents a councillor from participating in a decision in which they have a financial interest, other than an interest in common with the public. The Auditor-General can approve participation in limited circumstances. Breach of the rule is a criminal offence and conviction results in automatic

Both rules have a complex series of subsidiary rules about their scope and exceptions. LAMIA does not define when a person is 'concerned or interested' in a contract or when they are interested 'directly or indirectly' in a decision. However, it does set out two situations where a person is deemed to be meeting these criteria. These are broadly where:

- // a person's spouse or partner is 'concerned or interested' in the contract or where they have a pecuniary interest in the decision; or
- // a person or their spouse or partner is involved in a company that is 'concerned or interested' in the contract or where the company has a pecuniary interest in the decision.

In some situations, outside the two listed in the Act a person can be 'concerned or interested' in a contract or have a pecuniary interest in a decision, for example, where a contract is between the councillor's family trust and the council.

The contracting rule

A councillor is disqualified from office if he or she is 'concerned or interested' in contracts with their council if the total payments made, or to be made, by or on behalf of the council exceed \$25,000 (incl. GST) in any financial year. The limit relates to the value of all payments made for all contracts in which you are interested during the financial year. It does not apply separately to each contract, nor is it just the amount of profit expected or the portion of payments to be personally received by you.

The Auditor-General can give prior approval, and in limited cases, retrospective approval for contracts that would otherwise disqualify you. It is an offence under the LAMIA for a person to act as a member of a council (or committee of that council) while disqualified.

The participation rule

Elected members are often faced with the question of whether or not they have a pecuniary interest in a decision and if so whether they should participate in discussion on that decision and vote. The Act does not define pecuniary interest, however, the OAG uses the following test:

whether, if the matter were dealt with in a particular way, discussing or voting on that matter could reasonably give rise to an expectation of a gain or loss of money for the member concerned. (OAG, 2001)

In deciding whether you have a pecuniary interest you should consider the following factors:

- // What is the nature of the decision being made?
- // Do I have a financial interest in that decision – do I have a reasonable expectation of gain or loss of money by making that decision?
- // Is my financial interest one that is in common with the public?
- // Do any of the exceptions in the LAMIA apply to me?
- // Could I apply to the Auditor-General for approval to participate?



Further guidance on this matter is available in *Guidance for members of local authorities about the law on conflicts of interest*, issued by the OAG and available from www.oag.govt.nz/2010/lamia/docs/local-authorities-members-interests-act.pdf.

You may seek assistance from others to determine if you can discuss or vote, but it is not the responsibility of the chair, chief executive, or the OAG to decide. Ultimately you must exercise your own judgment. If you are uncertain, you may wish to seek legal advice or adopt the least-risk approach which is for you not to participate in discussions or vote on the decision.

If you do have a pecuniary interest, you must declare this to the meeting and not participate in the discussion or voting. The declaration, and abstention, need to be recorded in the meeting minutes. You are not legally required to leave the debating table or the room, but it is good practice to leave the debating table. LAMIA does not prevent you from exercising any rights that an ordinary member of the public may have to seek to address the meeting from the public gallery in your capacity as a private citizen.

Non-pecuniary conflicts of interest

There are also legal rules about conflicts of interest more generally which apply to non-pecuniary conflicts of interest and include the common law rule about bias. To determine if bias exists, consider this question: is there a real danger of bias on the part of the member of the decision-making body, in the sense that he or she might unfairly regard with favour (or disfavour) the case of a party to the issue under consideration?

The question relates to both actual, and the appearance or possibility of, bias. Whether or not you believe you are free from bias is irrelevant. Your focus should be on the nature of the conflicting interest or relationship, and the risk it could pose for the decision-making process.

The most common risks of non-pecuniary bias are where:

- // your statements or conduct indicate that you have predetermined the decision before hearing all relevant information, or
- // you have a close relationship or involvement with an individual or organisation affected by the decision.

More information on non-pecuniary conflicts of interest and how to manage them can be found in the Auditor-General's Guidance for members of local authorities about the law on conflicts of interest.

Seeking exemption from the Auditor-General

If you have a financial conflict of interest that is covered by section 6 of the LAMIA, it is possible to apply to the Auditor-General for approval to participate. They can approve participation in two ways.

/O1.

Section 6(3)(f) allows the Auditor-General to grant an exemption if, in her opinion, a councillor's interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence the councillor when voting or taking part in the discussion.

/O2.

Section 6(4) allows the Auditor-General to grant a declaration enabling a councillor to participate if she is satisfied that:

- a) the application of the rule would impede the transaction of business by the council; or
- b) it would be in the interests of the electors or inhabitants of the district/region that the rule should not apply.

The Ombudsman

An Ombudsman is an Officer of Parliament appointed by the Governor-General on the recommendation of Parliament. An Ombudsman's primary role under the Ombudsmen Act 1975 is to independently investigate administrative acts and decisions of central and local government departments and organisations that affect someone in a personal capacity.

Anyone who has a complaint of that nature about a local authority may ask an Ombudsman to investigate that complaint. Investigations are conducted in private. The Ombudsman may obtain whatever information is considered necessary, from any party. The Ombudsman's decision is provided in writing to both parties.

If a complaint is sustained, the Ombudsman may recommend the local authority takes whatever action the Ombudsman considers would be an appropriate remedy although recommendations are not binding.

Ombudsmen also investigate complaints made under LGOIMA. Recommendations made to the local authority under this Act will, in general, become binding unless the local authority resolves otherwise. However, any such resolution must be recorded in writing and be made within 20 working days of the date of the recommendation.

Ombudsmen are also an 'appropriate authority' under the Protected Disclosures Act 2000.



Qualified privilege (s.43 LGA 2002)

// Whiwhi painga motuhake

A member of a local authority is indemnified by that local authority if acting in good faith and in pursuance (or intended pursuance) of the responsibilities or powers of the of which they are members. This includes costs and damages for any civil liability arising from any action brought by a third party and costs arising from any successfully defended criminal action relating to acts or omissions in his or her capacity as a member.

Should a situation arise where a member believes they may be at risk of being sued for a statement or action undertaken in the course of their work elected members, they should immediately seek advice from their chief executive

Code of conduct

// Ngā ture whanonga

Codes of conduct are common features in local government systems in many parts of the world and in Aotearoa, the code complements specific legislation designed to ensure openness and transparency. Codes are an important part of the framework for building community confidence in our governmental processes.

A local authority must adopt a Code of Conduct to govern the behaviour of members and all members must comply with the code. The Code sets out the understandings and expectations about how members may conduct themselves including their behaviour toward one another, staff and the public and the disclosure of information.

At the time of drafting this Guide legislation is before parliament that gives the Secretary for Local Government the responsibility to issues a standard Code of Conduct for all councils. Until that Code is issues, council's existing codes, must stay in operation.

When ready, the new Code will be sent to all council for adoption.



Shared obligations as a member of council

// Ngā herenga ngātahi hei mema kaunihera

Council membership and terms

Every city and district council must have at least six and not more than 30 elected members (including the Mayor). For regional council the minimum is six and the maximum 14, including the chair. Community boards must have at least four and not more than 12 members, including both elected and appointed members. At least four members of a community board must be elected and appointed members must be fewer than half the total number. Local boards must have between five and 12 elected members.

Elected members are elected for a term of three years unless they are elected at a by-election. There are no limitations on the number of terms an elected member may serve and nor are there any recall provisions. Serving three years is not guaranteed and included in this chapter is information on the things that might require an elected member to stand down.

Filling vacancies

Vacancies can arise between elections in various ways which impacts the way the vacancy is then filled.

Extraordinary vacancies

An extraordinary vacancy exists when an elected member:

- // Dies.
- // Becomes 'mentally disordered' in the terms of the Mental Health (Compulsory Assessment and Treatment) Act 1992.
- // Is disqualified or ousted from office by failing to declare a pecuniary interest.
- // Is absent without leave from four consecutive ordinary meetings of the authority.
- // Suffers loss of legal capacity.
- // Resigns.

Mayoral vacancies

The procedure for filling a Mayoral vacancy depends on when the vacancy occurs. If it is more than one year before the next triennial election, the successor must be publicly elected. If less than one year before the next election, the successor is elected by a special meeting of the territorial authority.

If an existing councillor is elected Mayor, they must not continue to hold office as an elected member. At any election to fill a vacant Mayoral office, an election must also be held to fill every other extraordinary vacancy.

Councillor vacancies

Where an extraordinary vacancy occurs in the office of regional, district or city councillor, the council must determine what action to take at its next ordinary meeting or, if that is not possible, the following one. The three possible options are:

/01.

Fill the vacancy by holding a by-election (any other vacancy must be filled at the same time).

/02.

Leave the office vacant if it is less than six months to the next triennial election, provided this does not leave a ward or constituency without any representation.

/03.

Fill the vacancy by appointment.

Community board vacancies

Extraordinary vacancies on community boards are filled by an election unless they occur within 12 months of a triennial election, in which case the community board may resolve to fill the vacancy by appointment or leave it vacant.



Changing council membership, boundaries and voting systems

// Te panoni i ngā mematangā ki te kaunihera, ngā rohe me ngā pūnaha pōti

The Local Electoral Act 2001 sets out requirements and procedures for council to review their representation arrangements and electoral systems.

Reviewing representation

All territorial authorities (city and district council) must review at least once every six years:

- /01.** Whether to have wards (or go at-large)
- /02.** whether or not to have a mix of councillors elected by wards and elected at large,
- /03.** the number of councillors to be elected to each ward,
- /04.** the boundaries of wards, and
- /05.** whether or not there should be communities and community boards.

Councils are also encouraged to review whether or not to have Māori wards and whether their electoral system should be First Past the Post or Single Transferable Vote.

Similar requirements apply to regional councils, however constituencies are mandatory, so the at-large or mixed options are not available.

With the exception of the decision whether to have Māori wards or constituencies (which must be made two years before an election), decisions on the representation review are made by resolution of full council and notified to the public within 14 days after the resolution, but no later than 8 September in the year before the election year. The public notice must explain the reasons for any change, from the previous term, and allow a period of at least one month for interested persons to make submissions on the proposals.

Any person or organisation can make a submission. The council must consider submissions and may amend its proposals before giving public notice of the proposals, including any amendments, and state the reasons for any amendments and any rejection of submissions.

Any dissatisfied submitter can appeal against the council's decision and any person can counter-object where proposals have been modified. Appeals and counter-objections are heard by the Local Government Commission, whose decision is final, although subject to judicial review. If no objections or appeals are lodged the council's proposal will apply to the next election.

Change of electoral system: First Past the Post or Single Transferable Vote

The legislation gives councils a choice of two electoral systems: First Past the Post (FPP) or Single Transferable Vote (STV).

Councils may resolve to change the system used for the next two triennial elections. This decision must be taken no later than 12 September in the year, two years before an election. Communities can also require council to hold a binding poll on the question of electoral system, including overturning a council's decision.



WHY CONSIDER STV?

Many commentators believe that the STV system can contribute to a stronger and more inclusive local democracy by:

- // providing fairer and more effective representation for voters,
- // enhancing the representativeness of local authorities by way of proportional representation for communities of interest and, as a result, encouraging greater community engagement and participation,
- // reducing the problem of 'vote-splitting', which occurs under FPP when two popular high-profile candidates may split the vote to allow a third less popular candidate to come through the middle, and
- // revealing voters' actual true preferences and avoiding any need for 'tactical voting'.

Local government official information and meetings act 1987

// Te ture mō ngā mōhihio ōkawa me ngā hui a te kāwanatanga ā-rohe 1987

Under the Local Government Official Information and Meetings Act 1987 (LGOIMA), official information must be made available unless there is a valid reason for withholding it. Best practice methods lean toward providing the requested information to assure transparency, unless there is a valid reason of privacy. However, requested information may be withheld under some conditions. These are specified in sections 6, 7, 8 and 17 of LGOIMA, and include:

- // avoiding prejudicing the maintenance of the law,
- // protecting the health and safety of any person,
- // protecting the privacy of natural persons (see the Privacy Act),
- // protecting information involving a trade secret, or commercially sensitive information (including relevant negotiations) or where disclosure would offend tikanga Māori or reveal the location of waahi tapu (in the case of specified statutory actions under the Resource Management Act),
- // protecting information which could be prejudicial or damaging to the public interest,
- // avoiding prejudice to measures that protect public health or safety, and that prevent or mitigate material loss to the public,
- // maintaining the effective conduct of public affairs by way of free and frank discussion among members and / or officers of the council, and by protecting them from improper pressure or harassment,
- // maintaining legal professional privilege,
- // preventing disclosure or use of official information for improper gain or advantage, and
- // the request is frivolous or vexatious.

For some of the withholding grounds, there is also an additional public interest balancing test. The councils must also consider whether the withholding of that information is outweighed by other considerations that render it desirable, in the public interest, to make that information available.

Parliament has amended LGOIMA to confirm that information held by an independent contractor engaged by the local authority, is deemed to be held by the local authority. It also confirmed that requests may be made in any form, communicated by any means and that the local authority can ask for written clarification of oral requests. If clarification is not provided the official must put the request in writing and provide a copy.

Decisions about the availability of information under LGOIMA need to be made by the appropriately authorised people and elected members must work within the rules adopted by each council.

Protected disclosures act 2000

// Te ture whakaruruhau whakapuakanga
2000

The Protected Disclosures (Protection of Whistleblowers) Act 2022 is designed to facilitate the disclosure and investigation of serious wrongdoing in the workplace and to provide protection for employees and other workers who report concerns.

A protected disclosure occurs when a 'discloser' believes on reasonable grounds that there is, or has been, 'serious wrongdoing' in or by their organisation, and they disclose in accordance with the Act (and discloser occurs in 'good faith').

A discloser is a person who has an employment-type relationship with the organisation they are disclosing about. This includes current and former employees, homeworkers, secondees, contractors, volunteers and board members.

A serious wrongdoing includes:

- // an offence,
- // a serious risk to public health or safety, the health or safety of any individual, or to the environment,
- // a serious risk to the maintenance of the law including the prevention, investigation and detection of offences or the right to a fair trial,
- // an unlawful, corrupt, or irregular use of public funds or resources, and
- // oppressive, unlawfully discriminatory, or grossly negligent behaviour, or gross mismanagement by a public sector employee or a person performing a function or duty or exercising a power on behalf of a public sector organisation or the Government.

Local government must have an appropriate internal procedure that sets out a process to follow in these situations, including identifying who in the organisation a disclosure may be made to, describing the protections available under the Act and how the organisation will provide practical assistance and advice to disclosers.

A discloser may report serious misconduct to an appropriate authority at any time, rather than having to go through their organisation first. An appropriate authority includes the head of any public sector organisation and any officer of Parliament, such as the Ombudsman and Controller and Auditor-General.

Pecuniary interests register

// Rēhita pānga ā-moni

A local authority is required to keep a register of the pecuniary interests of their members, including community and local board members. The purpose is to provide transparency and strengthen public trust and confidence in local government processes and decision-making.

The register must comprise the following:

- // The name of each company of which the member is a director or holds or controls more than 10% of the voting rights and a description of the 30 main business activities of each of those companies.
- // The name of every other company or business entity in which the member has a pecuniary interest (other than as an investor in a managed investment scheme), and a description of the main business activities of each of those companies or business entities.
- // If the member is employed, the name of each employer and a description of the main business activities of those employers.
- // The name of each trust in which the member has a beneficial interest.
- // The name of any organisation or trust and a description of its main activities, if the member is a member of the organisation, the organisation's governing body, or a trustee of the trust, and the organisation or trust receives funding from the local authority, local board, or community board to which the member has been elected.
- // The title and description of any organisation in which the member holds an appointment by virtue of being an elected member.
- // The location of real property in which the member has a legal interest, other than an interest as a trustee, and a description of the nature of the real property.
- // The location of real property, and a description of the nature of the real property, held by a trust if the member is a beneficiary of the trust and it is not a unit trust (disclosed under subclause 20) or a retirement scheme whose membership is open to the public.

Each council must make a summary of the information contained in the register publicly available and ensure that information is only used or disclosed in accordance with the purpose of the register. It must be retained for seven years.



The health and safety at work act

// Te ture mō te hauora me te haumaru ki te wāhi mahi

The Health and Safety at Work Act 2015 aims to create a culture of health and safety in workplaces.

Under the legislation the local authority as a whole is termed a 'Person Conducting a Business or Undertaking (PCBU)'. All involved in work, including elected members, have a duty of care.

Elected members are 'officers' under the Act and officers are required to exercise due diligence to ensure that the PCBU complies with its duties. However, certain officers, such as elected members, cannot be prosecuted if they fail in their due diligence duty.

As officers, the key matters to be mindful of are:

- // stepping up and being accountable,
- // identifying and managing your risks,
- // making health and safety part of your organisation's culture, and
- // getting your workers involved.

Councils have wide discretion about how these matters might be applied. Some ideas are:

- // Adopting a charter setting out the elected members' role in leading health and safety, with your chief executive.
- // Publishing a safety vision and beliefs statement.
- // Establishing health and safety targets for the organisation with your chief executive.
- // Ensuring there is an effective linkage between health and safety goals and the actions and priorities of your chief executive and their senior management.
- // Having effective implementation of a fit-for-purpose health and safety management system.

Organisations need to have sufficient personnel with the right skill mix and support, and sufficient funding for effectively implementing and maintaining the system and its improvement programmes.



Remuneration of elected members

// Te utu ki ngā mema pōti

Responsibility for this rests with the Remuneration Authority (the Authority), which also has responsibility for the remuneration of Members of Parliament and the Judiciary.

The Authority determines a remuneration pool for each council reflecting the size of their total governance role, rather than the number of councillors, aligned with the ranking of that council on the relevant size index. The index takes into account:

- // the size of the governance role of each council,
- // the average time required by an elected member on a council of a particular size, and
- // a general comparison with parliamentary salaries.

The size index for territorial authorities is based on:

- // population (*source: Stats NZ estimated resident population*),
- // total operating expenditure (*source: Stats NZ local authority financial statistics*),
- // total asset value (*source: Stats NZ local authority financial statistics*), and
- // socioeconomic deprivation index (*source: University of Otago Socioeconomic Deprivation Indices*).

The indexes for regional councils and unitary authorities include additional factors to reflect the differences in their roles and responsibilities. Community board salaries are determined by population only. A separate determination exists for Auckland members because of the distinctive structure and responsibilities of these boards.

Each council and community board may draw on an additional small pool of funds to provide additional remuneration for those who take on extra responsibilities. The total amount that can be allocated is capped at 1.5 times of a base councillor or community board salary. Examples of the type of responsibilities qualifying for the additional remuneration are:

- // positions, such as Deputy Mayor and committee chair, which have extra responsibilities, or
- // elected members who may take on significant extra duties during their term, such as being on a committee reviewing the council's district plan.

In the two mid-term years the Authority will review remuneration levels, taking into account any changes in the councils size indices and cost of living. No base councillor remuneration will decrease as a result of a re-calculation. The Authority will apply any changes automatically to the remuneration levels set in the Determination and elected members must accept their allocated remuneration. Meeting fees are not available.

Each council may allocate its own remuneration pool according to its own priorities and circumstances. Roles may include not just standard council roles but also other jobs either internally or representing the council on outside groups. There are four requirements for councils when considering its remuneration pool:

- // The whole pool must be utilised and remuneration protected from the pressure to 'keep costs and rates down'.
- // The council will need to decide a base remuneration for councillors who have no additional responsibilities. This could be equal to or higher than the base amount set out by the Authority.
- // For any roles with additional remuneration attached, the council must have a formal vote to set out the positions of responsibility and the committee structure, decide who will be undertaking each role and decide the annual dollar value of remuneration attached to each role, in addition to the basic councillor remuneration.
- // Following its formal decision-making, the council will need to forward its adopted resolutions to the Authority for consideration for inclusion in the determination.

Remuneration for community board members is based on the population each community board serves. Although not yet the case, the Authority is looking at ways for adjusting remuneration for those boards with additional responsibilities to reflect the greater workload.

The Authority also determines rules for elected members' expenses, such as travel.



Information on remuneration can be sourced from the Remuneration Authority's website at www.remauthority.govt.nz.

Allowance to pay for home security

In 2025 the Remuneration Authority announced that it will enable councils to contribute to the cost of installing a home security system of elected members. That assistance will consist of:

- // A lump sum of up to \$4,500 to install a home security system (the same figure as for MPs), and
- // An annual payment of \$1000 to maintain the system.

The allowance will come into effect after the 2025 local elections, and it will be up to each council to decide whether or not to make provision for the allowance.



Tax and elected members

// Te tāke me ngā mema pōti >

Due to the unique nature of the relationship between you and council, your personal tax obligations can be complicated. LGNZ has prepared this advice based on the law and Inland Revenue's policy as at August 2025. It should only be used for general assistance and is not regarded as providing definitive advice on your tax obligations as an elected member. If you have any queries about your tax position, please obtain professional advice or contact Inland Revenue.

Inland Revenue views the relationship between an elected member and a council as a 'statutory relationship of service' and not an employer/employee relationship. As such, you are not an employee of the council for income tax purposes, rather your relationship with Council is more akin to that of a self-employed person.

Schedular payment

Remuneration received from your council for work or services is a form of schedular payment and is subject to withholding tax. The standard rate is 33% although there are a number of exemptions and exceptions that may lead to a different rate applying. Payments for travel time are also subject to withholding tax.

Inapplicability of company exemption

A common exemption from withholding tax is where services are provided by a company. This *does not* apply to elected members, even if you request that your remuneration be invoiced by, and directed to, a company that you may own or work for. This is because you have been elected, and provide services, in your personal capacity.

Tax obligations for you and council

// Ngā herenga tāke māu me tō kaunihera

Tax code declaration form (IR330C)

You must complete and provide your council with an IR330C form for your remuneration and for any payments for travel time. When completing form, you must use 'WT' as your tax code and enter activity number 22 for 'Public office holder (fees)' in the second box. See figure 1 below.

Once council receives your IR330C, it will deduct withholding tax at a rate that you choose for your remuneration for work or services. The standard rate for this type of schedular payment is 33% however you can nominate your own tax rate for your situation as long as the nominated rate is not lower than 10%.

If council does not hold a valid IR330C for you at the time of payment, withholding tax will be deducted at 45%.

Figure 1: Accurately completed extract from IR330C

2. Your tax rate

You must complete a separate **Tax rate notification for contractors - IR330C** for each source of contracting income

Refer to the flowchart on page 2 and enter your tax rate to one decimal point here. **33.0 %**

Refer to the table on page 3 and enter your schedular payment activity number here. **22**

Your tax code will always be: **WT**

Certificates of exemption and tailored tax rate certificate

If you have little or no other income, significant expenses or available tax losses, you may be able to obtain either a certificate of exemption or a tailored tax rate from Inland Revenue.

If your council holds a copy of either of these on file at the time of payment, this will determine the level of tax to be paid. As such, if you obtain such a certificate, you should provide a copy to the council as soon as possible. It is your responsibility to establish your entitlement to this and to obtain such a certificate from Inland Revenue. It is not a job for the council.





Individual tax returns

// Ngā whakahokinga tāke takitahi

Your remuneration and any reimbursements paid by council to you as an elected member must be declared as taxable income on your personal income tax return for each year ended 31 March. Any tax that council has withheld from your remuneration during the year should also be shown in the tax return and this will be credited against your liability when you file your return. You can also claim deductions for any costs incurred, see more below.

Depending on the level of your total taxable income, you may have further tax to pay, or be entitled to a tax refund from Inland Revenue.

The table below sets out the income tax rates for individuals for the 2025/26 income year:

For each dollar of income	Tax rate
Up to \$15,600	10.5%
Over \$15,600 and up to \$53,500	17.5%
Over \$53,500 and up to \$78,100	30%
Over \$78,100 and up to \$180,000	33%
Remaining income over \$180,000	39%

Provisional tax

If you are a provisional taxpayer, you should consider how your remuneration affects your provisional tax calculations.

Reimbursements and allowances

// Ngā whakahokinga utu me ngā āwhina ā-pūtea

Reimbursements that council pays to you for expenditure that you incur while on council-related business, or any allowances received (other than travel time allowances) are not subject to withholding tax.

A travel time allowance is only paid when you undertake council-related travel. These are considered a payment for the work or services that you perform and, as such, are subject to withholding tax.

Please note: you cannot claim for the reimbursement of election or campaign expenses.

Vehicle expenses and reimbursements

Vehicle expenses can be deducted to the extent that you use your vehicle for council-related business. Travel from home-to-work (i.e. the place where the meeting is held) is not deductible unless your home is the base of your work as an elected member.

The deduction you are allowed for the council-related use of your vehicle is calculated using this formula:

Deduction = actual expenditure incurred x business proportion

The business proportion is the council-related expenditure, and this can be determined by using a number of methods, for example using the number of kilometres travelled for council business divided by total kilometres travelled.

Inland Revenue issued the Operational Statement 19/04a which is relevant to claiming kilometre rates as an elected official².

If you don't know the actual expenditure incurred (i.e. do not have all receipts etc) you can elect to use Inland Revenue's standard kilometre rates. These are typically reviewed annually (in May). For the 2024/25 year, the kilometre rates are:

Vehicle type	Tier 1 rate per km	Tier 2 rate per km
Petrol	\$1.17	\$0.37
Diesel	\$1.26	\$0.35
Petrol Hybrid	\$0.86	\$0.21
Electric	\$1.08	\$0.19

The Tier One rate is a combination of your vehicle's fixed and running costs and is used for the business portion of the first 14,000 kilometres travelled by the vehicle in an income year. This includes private use travel.

The Tier Two rate is for running costs only and is used for the business portion of any travel over 14,000 kilometres in an income year.

For subsequent years, we recommend checking the rates on Inland Revenue's website – using the search term “claiming vehicle expenses”.

Alternate methods are available if you keep a logbook to record all private and non-private use.

² Operational Statement 19/04b Commissioner's statement on using a kilometre rate for employee reimbursement of a motor vehicle relates to employee reimbursement only and elected members are explicitly excluded from using this statement. Elected members should use OS 19/04a.

Home-use expenses and reimbursements

Home-use expenses can be deducted to the extent that you use your home for council business. Examples of such expenses include heating, lighting, rates, interest on mortgage payments, rent, and house and contents insurance.

If you have a room set aside in your home as an office, then your deductions could be calculated using this formula:

$$\text{Deduction} = (\text{area of room} / \text{area of house}) \times \text{deductible expense}$$

Square metre rate option:

You can also use Inland Revenue's square metre rate option to calculate your home office expense. This method uses a square metre rate that is determined by Inland Revenue based on the average cost of utilities per square metre of housing, but excludes mortgage interest, rates and rent. You will be able to claim a portion of the mortgage interest, rates and rental costs that you paid during the year based on the percentage of the floor area being used for council related business purposes.

This is calculated by using the formula below:

$$\text{Deduction} = (a \times b) + (c \times d)$$

where:

a = total amount of actual mortgage interest, rates and rent you have paid during the year

b = the business proportion, determined by dividing the business floor area in square metres by the total floor area of the building (e.g. 10m² office / 100m² buildings = 0.10)

c = total square metres of any separately identifiable parts of your home being used primarily for business

d = the rate per square metre that is published by Inland Revenue, based on the average cost of utilities per square metre of housing, but excluding mortgage interest, rates or rent. For the 2024/2025 year this is \$55.60 per square metre but this should be checked annually.

Note: it is not mandatory to apply this method.

If you do not have a separate office, and you use any room in your house for council business for part of a day, then your deductions could be calculated using this formula:

$$\text{Deduction} = (\text{area of room} / \text{area of house}) \times (\% \text{ of time used for council-related business} \times \text{deductible expense})$$



Telephone and internet expenses

If you have a separate telephone account for your council-related calls this will be 100% deductible. If you use a personal phone for business calls, Inland Revenue has historically accepted a deduction of at least 50% of the cost of your telephone line-rental, plus the cost of any business calls.

You may even be allowed a deduction of more than 50% if a higher percentage of actual council-related use of the telephone can be evidenced.



Computer expenses

You can claim a portion of depreciation on your computer and consumables expenses based on the proportion of council-related use to total use.



Miscellaneous expenses

Other miscellaneous expenses may be deducted if incurred on council-related business, so long as you keep records of your expenses along with receipts.

Childcare allowance

You can claim a childcare allowance from council provided it meets certain criteria. This payment is a reimbursement of expenditure, rather than a payment for work or services provided by you; there is no obligation for councils to withhold tax on the reimbursement.

However, you should include the reimbursement as income in your tax return. A corresponding deduction for childcare costs incurred will **not** be allowed as childcare costs are private in nature.

ICT allowance

Councils may provide you an annual allowance for using your own equipment to communicate with local authorities or ratepayers. The allowance may cover equipment costs such as:

- // the use of a personal computer, tablet or a laptop
- // docking station
- // multi-functional or other printer
- // other ICT consumables (e.g. paper, ink cartridges)

This payment is a reimbursement of expenditure, rather than a payment for work or services; there is no obligation for councils to withhold tax on the reimbursement. However, you should include the reimbursement as income in your tax return. A corresponding deduction (or depreciation expense) for any equipment costs incurred by you will be allowed based on the proportion of council-related use to total use.

Other taxes

// Ētahi atu tāke

Fringe benefit tax

Any non-cash benefits that you receive from council, or as a result of your position as an elected member, will be subject to Fringe Benefit Tax (FBT). If you receive any non-cash benefits, such as gifts (for example, tickets to a local concert at a non-council venue), you are required to inform council. The onus is on councils to return FBT on such non-cash benefits.

ACC obligations

ACC levies are not paid by council and are not included in the PAYE withholding tax deducted from your remuneration. You are responsible for paying your own ACC levies. The amount of your levy is based on your liable earnings and the relevant industrial classification code.

Advice from ACC's National Office suggests that self-employed people, such as elected members, should be classified by the nature of their work rather than the nature of their industry. The appropriate code for elected members is Business Management Services - CU 78550. However, this code only applies if being an elected member is a person's only or primary form of income.

People on multiple sources of income are charged at the highest ACC rate applying to the different activities they undertake, unless the sources of income are less than five per cent of a person's total income. This factor tends to be the main explanation for differences in what elected members are paying in ACC levies.



For more information, visit the Accident Compensation Corporation (ACC) website (www.acc.co.nz).

Goods and services tax

For GST purposes, an elected member is not considered to be undertaking a taxable activity. You cannot register for GST as an elected member, nor will your remuneration include GST. You should not issue a tax invoice to council for the services that you provide as an elected member, and you cannot claim GST in respect of any council-related expenditure that you incur. This applies regardless of whether you are registered for GST for other activities.

Frequently asked questions

// Ngā pātai auau

If I ask council to redirect my remuneration to my company, do they still need to deduct withholding tax?

Yes.

If I am registered for GST for other purposes, can I invoice council through that entity and charge GST?

No. This is because your engagement as an elected member is specifically excluded from the taxable activity that you are GST-registered for. Rules that became effective from 30 June 2014 covering situations where there is a fiduciary obligation to on pay such fees, do not apply to an elected member's remuneration.

Can my business claim GST input tax on the expenses that I incur as an elected member?

No - for the same reasons as outlined above.

If I am enrolled for KiwiSaver, does council have any KiwiSaver obligations (i.e. to make employer contributions etc)?

No, as you are not an 'employee' for KiwiSaver purposes.

If I am part of a delegation that is sent overseas for council-business, will I be reimbursed for my costs (i.e. flights, accommodation, food etc)?

In most instances yes, provided that you are authorised to incur such expenditure and retain sufficient records (receipts etc.) to substantiate the expenses.

If my spouse joins me, can I also be reimbursed for the costs that my spouse incurs?

As a general position, no, however this is largely dependent on each individual council's policy.

What income should I declare in my income tax return?

Payment for all work or services, including any reimbursement of expenses, irrespective of whether withholding tax has been withheld or not. You are able to claim expenses incurred in earning this income and a credit for withholding tax deducted at source.

Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

**PUTTING INTEGRITY AT
THE CORE OF HOW PUBLIC
ORGANISATIONS OPERATE,
(2022)**

+

AVAILABLE FROM:

<https://oag.parliament.nz/good-practice/integrity/integrity-framework>

**CONTROLLER AND
AUDITOR-GENERAL
(2007)**

Guidance for members of local authorities about the law on conflicts of interest.

+

AVAILABLE FROM:

www.oag.govt.nz/2010/lamia/docs/local-authorities-members-interests-act.pdf

**LOCAL GOVERNMENT
COMMISSION,
REPRESENTATION REVIEW
GUIDELINES**

+

AVAILABLE FROM:

www.lgc.govt.nz

**CONTROLLER AND
AUDITOR-GENERAL (2009)**

Investigation into conflicts of interest of four councillors at Environment Canterbury. Wellington: Office of the Auditor-General.

+

AVAILABLE FROM:

<https://oag.parliament.nz/2009/environment-canterbury/docs/environment-canterbury.pdf>

**THE REMUNERATION
AUTHORITY**

The Office of the Auditor-General

+

AVAILABLE FROM:
www.oag.govt.nz

**LGNZ'S GUIDE TO
REPRESENTATION
REVIEWS**

+

AVAILABLE FROM:
www.lgnz.co.nz/learning-support/governance-guides/



05.

Engagement and participation

// Te whai wāhi me te uru atu >

Local government is the primary mechanism through which people make collective choices, with and through their elected members, about the nature of their respective town, city or district. Such choices need to be informed by the views and preferences of the people themselves. Meaningful engagement is the key to effective local government; it builds trust in public institutions, improves the quality of decision-making, and is required by legislation.

Engagement and participation are critical elements of the Local Government Act (LGA) 2002. These elements are found not only in the purpose of local government but also in the principles set out in s.14 and Part 6, to guide the way councils work.

Engagement, then, is about the way we involve the community in the process of making decisions and putting them into practice. This chapter discusses ways in which a council can engage with its communities.

Consultation

// Te whiriwhiri

Consultation involves seeking input; it is a two-way exchange of information. The primary purpose is to enable a council to make better decisions by exchanging information on decisions and issues with its community.

Some of the benefits of consultation are:

- // more information about the nature of community problems,
- // feedback on the costs and benefits of proposals and their chance of success,
- // a sense of ownership and buy-in to decisions,
- // greater good will and inclusiveness,
- // better understanding of alternatives, and
- // improved likelihood of successful implementation.

The results of a consultation process do not bind a local authority. They are a source of information that is to be taken into account during decision-making. Consultation is not a negotiation, nor does it require agreement. Councils do not need to consider themselves bound by the numbers of submissions for or against a particular issue. However, they must consider each submission with an open mind.

DO PEOPLE REALLY CARE?

Research undertaken by Demos, a UK based thinktank, found that people actually do want to engage with their councils, but often don't feel they can.

According to their poll, a clear majority of the public (72 per cent) want to be involved in council decision-making, with 65 per cent believing it is important to be involved in the design of policies and operations.

Legislative requirements

Local government legislation places considerable importance on the quality of the relationship between councils and their communities. This is stated clearly in section 78 LGA 2002, which states:

"A local authority must, in the course of its decision-making process in relation to a matter, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter."

When seeking information, a local authority needs to take into account the principles of consultation outlined in section 82, LGA 2002 although they can exercise their judgement as to:

- // the extent to which the council is already aware of community views,
- // the nature and significance of the decision, from the point of view of those who are affected or have an interest, and
- // the costs and benefits of undertaking consultation on a particular decision.

In fulfilling these requirements local authorities must be clear on what level of consultation should be undertaken and on what issues. Guidance is provided by your council's Significance and Engagement policy.

Principles of consultation (s.82)

- a) that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons:
- b) that persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged by the local authority to present their views to the local authority:
- c) that persons who are invited or encouraged to present their views to the local authority should be given clear information by the local authority concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented:
- d) that persons who wish to have their views on the decision or matter considered by the local authority should be provided by the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons:
- e) that the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration:
- f) that persons who present views to the local authority should have access to a clear record or description of relevant decisions made by the local authority and explanatory material relating to the decisions, which may include, for example, reports relating to the matter that were considered before the decisions were made.

Making engagement accessible

The LGA 2002 Principles of consultation state that “persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with **reasonable access** to relevant information in a manner and format that is appropriate to the preferences and needs of those persons”.

Council must consider ‘reasonable access’ in terms of the information, facilities and hui they provide to support people to fully contribute. This includes disabled communities, people for whom English is a second language, non-English speakers and people who are less confident using digital tools or don’t have the same access to the technology often used to distribute information. The responsibility for overcoming participation barriers lie with council and not with the individual who experiences the barrier to access.



The Ministry of Social Development has published an Accessibility Guide to assist agencies promote the participation of people with disabilities, see <https://msd.govt.nz/about-msd-and-our-work/work-programmes/accessibility/index.html>

HOW TO ENGAGE?

These processes could involve, inter alia, community mapping and modelling, the use of arts and creativity to promote community input, public meetings, forums, web-based engagement, futures exercises, street stalls, community surveys, citizens’ panels and citizens’ juries (*Grimes p.48 Policy Quarterly May 2019.*)

Special consultative procedure (s.83)

For matters of most significance the LGA 2002 sets out a consultative process called the special consultative procedure (SCP). This also applies to certain prescribed decisions, such as the adoption of long-term plans and bylaws. The key parts of the SCP are a requirement to prepare and publish a statement of proposal and, if necessary to enable public understanding, a summary of the information in the proposal. The following must be publicly available:

- // The statement of proposal, setting out the issue or decision to be made and the local authority’s proposed decision or policy.
- // A description of how the local authority will provide persons interested in the proposal with an opportunity to present their views.
- // Details of the period for presenting views on the proposal (not less than one month from the date it is published).

Councils must provide an opportunity for people to present their views to the local authority in a way that enables spoken (or New Zealand sign language) interaction between the person and the local authority representative, including audio or audiovisual link.

It is important to note that councils can request advice from officials or any other persons before making any decisions on submissions received. As part of the SCP, council staff (staff) will normally prepare a summary of submissions and often an analysis of the financial and non-financial implications of submissions.



Significance and engagement policy

Local authorities must have a Significance and Engagement policy (s.76AA, LGA 2002) setting out their general approach to determining the significance of proposals and decisions being taken.

The purpose of the policy is to enable the local authority and its communities to identify how to gauge the significance of a matter, provide clarity around how and when communities can expect to be engaged in such matters and inform the local authority about the extent of any public engagement that is expected.

Significance and Engagement policies must include:

- // criteria or procedures used to assess what matters are significant or not,
- // the form of consultation to be undertaken in light of community preferences about engagement on specific matters,
- // how the local authority will engage with communities on other matters, and
- // a description of any assets considered by the local authority to be strategic assets.

The Significance and Engagement Policy creates a framework for important or significant matters that are subject to more substantive levels of engagement and consultation when compared to matters of minor concern or interest to communities.

One caveat is that when determining the level of engagement and required, councils take into account their existing knowledge of community preferences and views if, for example, a recent consultation on the same issue had recently been held.

Engaging with diverse communities

// Te whai wāhi ki ngā hapori kanorau

The principles of consultation require local authorities to take a proactive approach to engagement and consultation. The obligation, however, goes further, with section 14(b) of the LGA 2002 stating that a local authority should make itself aware of, and have regard to, the views of its communities, and when making a decision it should take account of the diversity of the community and the community's interests.

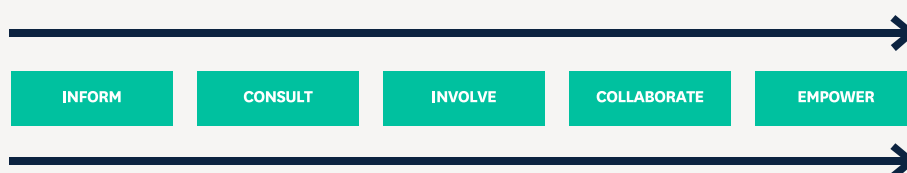
Our towns and districts are becoming increasingly diverse, a situation that is forcing councils to reconsider and review the ways in which they consult and engage, including adopting approaches that are designed to enable engagement with specific ethnic and cultural sectors. Similar challenges exist with regard to young people. Many local authorities have youth councils that can help engage with young people in your district or region.

In its report *Our Multicultural Future: New Zealanders talk about multiculturalism*, Multicultural New Zealand noted a view that community leaders talked the talk of a multicultural society but didn't walk it; noting that local government needed to do more to support, engage with and involve minority ethnic communities and to actively promote and foster cultural diversity and equal opportunities.

A framework of engagement and consultation approaches

Your council's Significance and Engagement policy sets out the form of consultation to be undertaken relative to community preferences for specific matters, given their significance.

The term engagement covers a multiple of activities each of which has a different objective. At one end of the spectrum is the objective to 'inform' which largely involves a one-way flow of information being provided to a community. At the other end of the spectrum is engagement to empower communities by engaging in two-way dialogue, giving them all the information they need to take a lead in driving decision-making.



Tools and techniques

At a minimum, the LGA 2002 requires councils to seek community views and consult with them when making decisions. It also requires councils to enable democratic participation by communities, participation which includes being actively involved in the decision-making process. Examples of this are set out below in Table 4.

Table 4 Examples of enabling participation

Title	Description	Use
Citizen Committees	<p>Also known as public advisory or liaison committees, they consist of a group of representatives from a particular community appointed to provide comments and advice on an issue.</p> <p>Generally, relevant community groups and agencies are invited to nominate as members of the committee, although people with specific skills may also be asked. Members meet regularly to provide ongoing input and advice over the duration of the project.</p>	These generally have an agreed life span and are normally organised at the local level to address a specific issue.
Citizens Juries	<p>Participants are engaged as citizens with no formal alignments or allegiances, rather than experts.</p> <p>Citizen juries use a representative sample of citizens (usually selected in a random or stratified manner) who are briefed in detail on the background and current thinking relating to a particular issue and asked to discuss possible approaches. Citizen juries are intended to complement other forms of consultation rather than replace them.</p> <p>Citizens are asked to become jurors and make a judgement in the form of a report, as they would in legal juries.</p>	<p>To consider issues that have an effect across the community and where a representative and democratic decision-making process is required.</p> <p>To involve the wider community in the decision-making process.</p> <p>To broker a conflict, or to provide a transparent and non-aligned viewpoint.</p>
Participatory Budgeting (PB)	<p>PB is a democratic process in which community members decide how to spend part of a public budget. It gives people real power over real money.</p> <p>PB is an annual cycle of engagement that is integrated into a regular budgeting process, see below.</p>	PB is revolutionary civics in action by deepening democracy, building stronger communities, and creating a more equitable distribution of public resources (New York Times).

The participatory budgeting process:



Newly elected councils should ensure that their organisation's approach to engagement and consultation is consistent with their values and preferences. If you believe that a more innovative approach should be taken, raise the matter with your chief executive and possibly seek an amendment to your Significance and Engagement Policy.

Frequently asked questions

// Ngā pātai auau

Does the council have to consult on every issue?

No. While you are required to take into account the views of affected parties you can use your judgement to decide the degree to which you need to comply given the significance or importance of the matter under consideration.

When consulting with Māori should we consult with iwi, hapū, or an urban Māori organisations?

It depends on the legislation under which the council is working at the time. The Resource Management Act requires that councils consult with iwi and hapū as mana whenua. In contrast the LGA 2002 requires to you consult with Māori, which includes both iwi and pan tribal Māori organisations.

I've been elected to make decisions, why do I need to consult?

There are two reasons. The first is that councils are governed by legislation and since 1989 councils have been required by law to consult with citizens in the process of adopting plans and budgets and in making decisions. In addition, seeking the views of residents and affected parties helps make better decisions by ensuring decision-makers are informed of all the issues before making decisions and committing the council.



Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

**COMMUNITY
ENGAGEMENT
RESOURCES FOR
COUNCILS (VICTORIAN
GOVERNMENT)**

+

AVAILABLE AT:

<https://www.esc.vic.gov.au/local-government/higher-rate-cap-applications/guidance-councils-applying-higher-cap/community-engagement-resources-councils>

**LOCAL GOVERNMENT
HUB – ENGAGEMENT
RESOURCES**

+

AVAILABLE AT:

<https://iap2.org.au/local-government-hub/>

**MAKING AOTEAROA
ACCESSIBLE – MINISTRY OF
SOCIAL DEVELOPMENT**

+

AVAILABLE FROM:

<https://msd.govt.nz/about-msd-and-our-work/work-programmes/accessibility/making-aotearoa-accessible/index.html>

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<https://www.localism.nz/localism-guide/>

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06.

Engaging with māori

// Te whai wāhi ki a ngāi māori >

Not only is it a legislative requirement, but positive relationships with iwi, hapū and Māori organisations strengthens councils' mandate to represent and govern their cities, districts and regions. The structure of iwi/Māori organisations varies considerably between areas, consequently, the way in which councils engage and consult with Māori should be appropriate for each circumstance. This includes:

- // recognising the mana that iwi Māori possess as the traditional or indigenous governors and owners of the rohe in which councils are based,
- // recognising the status of mana whenua as guaranteed under Article 2 of Te Tiriti o Waitangi, and
- // respecting the status and rights of Māori as New Zealand citizens, as guaranteed under Article 3 of Te Tiriti o Waitangi, to participate in the public life of their communities.

Principles for engaging with māori

To assist councils to engage meaningfully with Māori communities, LGNZ's Nga Matakokiri committee recommended the following principles, which are as relevant today as when adopted in 1996.

- // Consultation is most effective when the parties consulting understand, respect, and trust each other.
- // Councils should work with iwi/Māori in good faith and in the spirit of cooperation. Councils should communicate openly, transparently and honestly.
- // Understanding is more than just listening and hearing what is being said; it acknowledges where the other person is coming from, recognising the culture and history that has brought them to this point, and being prepared to accept them for who and where they are.
- // Councils should recognise and acknowledge the benefit of working with Māori and be receptive to the vision and expertise that Māori offer.
- // For councils to understand tangata whenua, regular contact and exchanges are needed, not solely in the council chamber, but at hui and other marae-based activity.
- // Adequate time needs to be set aside to allow concepts and philosophies to be tested out with all tangata whenua, not just those who are representing iwi at the meeting, and representatives will need to feel comfortable that they bring to the consultative process the views of all their members.
- // Māori decision-making is usually by consensus rather than by majority; sometimes this will involve compromise.
- // Councils should endeavour to prepare and issue discussion documents before notifying their draft plans.
- // Councils should talk with mana whenua about appropriate kawa and tikanga for their areas.

The LGA 2002 reinforces these principles and includes a requirement that councils invest in building the capacity of Māori to participate.

Te Tiriti o Waitangi and the LGA 2002

The different statutes that give councils their powers, roles and functions require that they do certain things to take account of, or have regard to, the principles of Te Tiriti. To reflect the Crown's commitment as the Treaty partner, the LGA 2002 imposes certain obligations on councils, the most important being section 4 LGA 2002, which states:

In order to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi, and to maintain and improve opportunities for Māori to contribute to local government decision-making processes, Parts 2 and 6 provide principles and requirements for local authorities that are intended to facilitate participation by Māori in local government decision-making processes.

In addition, section 81 of the LGA 2002 states that a local authority must:

- // establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority,
- // consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority, and
- // provide relevant information to Māori for the purposes of contributing to, and building capacity to contribute to, the local authority's decision-making processes.

The intent of the legislation is two-fold. First it seeks to encourage Māori (and others) to participate in democratic local processes, and second, it seeks to promote the development of meaningful relationships between councils and Iwi/Māori in their areas.

Capacity, for the purposes of the LGA 2002, is the ability of a person (or group) to participate knowledgeably in local decision-making processes. Councils will need to assess whether Māori can contribute, given their resources and their understanding of the requisite skills, tools and systems. Capacity does not imply paying Māori for submissions, but may involve some of the following:

- // training workshops on local government processes held on marae,
- // providing information in te reo Māori,
- // providing technical expertise, and
- // access to local authority resources or skill.

Other statutory obligations

A range of other statutes also place obligations on local government in relation to both the Te Tiriti, and Māori interests and values more generally as follows.

- // Under the RMA, local authorities are required to consult with Māori early in the statutory planning processes. The Act places further responsibilities on local government with regard to Treaty principles when making decisions about the environment.
- // Under the Land Transport Management Act 2003 there are specific requirements on local authorities to consult with Māori.
- // A number of Treaty settlement statutes require local authorities to engage with Māori in relation to certain areas and processes.

Duties under the LGA 2002 are to Māori as individuals and Māori organisations, whereas the emphasis in the RMA is on mana whenua, or Māori who have a traditional connection to the area in which the council's jurisdiction applies.

Māori participation arrangements and relationship agreements

// Ngā whakaaetanga mō te whai wāhi
a ngāi māori me ngā whakaaetanga
hononga

Over time councils and Māori organisations have developed a range of mechanisms to both recognise the special interests of Māori and mana whenua, and to ensure participation in local government decision-making. Examples include:

Relationship agreements

Memoranda of understanding (MoU), memoranda of partnership, charters and protocols are types of relationship agreements that can be used to guide a relationship between a local authority and a Māori group where commitments are agreed and documented.

The nature and purpose of such arrangements can vary from simply establishing a joint intent to work together to addressing resource management issues. In most cases, such agreements include a commitment to regular meetings for both parties to provide the necessary resources to work together, along with various council structures and tools to help implement the relationship.

Māori wards and constituencies

Māori wards and constituencies are the local government equivalent of the Māori seats in parliament, elected by voters registered on the Māori roll. Their creation gives effect to the commitments made to Māori by the Crown, in Te Tiriti o Waitangi.

The first position in local government elected by those on the Māori roll occurred in 2000, when parliament amended the Local Electoral Act 2001 to allow for Māori constituencies in the Bay of Plenty Regional Council.

Following further changes to the Local Electoral Act, elections for Māori wards and constituencies were held in 33 councils at the 2022 election, featuring 59 positions.

More recently parliament has moved to re-establish the community's right to hold binding polls on whether to have Māori wards and constituencies. Most councils with Māori wards and constituencies (except those established when the poll provision existed) will be hold polls at the 2025 elections to see if the ward/constituency will continue beyond 2028.

Māori ward and constituency councillors provide an additional voice for raising Māori views and aspirations in councils. They don't, however, diminish legislative requirements on councils to engage with Iwi/Māori and consider their views when making decisions.

Co-governance arrangements

It is common for Treaty settlements to establish co-governance or co-management arrangements over significant natural resources and reserve lands. Local authorities are critical to the successful implementation of these. A common role played by councils includes establishing and maintaining co-governance entities, providing technical advice for the entities, and plan development.

Treaty settlement arrangements provide valuable connectivity between iwi and local government, and opportunities to deliver mutually beneficial environmental and resource management outcomes. They are increasingly providing mechanisms for local government to work with iwi authorities to govern nationally and regionally significant natural resources: important rivers or other water bodies, reserves and parks etc.

Representative and advisory structures

Some local authorities provide for Māori representation on committees, some have formal Māori constituencies. In other cases, local authorities have in place Māori advisory committees or structures. Committees can consist of both elected and appointed members.

Membership on standing committees

Many councils have standing committees with Māori representation. Māori members can be full members with voting rights or be observers who generally have the right to speak but not vote.

Māori advisory entities

A Māori standing committee is a formal committee, set up to represent Māori interests within a district or region. Committees report to council and can have delegated power. Many provide input into council decision-making processes.

Formal agreements

Formal agreements tend to move beyond relationship agreements by setting out firmer commitments relating to specific statutory processes and decision-making. One example is the joint management agreements provided for under section 36B of the RMA.

Joint entities

Treaty settlements have driven the establishment of new entities that provide for local authorities and Māori to work together in statutory and decision-making processes, often in relation to a particular area or natural resource. Many of these entities provide for a 'co-governance' type approach where local authorities and Māori representatives work together on the entity, although that is not always the case.

Fora and hui

Many councils use fora and hui for the purpose of open discussion and to provide regular updates to Māori about council projects and activities, with an opportunity to provide feedback. Unlike an official committee, fora and hui are open to anyone who wishes to attend and discuss matters.

Mana Whakahono ā Rohe

Mana Whakahono ā Rohe provide an opportunity for tangata whenua and local authorities to work together on environmental issues under the Resource Management Act 1991. A Mana Whakahono ā Rohe is a binding statutory arrangement that provides for a structured relationship under the RMA between one or more iwi authorities or hapū and one or more local authorities. The intent is to improve working relationships and to enhance Māori participation in RMA resource management and decision-making processes.

See [Chapter 15](#), Resource Management Act, for more information



THE PARIS CITIZENS' ASSEMBLY – DEMOCRATISING LOCAL GOVERNMENT

Faced with what the Mayor of Paris' Commissioner for Civic Participation described as "a very tense situation with a record number of non-voters and a great distrust in society towards the institutions" the city, at the end of 2021, established a standing citizens' assembly to give citizens the opportunity to participate in shaping policy.

The citizens' assembly will consist of 100 randomly selected residents designed to reflect the Parisian population according to gender, age, place of residence and education. The aim of the assembly is to get Parisians to really participate in political decision-making in the capital. The new body is meeting monthly.

In 2017 the Scottish Government introduced the '1% framework': an ambition that at least 1% of local government budgets be determined through a Participatory Budget process by the end of 2021.

Frequently asked questions

// Ngā pātai auau

Can our council appoint an iwi representative to the governing body?

No. Governing bodies can only consist of elected members, but appointments can be made to council committees.

What is the best way of building a relationship between my council and our local iwi/hapu?

There is no single approach that works in every situation, it depends on local context. What is critical, however, is that both parties have the same expectations.

Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

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**COUNCIL-MĀORI
PARTICIPATION
ARRANGEMENTS**

Information for councils and Māori when considering their
arrangements to engage and work with each other,
June 2017

+

AVAILABLE FROM:

www.lgnz.co.nz/assets/Uploads/2daco54577/44335-LGNZ-Council-Maori-Participation-June-2017.pdf

**MAORI PERSPECTIVE ON
PUBLIC ACCOUNTABILITY**

+

AVAILABLE FROM:

<https://oag.parliament.nz/2022/maori-perspectives>



Decision-making, delegations, and the role of committees

// Te whakatau kaupapa, ngā
tautapatanga me te tūranga o ngā
komiti >

Almost everything a local authority does involves a decision, such as whether to invest in a new wastewater treatment facility or what kind of playground equipment to put in a park. When making decisions councils rely on one of two powers:

- a) The first is the general power found in the LGA 2002. The LGA 2002 gives councils the powers of a general person to achieve their purpose, which is set out in s.10 of that Act. These are largely “discretionary” powers and, when using them, members must have regard to the principles and processes set out in the LGA 2002.
- b) The second power refers to the authority given to councils from specific legislation. Many of these powers are regulatory powers, such as the power to regulate outlets selling alcohol through Local Alcohol Policies, or to limit the number of class4 gaming machines – a power derived from the Gambling Act.

Both powers are constrained by a range of checks and balances introduced by parliament, such as judicial review and, in a few cases, ministerial oversight.

Principles of decision making

In addition to ensuring that decision-making is consistent with the purpose of local government (s.10), the LGA 2002 contains several principles, most of which are designed to guide decision-making, for example. Section 14 contains nine principles intended to guide decision-making. They are summarised below:

- // that business is undertaken in a transparent, accountable, and efficient manner,
- // that local authorities understand the views and diversity of communities (relative to the significance of the decision) before making decisions,
- // that resources are used efficiently, including collaborating on shared services where savings can be identified, and
- // that local authorities take a sustainable development approach, defined as taking into account the “social, economic and cultural wellbeing of communities and maintaining and enhancing the quality of the environment” (see s.14 LGA 2002 for the full list)

The LGA 2002 requires that any conflict between these principles is resolved openly and transparently. The local authority should explain to the community how it has resolved the conflict and why it chose the option it has.

Criteria

Part 6 of the LGA 2002 sets out the requirements that apply when making decisions, such as the importance of good information and consideration of options. The extent to which these regulations apply will depend upon the significance or scale of the decision. A council's Significance and Engagement Policy is critical to informing this. See [Chapter 5](#), Engagement and Participation, for information on this policy.

The principal requirement is section 77, which reads that a local authority must, in the course of a decision-making process:

- // seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
- // assess the options in terms of their advantages and disadvantages; and
- // if any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

A decision not made in accordance with these requirements may be challenged on procedural grounds.



SUMMARY OF DECISION-MAKING REQUIREMENTS

Consideration of options: A local authority must consider the effect of a decision on those affected or with an interest in the matter and consider reasonably practicable options.

Informed decisions: Decisions should be informed by the views of the community at each stage of the process.

Proportional process: The process for making decisions and the level of consultation involved should be proportional to the significance of the decision and the matters affected by it. The significance of the matter to the community is part of assessing the appropriate level of compliance.

Inclusive process: Decision-making processes should acknowledge and take account of the diverse needs of the local community, Māori, interested parties and the reasonable needs of future generations.

Transparency: Material used in consultation processes should clearly state the issue, the decision being considered and the stage the decision is at. Decisions should be appropriately documented and information about the reasons for decisions made available.

Effectiveness and efficiency: These are key elements of good performance and are likely to be enhanced when a council has followed the consultation and decision-making principles outlined above.

Legal framework: Councils have full capacity and powers for performing their role and are subject to public law. Council decisions can be subject to judicial review by the High Court or inquiry by bodies such as the Ombudsman and the Auditor-General. Councils are required to act in accordance with the law, reasonably and fairly.

Finding the right decision-making model

// Te rapu i te tauira whakatau kaupapa tika

One of the first questions elected representatives must address after an election is how their council should structure itself for the purpose of making decisions. In particular, they must decide whether to establish committees or not, and if agreed, the:

- // terms of reference for those committees,
- // membership and whether they should be committees of the whole or not, and
- // delegations.

This discussion will often be led by the Mayor or regional Chair. Mayors are able to establish a committee structure and appoint the chairs and members of those committees, although a council can over-turn a Mayor's proposals if a majority of councillors agree. It is the council, however, that must agree to the range of delegations given to any committees, local boards, community boards or individuals (see the Guide to the LGNZ Standing Orders at www.lgnz.co.nz/learning-support/governance-guides/).

Amongst the different options available to councils are:

- // a **centralised** model with only those committees or subcommittees required by statute or good practice, such as an Audit and Risk Committee or a chief executive employment committee, and the potential for ad hoc committees to handle one-off demands, such as a review of the district plan.
- // a **decentralised** model in which committees, subcommittees and community boards are given responsibilities to either advise or make decisions on matters delegated to them, which can extend to all responsibilities except those that are the statutory responsibility of the governing body or are of a district or city-wide nature.

Council structures are often a mix of these two. Some now appoint 'portfolio holders. These are individual councillors who are expected to develop knowledge of a topical issue. In some councils this involves linking with staff and stakeholders, building up knowledge of an issue, and leading the council or a committee during debates on that issue.



(For more information see the LGNZ Guide to establishing governance and decision-making structures at www.lgnz.co.nz/learning-support/governance-guides/).

The role of committees

// Te tūranga o ngā komiti

Unlike the governing body of a council, committees can work in a less formal manner which allows in-depth discussion and debate about issues. This allows elected members to ask questions directly of staff involved in the preparation of advice and engage with stakeholder organisations and citizens themselves. It is an approach that ensures policy decisions are based on not only good information but also consider the views of interested parties from within your community.

While committees focus on more detailed matters than the governing body, they need to avoid the temptation to get involved in operational activities or duplicate the work of staff. Similarly, it is not best practice if committees are simply a first-order rubber stamping process for issues on route to final approval by the full council.

The audit and risk committee

Audit and risk management is an essential function of any governance body but not one that a governance body as a whole can easily fulfil. Local Government New Zealand (LGNZ) recommends that all councils establish a separate Audit and Risk Committee (ARC) with delegated authority and at least one qualified external member, who is preferably the chair.

The Audit and Risk committee has a different role and purpose to other council committees. Rather than being a decision maker it acts to provide assurance to councils that key risks are being identified, assessed and mitigated appropriately and that action is being taken. As such it should have a direct reporting line to the council.

To enable the committee to undertake robust consideration of a council's financial and non-financial risks, it will require some independence. Councils should consider appointing independent chairs to the committee. Amongst the responsibilities typically given to an A&R Committee are:

- // recommending to the governing body the adoption, or non-adoption, of completed financial and non-financial performance statements,
- // governance policies related to the council's financial, accounting, risk management, compliance and ethics programmes, and internal control functions,
- // accounting treatments, changes in generally accepted accounting practice, and
- // new accounting and reporting requirements.

The breadth of the Audit and Risk committee's work programme includes enterprise risk management; internal and external audit and assurance; health, safety and wellbeing; business continuity and resilience; integrity and ethics; monitoring of compliance with laws and regulations; significant projects; programmes of work and procurement focussing on the appropriate management of risk; oversight of preparation of the LTP, Annual Report, and other external financial reports required by statute.

Overall, an ARC has a critical role in providing the community with assurance that the local authority has appropriate processes in place for identifying, assessing, and responding to risks, and that it is both acting in accordance with its risk approach and that the processes themselves are operating effectively.

Delegations

// Ngā tautapatanga

Councils make lots of decisions and the governing body by itself cannot hope to hold all the information required for every decision. They need to delegate some decision-making to others. Ensuring that decisions are made at the appropriate level is vital to the efficient and effective operation of a local authority.

Local authorities' powers of delegation are described in cl.32 of Schedule 7 of the LGA 2002. Other Acts also contain powers of delegation, although these are specific to the powers in those Acts, such as the Building Act 2004. Certain decisions, however, must be exercised by the full council and cannot be delegated. These include:

- // the power to make a rate,
- // the power to make a bylaw (although local boards have the right to recommend these for their local areas),
- // the power to borrow money or purchase or dispose of assets, other than in accordance with the long-term plan,
- // the power to adopt a long-term plan, annual plan, or annual report, and
- // the power to appoint a chief executive.

Most other decisions can be delegated to committees, local or community boards and in some cases, the chief executive. Bodies with delegated decision-making powers, have the full authority of the council for the powers delegated and the council cannot usually rescind or amend a decision made by a committee in this context (see the LGNZ Guide to Standing Orders). Councils can however, change or revoke delegations at any time.

Reasons for delegating

The LGA 2002 describes the purpose of delegations as being to promote efficiency and effectiveness in the conduct of a local authority's business. Although delegations allow a local authority to devolve certain decision-making, it will ultimately retain legal responsibility for exercising any powers it has delegated. The potential reasons for delegating include:

- a) freeing up councillors so they can focus on strategic issues rather than be distracted by minor issues,
- b) allowing complex and time-consuming issues to be effectively addressed, such as a reviewing district plans, matters that are impractical for the entire governing body to handle,
- c) enabling decision-makers to build up additional knowledge and skill on important issues, such as a committee overseeing the council's infrastructure performance, or an Audit and Risk Committee,
- d) providing opportunities for elected members to debate and discuss issues in an informal setting,
- e) finding a mechanism that will allow the direct involvement of staff, and
- f) being able to appoint external experts to a council decision-making body, such as committee or sub-committee.

Ultimately, delegation is a tool for putting decision-making closer to communities and people affected by the matters under consideration while also allowing for the direct participation of those affected parties, such as iwi and hapū.

Delegating to staff

Delegating specific powers, duties or functions to staff can speed up council decisions and ensure that council meetings are not tied down by procedural and everyday administrative decisions. It also enables councils to use the technical knowledge, training and experience of staff to support its decisions.

Decisions to delegate specific powers to staff (and special committees) are made at a formal council meeting. Decisions must specify what the delegate is empowered to do. Through the chief executive and their senior managers, the council can monitor the actions of staff to ensure that they exercise their delegated authority correctly. In this way the council retains control over decision-making.

Delegating to community and local boards

A territorial authority must consider whether to delegate to a community board if the delegation would enable the community board to best fulfil its role. The advantage of delegation is to use a community board's local knowledge, networks and ability to form partnerships with local agencies and communities themselves.

Both the LGA 2002 and the Local Government (Auckland) Act 2009 have statutory requirements that require councils with local boards to consider how responsibilities should be distributed between boards and the governing body.

In the case of Auckland Council, the governing body must exercise decision-making authority when the nature of an activity is such that taking an 'Auckland-wide' approach will better promote the wellbeing of the communities across the city, taking into account the following:

- // whether the impact of the decision will extend beyond a single board area,
- // whether effective decision-making will need to be aligned or integrated with other decisions that are the responsibility of the decision-making body, and
- // whether the benefits of a consistent or coordinated approach outweigh the benefits of reflecting the diverse needs and preferences of the communities within local board areas.

The Auckland approach assumes that services will generally be the responsibility of local boards unless there are good reasons for decisions to be made on an Auckland-wide basis.

Local boards in Auckland have responsibility for a broad range of local responsibilities such as parks, libraries, community centres and other activities where the impact is local. A similar approach applies to any unitary councils that may have local boards.

Frequently asked questions

// Ngā pātai auau

Can the council change a decision made by a committee using its delegated authority?

No. Although the council remains ultimately responsible for the decisions made by the committee it cannot reverse the decision. It can, however, if it chooses, withdraw the delegation.

Is an officer's report always required when the council is making a decision?

Yes, although the level of detail in that report will be proportionate to the nature of the decision.

Can the council change its decision-making structure?

Yes. Ideally a new governing body should take some time to finalise its decision-making structure, in such cases, it is common to continue the decision-making structure of its predecessor while deciding on a new model.

Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

HOW COUNCIL DECISIONS ARE MADE

Auckland Governance Manual

+

AVAILABLE AT:

<https://governance.aucklandcouncil.govt.nz/10-how-council-decisions-are-made/how-the-council-makes-decisions/>

LOCAL GOVERNMENT DECISION-MAKING IN NEW ZEALAND

An interpretivist inquiry into influences and citizen preferences related to large capital investments, PhD thesis, Haydn Read

+

AVAILABLE AT:

https://researcharchive.vuw.ac.nz/xmlui/bitstream/handle/10063/7632/thesis_access.pdf

THE LGNZ GUIDE TO ESTABLISHING GOVERNANCE AND DECISION-MAKING MODELS

+

AVAILABLE AT:

www.lgnz.co.nz/learning-support/governance-guides/





Standing orders and meetings

// Ngā ture tū me ngā hui >

As elected members you will spend a lot of time in meetings, as this is where most decisions are made. In the world of local government, the word 'meeting' has a specific meaning that refers to gatherings that conform to rules and regulations laid down in the Local Government Act (LGA) 2002.

Meetings operate in accordance with a wide range of rules and regulations, which form the basis of each council's standing orders. Council decisions, except for those delegated to officials, can only be made at formal meetings.

Because of these formalities and structures, it is important to know how meetings work and the relevant rules and regulations that govern them. Standing orders are designed to ensure that questions are properly considered and all member who wish to have a say are heard. Understanding how they work is important if you as an elected member wish to have matters placed on a council or committee agenda.

Standing orders provide a formal and disciplined framework within which to debate motions, in a manner that ensures no single member can dominate proceedings. For some matters, however, a less formal environment is best, particularly where no specific motion is on the table and members need an open-ended discussion.



Many chairs use formal standing orders only as a last resort. A common approach is to run meetings on a consensus basis, resorting to formal meeting procedures only when faced with difficult issues, especially where members may have strong opinions and it is necessary to ensure all are able to take part in the discussion.

Each council must adopt standing orders

// Me mātua whakaū ngā kaunihera katoa i ngā ture tū

The LGA 2002 requires each council to adopt a set of standing orders. These apply to meetings of the governing body and any subordinate bodies, such as committees and subcommittees. Local and community boards must also adopt standing orders; they can either use those of the local authority or design their own. A community board version of standing orders is available from LGNZ.

Councils must make copies of their standing orders available to elected members and the public; most do so by publishing them on their website.

Standing orders provide the basis for the orderly conduct of meetings. They contain rules defining the rights of members to address meetings and contribute to debate. Standing orders combine legislative requirements and procedures for the implementing those requirements. They must not contravene the provisions of any statute.

Councils can decide to amend or suspend any part of their standing orders on the vote of three-quarters of the members present.

Please note: The Local Government Systems Improvement Bill which received its first reading in July 2025, if enacted, will require Standards NZ to prepare a set of standing orders that all councils and community/local boards will be required to adopt, regardless of local circumstances.

Types of meetings

// Ngā momo hui

The law defines three types of council meeting: ordinary, extraordinary and emergency meetings.

Ordinary meetings

These are the regular meetings of the council. Councillors must be given notice of the time and place of the meeting not less than 10 working days before the meeting. Councils may adopt advance schedules of ordinary meetings and in this case, notice must be given not less than 10 working days before the first meeting in the schedule.

Ordinary meetings of the governing body or committee of the whole are normally held at four-weekly or six-weekly intervals. Between these meetings many councils hold committee meetings at which much of the mahi or work of a local authority is done.

Extraordinary meetings

This is generally a meeting called that is not in the schedule of meetings and is called at short notice; particularly if an unexpected issue or problem has arisen and an urgent decision needs to be made. An extraordinary meeting can be called by:

- // resolution of the council committee or board,
- // the Mayor or Chair making a request in writing to the chief executive, who may call an extraordinary meeting if the Mayor or Chair are absent, or
- // not less than one third of the members making a request in writing to the chief executive.

The law requires that each member be given notice of an extraordinary meeting at least three working days before the meeting date or not less than 24 hours before it, if there is a council resolution to this effect.

Emergency meetings

If the business to be dealt with requires a meeting to be held sooner than is allowed by the notice requirements for holding an extraordinary meeting, and it is not practicable to call the meeting by resolution, an emergency meeting may be called. The notice of the time and place of an emergency meeting and of the matters to be discussed must be given by the person calling the meeting (the chair or chief executive) or someone acting on their behalf, at least 24 hours before the meeting time.

Getting items on a meeting agenda

// Te whakauru i ngā take ki te rārangi take o te hui

A challenge that is especially acute for new elected members is how to get a matter onto their council or committee agenda, as if the matter is not on an agenda it can be discussed and no decision about it made.

An agenda is ultimately the responsibility of the chair of the meeting and the chief executive, with the collation of the agenda and its contents sitting with the chief executive's control. Consequently, if a member wants a new matter discussed at a meeting, they should give the chair early notice, as the matter may require the chief executive to prepare an accompanying report.

Matters may be placed on the agenda by the following means:

- /01.** By a direct request to the chair of the meeting, chief executive, or an officer with the relevant delegated responsibility.
- /02.** By asking the chair to include the item in their report, noting that the matter might require a staff report if it involves a decision.
- /03.** By the report of a committee. Committees are a mechanism for citizens, or elected members, to raise issues for council consideration. A committee can make recommendations to the governing body.
- /04.** Through a local or community board report. Community boards can raise matters relevant to their specific community for consideration by the governing body. A councillor could approach a community board to get their support on a local issue.
- /05.** Through a Notice of Motion (NOM). See Standing Order 27.1 in the LGNZ standing orders template for more detail. A NOM must still comply with the decision-making provisions of Part 6 LGA 2002 before it can be considered. Generally, a NOM should seek a meeting's agreement that the Chief executive prepare a report on the issue of concern to the mover.

Where a matter is urgent but has not been placed on an agenda, it may be brought before a meeting as an 'extraordinary business' item via a report by the chief executive or the chair. This process gives effect to section 46A (7) and (7A) of the Local Government Official Information and Meetings Act (LGOIMA) 1987.

Please note: the topic of any request, must fall within the terms of reference, or the scope of delegations, given to the meeting or relevant committee, board or subsidiary body. For example, business referred to a community board should concern a matter that falls within the decision-making authority of the board.

Raising items not on the agenda

If members wish to consider an item that is not on the agenda of a meeting, the following processes must be followed:

- // the council decides by resolution to consider the item, then
- // the chair explains to the meeting why the item is not on the agenda and why discussion of the item cannot be delayed until a later meeting.

If it is a minor matter, the item can still be presented, and the chair must again explain that the item will be discussed. However, the law determines that no resolution, decision or recommendation can be made except to refer the matter to a subsequent meeting for further discussion.



Meetings are designed to be public and are a critical aspect of our system of local democracy. Public access is vital for transparency and accountability to the communities that elected members represent.

Attendance from the public and media

Members of the public and media have a right to attend all meetings unless all or part of the meeting is held under the 'public excluded' rule. The rules for excluding the public are very specific and prescribed in the LGOIMA.

Copies of agendas and associated reports must be publicly available for inspection to any member of the public and media, at least two working days before the meeting and be available at the meeting. An exception is made for extraordinary meetings.

Many councils give the media advance copies of order papers and reports and waive any charges for specialist reports. Increasingly, councils are now broadcasting their meetings online.

Some councils set aside time at the beginning of their meetings for a 'public forum' when members of the public can speak. More information on whether to provide this and how to make it work effectively, can be found in your standing orders.

Participating in meetings by electronic means

Local authorities can allow members to participate in meetings online or via phone. This can reduce travel requirements for councillors in large jurisdictions and facilitates participation for councillors when travelling.

If a council wishes to allow members to join remotely, then provision must be made in its standing orders. The LGNZ Standing Orders template contains the relevant provisions. Please note that members joining by audio/visual means can now be counted as part of a meeting's quorum.

Conduct at meetings

// Ngā whanonga i ngā hui

Members are also expected to meet a 'standard of conduct' at meetings, to maintain community expectations of professionalism, inclusivity and respect for one another.

Standards of address and debate

The chair has responsibility for maintaining order at meetings, but all councillors must take personal responsibility for maintaining acceptable standards. This includes allowing others to speak without disturbance, being respectful of others and avoiding offensive language.

An elected member may be asked to retract remarks or apologise if offensive language is used. A meeting can pass a resolution against any member who fails to do so or fails to stop creating a disturbance. This will be recorded in the minutes and may be accompanied by an order from the chair for the member to leave the meeting.

Where disturbances continue, provisions may allow the chair to suspend the meeting for a period. This might be followed by a vote, without debate, on whether the meeting should proceed or be adjourned.



Meeting rules and procedures

// Ngā ture me ngā tukanga o ngā hui

Rules that apply to meetings are found in the LGOIMA and the LGA 2002. These form the basis of your council's standing orders.

Duration

Individual councils may provide time limits on the length of meetings and lateness of meeting completion times, in their standing orders. Unless the council has resolved otherwise, no meeting may last for more than six hours or go beyond 10.30 p.m. Any business on the agenda not dealt with within that time is listed on the agenda for the next meeting.

Quorum

A meeting cannot occur without a quorum of members present. In the case of the governing body a quorum is either:

- // half of the members, where the number of members (including vacancies) is even, or
- // a majority of the members, where the number of members (including vacancies) is odd.

A committee meeting must have a quorum of at least two committee members. At least one of these (except in the case of a subcommittee) must be an elected member of the council. The quorum for joint committees will be set out in each committees' terms of reference.

Any member with a pecuniary interest in a matter under discussion is prohibited from participating in any discussion or voting on that contract and may have to leave the room while that matter is discussed; this can have an impact on the quorum. See the [chapter 3](#), Legal rights and obligations for more information on pecuniary interests.

The order paper

Apart from its first meeting agenda, legislation leaves councils free to determine their own 'order of business'. They usually adopt a consistent order of business from one ordinary meeting to another. The chief executive, on behalf of the chair, is responsible for preparing the agenda for meetings in consultation with the relevant chair.

The order paper lists the items of business and is distributed to members before the meeting. At the meeting the business is dealt with in the order set out in the agenda unless the chair gives precedence to a particular item. If there is any business from which the public is excluded, it is usually dealt with at the end of the meeting.

Rules of debate

// Ngā ture tautohe

The chair (or elected deputy) as the presiding member, is responsible for ensuring that the meeting follows standing orders. Typically, standing orders provide for the following:

- // Each person wishing to speak should raise a hand or otherwise signal their intention to the chair (the chair will then recognise the speaker, giving them permission to speak).
- // A person who speaks before they are given permission can be ruled out of order.
- // A chair will usually ensure that each councillor who wishes to speak on an issue will have an opportunity to do so.
- // Speakers rise when they speak unless the chair indicates that this procedure will not be followed.
- // Speakers must address all comments through the chair and should speak directly on the issue or motion under debate.
- // Speakers must refrain from personal attack or using defamatory language
- // Speakers should be heard in silence without interjection or discussion amongst other councillors.
- // If the chair stands, it is a signal for silence.

Please note: currently, these provisions can vary between councils so check your own council's standing orders, however this may change once the LG Systems Improvement Bill is enacted.

Motions and resolutions

Local authorities make decisions through formal motions that are tabled, discussed, and voted on. Rules governing the process enable the orderly conduct of meetings and help those present arrive at an agreed outcome.

A 'motion' is a proposal put before a meeting for consideration and discussion. Motions are used to deal with every item of business and a chair will request a motion very soon after an issue is raised. Once a motion is before the meeting, all discussion is confined to the motion.

Motions and resolutions should:

- // relate to the business of the meeting,
- // meet the requirements of the law and standing orders and not be defamatory or offensive,
- // be clear statements free from ambiguity, and
- // be expressed in a positive way.

The motion is introduced and stated by the mover and seconded (supported), by another person. Every motion should be seconded unless the standing orders provide otherwise. Currently, this process may vary in its formality depending on the option adopted by each council.

The chair will typically provide the opportunity for discussion once for each speaker, except for the mover who may speak both in moving the motion and in reply at the end of the debate. Speakers may be ruled out of order if their points are not relevant to the motion. At the end of discussion, the chair or committee secretary will normally restate the motion and call for a vote. This may be by voice or show of hands.

Motions can also be amended. When an amendment is carried, it becomes a substantive part of the motion. Any members who have not moved or seconded the motion, or the amendments to it, may move and second further amendments. See your council's standing orders for details.

Notice of motion

Members can give notice of their intention to move a motion. The motion must be put in writing and included on the order paper. Notices of motion are designed to seek the support of a majority of members to put an item on the agenda or make a non-significant decision. Because decisions must comply with the provisions of Part 6 of the LGA 2002, most notices of motion request that the chief executive prepare a report on a topical issue.

Procedural motions

Procedural motions exist to enable members who have not spoken, to terminate or adjourn debate but not to interrupt a member speaking. If seconded, a procedural motion is put to the vote immediately. Procedural motions are not debated like other motions, and they take priority over other business.

Points of order

Any member believing standing orders have been breached may raise a point of order by interrupting debate with the words “point of order, chair”. The member interrupted must stop speaking and the member raising the point of order must state the point of order without further explanation. The chair’s ruling on the point of order is final and not open to discussion.



Voting at meetings

// Te pōti i ngā hui

The chair, in putting the motion, calls for an expression of opinion on the voices or takes a show of hands. Once the council's opinion has been ascertained, the chair announces whether a motion has been carried or defeated. Any member can request that their vote against a motion be recorded in the minutes.

Everyone present at the meeting must be able to see (or hear) how individual councillors' vote: secret ballot voting is not allowed. Any member may abstain from voting and may request the abstention be recorded in the minutes.³ If the result of a vote is unclear, members may immediately ask the chair to call a 'division'. Alternatively, any member may call for a division immediately the chair has declared the result of a vote.

When a division is called, the principal administrative officer will take down the names of the members voting yes and no respectively and hand the list to the chair, who will declare the result. How members voted will be recorded in the minutes.

Minutes

// Ngā meneti

Minutes are the official record of a meeting. Members often have quite different expectations about the level of detail that the minutes of meetings should contain. Ultimately is a council decision and should be agreed at the start of a term, noting that the more detail required, the greater the cost.

Minutes are approved at the next meeting and signed by the chair becoming the legal evidence of the proceedings. Minutes usually contain:

- // the time the meeting opened and closed, the date, place and nature of the meeting,
- // the names of councillor attending, those who have leave of absence or who have given an apology and the arrival and departure times of councillor who arrive or leave during the meeting,
- // a record of every resolution, motion, amendment, order or other proceeding of the meeting and whether they were passed or not,
- // the outcome of any vote taken, and
- // the names of members voting for or against a motion when requested or after a division is called.

³ Some councils, possibly due to the nature of their electronic voting systems, do not allow members to abstain.

Frequently asked questions

// Ngā pātai auau

What do I do if I think I have a conflict of interest regarding an item on the agenda?

This is not uncommon. If you believe that you might have a conflict of interest, actual or perceived, you should let the chief executive or chair know at the start of the meeting. Depending upon your degree of interest, you may be asked to stand back from the table and take no part in the debate or decision.

You may also wish to make a public declaration of your interest before any discussion of the item begins and take no part in the discussion or voting. This will be recorded in the minutes for audit purposes. Some councillors then choose to withdraw from the meeting during discussion of items they have declared an interest in. It is best practice to do so.

Does the quorum have to be present for the full meeting or only at the start?

The quorum must be present for the full meeting. As soon as the number of elected members drops below the required quorum the business of the meeting cannot continue. See your standing orders for more details.

Do I have to vote, or can I abstain?

Elected members can abstain from voting if they choose, however some councils have electronic voting systems that are programmed not to allow abstentions.

Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

**CONTROLLER AND
AUDITOR-GENERAL
(2004)**

+

CONFLICTS OF INTEREST:

A guide to the Local Authorities (Members' Interests)
Act 1968

**LGNZ GUIDE TO
STANDING ORDERS**

+

AVAILABLE FROM:

www.lgnz.co.nz/learning-support/governance-guides/



Stewardship: looking after your community's assets

// Te kaitiakitanga: te tiaki i ngā rawa
ā-hapori >

Because councils own a significant share of New Zealand's essential infrastructure (approximately \$170 billion), the legislation under which councils work gives considerable weight to sound infrastructure management. Good infrastructure management not only contributes to the wellbeing of the current generation, it is also essential for the well-being of generations yet to come.

As elected members it is your responsibility to ensure infrastructure assets are being properly looked after and that provision is made for future investment and potential growth.

Critical to this is the quality of asset management plans, annual reporting and financial strategies. This chapter covers those topics and should be read alongside [Chapter 10](#) The long-term plan and [Chapter 11](#), Financial management and funding.

What are infrastructure assets?

// He aha ngā rawa tūāhanga?

A large part of a council's operational expenditure and most of its capital expenditure will be spent on its 'network infrastructure'; infrastructure that serves communities and must be maintained indefinitely, to a specified 'level of service'.

The network infrastructure local government is most commonly responsible for includes:

- // **transportation** - roads, footpaths, flood banks, airports and ports,
- // **water** - drinking water supply, wastewater, stormwater and land drainage,
- // **communication** – broadband and telecoms,
- // **solid waste**, and
- // **community infrastructure** - parks, leisure, libraries, education, health, housing.

Levels of service

// Ngā taumata ratonga

A level of service is the defined characteristic of a particular activity, service area or asset against which performance can be measured. Investment and renewal decisions are made to achieve and maintain a particular level of service.

By setting and communicating levels of service, a council provides certainty to its communities around what they can expect to receive. Levels of service can also assist with planning and decision-making. In some cases, they are determined by legislation. When determining levels of service councils should consider:

- // customer expectations and willingness to pay,
- // legislative and regulatory requirements,
- // the minimum needs of the asset,
- // council's strategic and corporate goals,
- // financial constraints, and
- // balance of customer and technical criteria, for example, setting customer measures such as a "maximum number of complaints of insufficient water pressure to undertake normal household tasks."

Table 5 'Infrastructure financing options' outlines a commonly used approach for showing the inter-relationship between levels of service, measures and targets, and the distinction between customer targets and technical measures.



THE CHALLENGES FACING INFRASTRUCTURE DECISION-MAKERS

- // The scale of spending, complexity of financing and the financial risk of failure.
- // The inter-generational nature of infrastructure; planning for the needs of future generations may mean foregoing immediate consumption.
- // The level of complexity, often resulting in a greater dependency on external advice and the increased use of specialists.
- // Quantifying benefits and making trade-offs between immediate or delayed gratification e.g. events or drains.

Your role in levels of service

Elected members must understand the risk that an asset may fail to deliver the agreed level of service and be confident their organisation is monitoring and reporting on assets, relative to such risks.

Some key questions for members are:

- // Do the levels of service align to community outcomes?
- // Have levels of service been documented for each council activity?
- // Do the levels of service relate to the activity, not just the assets used by that activity?
- // Are the levels of service based on specific customer consultation or are they assumed?
- // Is there a council-wide approach to how these are agreed with users or customers?
- // Is council ensuring the levels of service cover all aspects of the service or activity?

Asset management – what members need to know

// Te whakahaere rawa – ngā mea me mōhio e ngā mema

Internal systems for asset management are critical when it comes to a council's planning as the state of assets has a significant influence on finances. Good management is crucial so that:

- // underlying financial assumptions made by staff (staff) are clearly understood,
- // future demand and the consequences of not planning for it are clear,
- // the link is made between the council's strategy and the performance required of its assets,
- // the council can maintain agreed levels of service,
- // councillors receive a high-level indication of the financial implications of the projects required to maintain levels of service, and
- // the risks associated with managing assets, and the extent of any required mitigation is understood.

Key elements

Good asset management takes a life-cycle approach, with defined levels of service, ongoing performance monitoring, and cost-effective management strategies over the long-term. It requires an ongoing cycle of planning, creating, operating, maintaining, replacing, rehabilitating and disposing of assets. The purpose of the cycle is to deliver agreed levels of service for the lifetime of the asset.

Key elements are:

- // supporting growth through demand management and investment,
- // managing risks associated with asset failure,
- // ensuring sustainable use of physical resources, and
- // showing continuous improvement in asset management practices.

Risk and resilience in asset management planning

Risk involves anything that might prevent or constrain a council from achieving its objectives. As major asset owners, local authorities need an agreed approach to risk. This involves understanding the nature of the risks faced, and the nature and efficacy of plans designed to manage them.

Councils can minimise risk by keeping an up to date 'risk register' and having a properly constituted Audit and Risk Committee.

If network infrastructure is to operate and provide essential services it needs to be resilient. Councils should perform a risk analysis of all their key infrastructure systems, so they can take a well-informed and comprehensive approach to achieving resilience. Consider the following four steps.

- // Understand the risks** - councils should perform in-depth risk analysis for all key infrastructure systems, assessing a full range of hazards and severity of risk, using root-cause analysis.
- // Select key projects to reduce risk** - identify mitigation actions and the feasibility of implementation to understand functional benefits, costs and impacts.
- // Seek funding opportunities for mitigation** - for those that can demonstrably mitigate risk, check to see whether government programmes provide any funding opportunities.
- // Accept that achieving resilience is a continuous learning process** - reducing infrastructure risk requires ongoing initiatives to refine and adjust mitigations as hazards are variable and technologies are evolving.



Councils should have conversations with their communities to determine what infrastructure is essential and should to be reinstated first in a disaster.

It is this infrastructure that should attract priority attention today.

Asset management plans

// Ngā mahere whakahaere rawa

Council must prepare Asset Management Plans (AMPs) to ensure their long-term financial forecasts are based on robust information and provide certainty about levels of service. The benefits of good AMPs include:

- // a more accurate understanding of a council's current and future financial viability,
- // improved accountability over the use of public resources,
- // improved understanding of the actual costs of agreed levels of service, today and in the future, and
- // assets that are better able to meet the requirements of their users.

AMPs are the key planning documents for providing the financial information that will inform the Long-term Plan (LTP) (see [Chapter 10](#) The long-term plan).

An effective LTP must have accurate and up-to-date information on the state of a council's infrastructure as the quality of the financial information in LTPs, and decisions about borrowing and investment, is dependent on it.

AMPs manage a council's infrastructure and other assets so that the organisation can achieve its strategic goals. They detail:

- // the levels of service each asset is expected to provide,
- // the required level of service against which performance will be judged,
- // policies, procedures and timetables necessary to achieve the cost-effective creation, acquisition, maintenance and operation, rehabilitation and disposal of assets, including future demands,
- // financial cash flow projections, and
- // scheduled capital, renewal and operation expenditure necessary to maintain required service levels.

Key questions for elected members to ask


Elected members will need to make decisions about the level of service required of each asset class. Level of service discussions will normally occur in the year before adopting the LTP as the defined levels will drive the financial strategy of each council. Seek assurance through the chief executive, regarding the completeness and quality of their asset management plans.

Integrating asset management and financial strategies

Asset management strategies must align with financial strategies if councils are to achieve effective and integrated infrastructure strategies. It requires:

- // good information about the condition and performance of assets,
- // the integration of that information with financial and service delivery decisions and risk management, and
- // an optimised decision-making approach to drive spending on maintenance and renewals.

The task was emphasised in the Office of the Auditor General's (OAG) 2014 report on water and roads. Key points were that local authorities cannot separate decisions about their assets and service delivery from considerations about funding sources and timing. Intentions need to be matched with revenue and financing policies and funding tools, which in turn, are based on information about assets and service delivery.



Questions for elected members

- // How resilient is our infrastructure?
- // Will council infrastructure services remain the most viable, cost effective, affordable option for our smaller and declining communities? Should we even assume some of these communities will exist in 30 years?
- // If the long-term cost of service is 'unaffordable', what are our options – exit, cross-subsidise, etc.? Do we know what 'unaffordable' is for our communities?
- // Should we assume our existing institutional structures are the best for managing infrastructure over the 30-year period?
- // Do we really know enough about the expected lifecycles of our assets to produce reliable long-term forecasts? If not, what more do we need to do?
- // Are asset management plans prepared according to best practice? Councillors may wish to seek information on whether the process is subject to peer review and by whom.
- // Will there be sufficient funds in future to ensure that the levels of services will be maintained?
- // Are the assumptions underpinning our asset management plans, infrastructure strategy and long-term plan sound and realistic?
- // What are our assumptions about key funding agencies (for example, NZTA) and regulators? Have we adequately engaged with them to understand the 'most likely scenario' from their perspective?

(Office of the Auditor General 2014).

30-year infrastructure strategies

// Ngā rautaki tūāhanga 30 tau

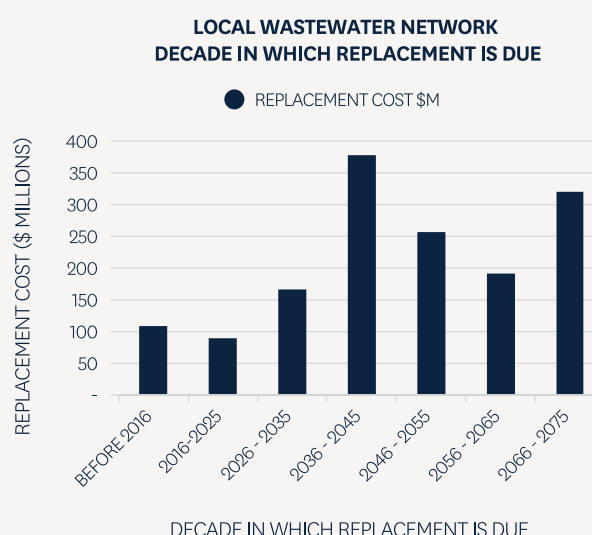
In 2014 Parliament amended the LGA 2002 to require councils to develop 30-year infrastructure strategies which would identify significant infrastructure issues, the principal options for managing those issues and the implications of those options.

A council's infrastructure strategy should outline how each local authority intends to manage its assets taking into account the need to:

- // renew or replace existing assets,
- // respond to growth or a decline in demand for services reliant on those assets,
- // allow for planned increases or decreases in levels of service provided,
- // maintain or improve public health and environmental outcomes or mitigate adverse effects on them, and
- // provide for the resilience of assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.

Figure 7 provides an example of what a good infrastructure strategy will include. The graphic outlines what the expected costs of replacing this council's wastewater network will be over the coming 60 years and approximately when these costs will be incurred.

Figure 7 Extract from a 30-year infrastructure strategy



In their reflections on the audit of council's 2021 – 2031 LTPs, OAG recommended that infrastructure strategies should:

- // tell the story about where councils are, where they expect to be and how they intend to get there,
- // include relevant assumptions and disclosures of funding, data, risks and delivery, and
- // create the right debate and be credible by connecting with financial strategies, demographic change and other relevant influences.

Financing infrastructure

// Ngā pūtea tūāhanga

New Zealand councils have access to a range of financing instruments that can be used for building new infrastructure or funding renewals as shown below in Table 5.

Table 5 Infrastructure financing options

Mechanism	Variations	Description	Applicability
Borrowing	// Commercial banks // Regional infrastructure bank // Local Government Funding Agency (LGFA)	Allows the cost to be spread over the lifetime of the asset. Could be funded by general rate, targeted rate or development contribution. External ratings can reduce borrowing costs.	Since 1996 councils have broad discretion over borrowing with risk managed by lenders. New fiscal benchmarks with debt servicing thresholds (despite being with non-binding) may limit use of this mechanism for some.
Specific purpose bonds	// Designed to fund specific projects // May be repaid by a targeted rate or hypothecated charge e.g. development contributions	Similar to borrowing but link between financing and infrastructure project is more visible and transparent.	Limited use so far by councils. May also be affected by the debt servicing threshold.
Development charges (contributions)		Ensures the cost of growth is not a burden on existing ratepayers and can contribute to more efficient development patterns.	Makes an important contribution towards paying for the cost of growth in a number of councils. Recent LGA 2002 changes should limit the amount available to pay for new infrastructure.
Local taxes (Pay as You Go)	// General or targeted rates	Infrastructure projects funded as part of a council's annual operational expenditure.	Some councils make use of this operational expenditure to fund infrastructure however it is less dependable than borrowing as over time budgets can be re-prioritised.

Public Private partnerships (P3s)	//	Design, Build, Finance, Maintain (UK Public Finance Initiative)	Capital costs can be met by private sector and can improve efficiency and effectiveness with risks carried by the private sector or shared. However public agencies wishing to use P3s must be able to specify outcomes and desired levels of service and be confident that these will apply for the length of the partnership – usually around 25 years.	Historically PPPs have been used by a few councils to finance wastewater projects, however, between 2002 and 2010 this was essentially ruled out due to legislative change. Also used for development of stadia, for example, the Vector Arena.
	//	Design, Build, Own, Operate, Transfer (BOOT)		
	//	Design, Build, Operate, Transfer (DBOT)		
	//	Build, Operate, Transfer (BOT)		
	//	Design, Build		
	//	Private Contract Fee Service (Operate and Maintain)		
Private infrastructure provision	//	Full privatisation	Changes in technology and community value mean that over time some forms of infrastructure may not need to be publicly owned and operated e.g. Wellington City Council privatised its parking buildings after a review examining the rationale for undertaking the service.	The case for local public ownership tends to be stronger for services which are natural monopolies. S.17A of the LGA 2002 now requires that councils regularly review the cost effectiveness of arrangements for providing services.
	//	Contracting out the operation of a facility etc		
Franchising/ concessions	//	Capped charges	Private sector leases right to operate, maintain and charge of an infrastructure network.	Possibly the only example so far has been the former Papakura District's franchising of its water services. This was ruled out between 2002 and 20120 due to legislative changes.
	//	Fee for service		
	//	Regulatory agency		
Government Grants	//	Tied	Government can provide capital grants to assist local governments develop new or upgraded infrastructural services. Councils can struggle to meet the cost of operation and depreciation.	For example, the Sanitary Wastewater Scheme which assisted councils in low socio-economic communities to upgrade waste water treatment plants.
	//	Untied		

The Coalition Government has committed to new funding tools, including city and regional deals, GST sharing on new housing, and a Regional Infrastructure Fund.

Delivering services

// Te tuku ratonga

Service delivery roles involved in managing assets include professional services, maintenance, construction, general operations and services, and the provision of materials. Your council will be directly involved in a number of these roles, but some may be done by other agencies and in other ways.

Determining how activity is undertaken is primarily the responsibility of council officials; however, councils can set policies and indicate preferences for example, a 'buy local' policy or stated commitment to social procurements. Through these, councillors make it clear that purchasing decisions should not be made on simply a 'least cost' basis and that broader objectives need to be considered. Service delivery options available to councils include:

- // **Internal delivery** - service delivery provided entirely by an internal business unit. This option may be chosen due to a lack of external providers, a desire to promote local employment, or a lack of trust in external options.
- // **Shared services** - where two or more councils are providing the same or similar services, and economies of scale make the joint management or operation an effective choice. An example is Wellington Water, where the four urban territorial councils and Greater Wellington have established a Council-controlled Organisation (CCO) to run their drinking water, stormwater and wastewater services. Shared services can be delivered through a joint committee model or through a CCO. (For more information see [Chapter 16](#) Council Controlled Organisations)
- // **Schedule of rates contracting** - this occurs where part of a service delivery function, such as maintenance, is contracted to a private sector agency and compensated on a tendered unit rate basis. In this model the majority of risk usually stays with the owner.
- // **Lump sum** - in this approach a contractor is prepared to take quantity and pricing risk. The contract specifies performance but leaves it up to the contractor to determine how the outcome will be achieved.

// **Partnering/alliance** - policy, strategy and service lead development are provided by the asset manager or owner, with planning and budgeting a shared responsibility between contractor and owner, within the confined of the agreed service levels. These contracts tend to run for 3-15 years.

// **Public private partnerships** - these occur where a private organisation or consortium contracts with an owner to maintain assets to an agreed service level for an annual fee. The contract period is often up-to 30 years and selected because risk is borne by the private sector organisation delivering the service.

It is good practice to regularly review the way in which services are provided to ensure that the way in which they are delivered is consistent with the council's values, especially responsive to community preferences and providing value for money.

Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

**OAG (2014). WATER AND
ROADS: FUNDING AND
MANAGEMENT STRATEGIES**

+

AVAILABLE FROM:

www.oag.govt.nz/2014/assets/docs/water-and-roads.pdf

**OAG (2021) REFLECTIONS
ON THE AUDIT OF
COUNCILS 2021-31
LONG-TERM PLANS**

+

AVAILABLE FROM:

www.oag.parliament.nz/2022/ltps/part3.htm

**PRODUCTIVITY
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**FUNDING AND
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2024**

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https://d1pepq1a2249p5.cloudfront.net/media/documents/Funding_and_financing_tools.pdf

10.

The long-term plan and annual plan

// Te mahere pae tawhiti me te mahere
ā-tau >

The Long-term Plan (LTP) is by far the most significant planning and decision-making process for elected members. It sets the council work programme and how it will be funded for at least the next 10 years.

This is where members and councils enter into an agreement with their communities about what it is they will focus on, and deliver, over their three-year period of election. It is this agreement that will be reviewed annually and your performance judged against what is in it and how it is delivered.

It is a legal requirement for local authorities to have an LTP and to prepare it in the middle year of the local government electoral cycle. At the time of writing the next LTP was due for adoption by 30 June 2027. Although it is reviewed every three years and can be amended, it ultimately sets your council agenda for the coming term.

// Long-term planning is a process; the major output being the LTP, produced once every three years. It is an ongoing process despite the peak in activity that occurs in the middle year of the triennium.

// The **Long-term Plan** provides the basis for the annual planning and reporting your local authority does. The financial and non-financial targets in these annual documents come from the LTP. You and your staff will be using the information in the plan as the basis for ongoing performance monitoring and corrective action.

The purpose of the LTP is set out in section 93 of LGA 2002. It is to:

- //** *describe the activities of your local authority* – setting out what services and facilities are provided,
- //** *set out the community outcomes* – the objectives your council is working towards,
- //** *provide integrated decision-making and coordination* – enabling your local authority to marshal its resources to achieve its objectives,
- //** *provide a long-term focus for the decisions and activities of your local authority* – the plan's 10-year timeframe should shift attention away from a single-minded focus on the annual rate requirement, and
- //** *provide a basis for the accountability of the local authority to the community* – it is your contract to your community.

The LTP should help the public understand why your local authority has made the decisions it has, including the alternatives. Most importantly, it provides communities with a level of certainty about the future, helping them plan and make investment decisions. It is to ensure the community is better-informed.

The LTP has grown in importance with the Government's decision to remove mandatory consultation on annual plans. Some communities will find that they now have only one opportunity every three years to have a say on what their council does and how it pays for its services.

Levels of service

Levels of service are those aspects of your services that contribute to the outcomes that the council has adopted to achieve its purpose. They should be expressed in tangible terms, such as the intended degree of road smoothness on your roading network or the expected grass height in your sportsgrounds. Other useful ways of thinking about levels of service include:

- //** What is it about the activity that provides value to the community?
- //** How do the users experience the service?

Understanding the role levels of service play is important in determining the cost of the service, and how they will be paid for, as this will have a direct impact on rates and prices. They are directly related to performance measures, discussed in [Chapter 13](#) on assessing performance.

The role of elected members in the LTP

// Te tūranga o ngā mema pōti i te mahere pae tawhiti

The LTP is the result of a significant number of service delivery, policy and financial decisions. The long-term planning process is a councillor's main opportunity for making change.

In a territorial authority, it is the statutory role of the Mayor to lead development of the LTP, including policies and budgets for consideration by elected members. The Mayor will depend on the active involvement of councillors to participate in preparatory workshops. In regional councils, the common expectation is that the chair will fulfil a similar role to the Mayor.

The LTP will only be successful as a blueprint for the future governance if it has the active support of elected members. We strongly recommend that elected members actively participate in the early stages of developing an LTP, whether they are councillors, local board members or community board members.

Typically, management will organise workshops that enable elected members to identify issues that should be considered in developing the plan and define levels of service that council assets and activities should be meeting.

Ultimately elected members will be held to account for the content of the LTP, so ownership and buy-in are crucial to community acceptance.

The role of the public in the LTP

// Te tūranga o te marea i te mahere pae tawhiti

An effective LTP must be based on accurate information about what the community expects from the council in terms of services, the quality of those services and how they are to be paid for.

An effective LTP needs meaningful and in-depth public input throughout the process. This means working directly with existing community networks as well as setting up events and processes, such as citizens' juries, to understand what people are expecting. Seeking public input through public consultation on a draft Consultation Document is often too late.

The key to producing a good LTP is the quality of community engagement undertaken at the beginning of the LTP process, which normally starts more than eighteen months before its adoption on June 30. Early engagement helps to identify and prioritise the issues that matter to communities early in the process. If pre-consultation is done well there is less work to do once the draft plan has been published.

Putting together the long-term plan

// Te whakarite i te mahere pae tawhiti

Once adopted a LTP can be amended but it cannot be revoked. An amendment must go through a consultation process, which is often completed in conjunction with the consultation process on the annual plan. See more on annual planning below. Some decisions and actions can only be undertaken if they are explicitly provided for in a LTP or a LTP amendment. These include:

- // a significant alteration to the service levels of a significant activity, and
- // a decision to transfer ownership or control of a strategic asset to or from the local authority.

The LTP provides the opportunity for councils to engage with their communities and focus on the issues that are of greatest importance to those communities. Having the 'right debate' means ensuring important and strategic issues are not lost in the large amount of detail that plans include. To achieve this, the Office of the Auditor-General (OAG) recommends that an LTP should provide information in the following order:

/01.

Strategic and major issues.

/02.

The choices and options for addressing the issues.

/03.

The implications (financial, levels of services and effect on wellbeing) of each option.

An LTP is a document that integrates multiple council policies and plans. This is shown in graphic detail in figure 8 which shows how the separate policies and plans combine within the LTP to provide an integrated approach to governance.

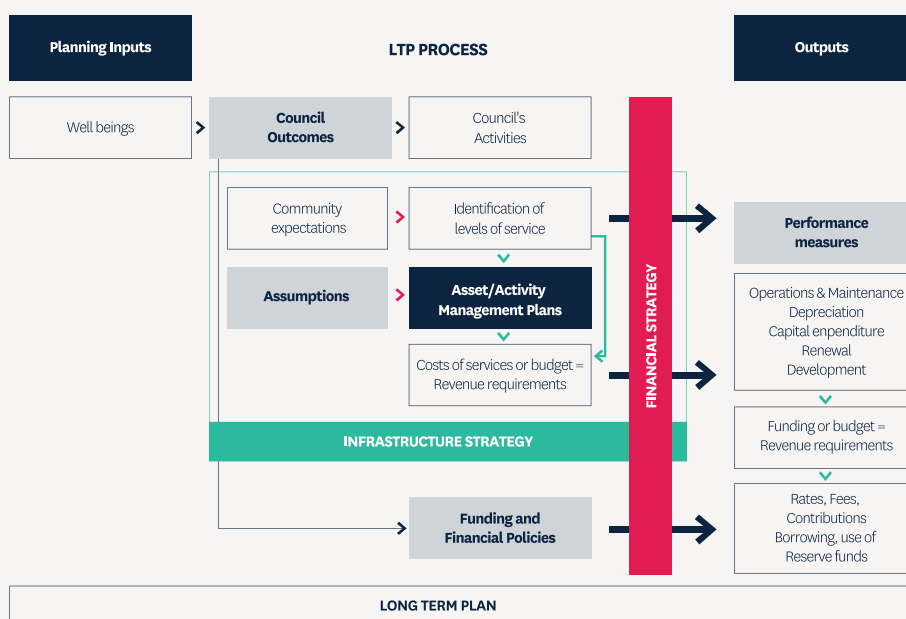
Figure 8 The elements of a long-term plan

Diagram courtesy of Philip Jones PJ & Associates

Amongst the policies and plans that you will find brought together in an LTP are:

- // Community outcomes
- // Funding and Financing policies
- // Borrowing policies
- // Asset management plans
- // Performance measures
- // Infrastructure strategy

Community outcomes

Good planning begins with knowledge of the outcomes people wish to achieve. The LGA 2002 requires that councils describe the community outcomes for their district or region and indicate which group of activities contributes primarily to which outcomes.

LTPs must describe the outcomes a council is seeking to achieve. The process for selecting outcomes is up to each council. A council may wish to consult widely and employ a collaborative process or simply workshop potential outcomes with elected members before including them in the draft LTP for consultation.

Although councils are not bound by community outcomes, they must show how their activities contribute to achieving them and report on any measurement undertaken during the year in their annual report.

Financial strategies

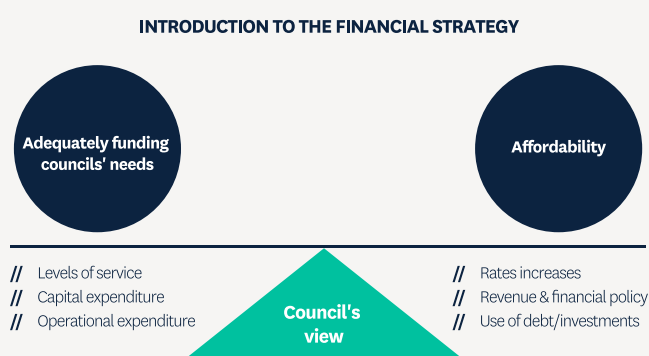
Financial strategies set the context in which councils develop their LTPs as they need to balance the levels of service desired by communities, with the state of infrastructure, as set out in the infrastructure strategy (see [Chapter 9](#) Stewardship). A financial strategy is ultimately a trade-off between the need to fund infrastructure to meet agreed levels of service, while ensuring rates and charges remain affordable and debt levels prudent.

It must state a council's quantified limits on rates, rate increases and borrowing limits, and an assessment of the council's ability to meet planned service levels within those limits. Should expected limits not be met, councils must publicly explain the reasons why.

Financial strategies are discussed in more detail in [Chapter 11](#) on financial governance.

The process involved in creating a financial strategy is set out in Figure 9.

Figure 9 The financial strategy



The consultation document

When consulting on their LTP, councils must prepare a consultation document. Its purpose is to provide an effective basis for public participation in the decision-making processes by:

- a) providing a fair representation of the matters that are proposed for inclusion in the LTP in a way that:
 - i. explains the overall objectives of the proposals, and how rates, debt, and levels of service might be affected, and
 - ii. can be readily understood by interested or affected people,
- b) identifying and explaining to the people, significant and other important issues and choices facing the local authority and district or region, and the consequences of those choices, and
- c) informing discussions between the local authority and its communities about the matters listed above (s.93B LGA 2002).

Please note that a council's Consultation Document is subject to audit. Draft and final LTPs are subject to audit by the Auditor-General against the requirements of the LGA 2002 regarding the quality of information provided, and assumptions underlying the forecast information. The auditors do not comment on the merits of any policy content but give the plans either a qualified or unqualified opinion, the latter indicating that the plan is 'fit for purpose'.

Councils are required to pay the full cost of each audit.

The annual plan

// Te mahere ā-tau

The annual plan includes the annual budget and is a link to the rate-setting process. In its first year, the financial and service level information of a LTP is also the council's annual plan. In other years, councils must prepare an annual plan that links the LTP to the annual budgeting process (including setting rates). An annual plan must include all of the following:

- // A proposed annual budget including estimated costs and revenues.
- // A funding impact statement for the coming year.
- // Forecast financial statements for the coming year.
- // Information on reserve funds.
- // Details of any changes from the information in the LTP (including the reasons for change).
- // Financial statements for the previous year.

One important feature of the LGA 2002 is that councils cannot make significant changes to their services or service levels through their annual plan; they can only do so through the LTP, or an amendment to the LTP using the special consultative procedure. This applies, for example, to proposals that would:

- // significantly alter service levels of a significant activity, including commencing or ceasing such an activity, or
- // transfer ownership or control of a strategic asset.

An annual plan can be used to amend an LTP, although it must adhere to the rules that apply to amending an LTP.

Annual plans must be adopted before the beginning of the financial year they are for: this means they must be adopted by 30 June. There is no penalty for missing the deadline, however, if the delay is too long then a council's authority to issue a rates' notice for the first quarter of the new financial year will be compromised (see s.50 of the Local Government (Rating) Act 2002.)

Consultation on annual plans

When preparing its annual plan, a local authority must consult in a manner that gives effect to the requirements of s.82 of the LGA 2002, the principles of consultation. This only applies if the proposed annual plan includes significant or material differences from the content of the LTP, for the financial year it relates to.

There is nothing, however, to stop a council consulting on the proposed annual plan even if no significant or material changes are contained in it.

The annual report

// Ngā pūrongo ā-tau

Annual reports close the 'feedback' loop with communities, reporting on what has been achieved over the course of the year, and what hasn't. Some of the key information to include is:

- // capital expenditure including the amount spent to meet additional demand, improve the level of performance and replace existing assets,
- // the Statement of Service Performance (SSP) detailing financial and non-financial performance (which must be audited),
- // Funding Impact Statements (FIS) for groups of activities, including the amount of funds produced from each source and how they were applied and levels of internal borrowing,
- // reports on the performance of council-controlled organisations, and
- // rating information, including the number of rating units.

Councils are also required to produce an Annual Report summary. This is important for transparency and accountability to your communities, as the simplified financial and performance information required in the summary, is more user-friendly than the more detailed annual report.

Annual reports must be audited and adopted by 31 October each year with the audited summary, publicly released within one month of the annual report being adopted.

Key questions

// Ngā pātai matua

Who leads the development of the LTP?

The LGA 2002 states that, in a territorial authority, the Mayor is responsible for leading the development of plans, policies and budgets. However, the Mayor cannot lead alone and will require a clear statement of direction and priorities that is supported by a majority of councillors.

How do elected members inform management of their priorities?

The process for developing an LTP starts more than a year before it is due to be adopted. It starts with collecting up-to-date information on the state of the council's assets as well as agreement on the core assumptions (like the rate of population growth) that will underpin the LTP's long-term forecasts. These will be presented to elected members for approval along with the opportunity for elected members to set directions, highlight priorities and set parameters.

Do we have to wait until the middle year of the triennium to change our LTP?

No. An LTP can be amended at other times. Some councils are elected with very different priorities to those in the current LTP and make the decision to amend the LTP it in the year following their election, as part of the annual plan. An LTP amendment is costly as the whole plan must be audited.

Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

REPORTS ON LONG-TERM PLANNING

The Office of the Auditor General has published a considerable number of reports on long-term planning, including its triennial report to Parliament. These reports provide an important resource for people wanting to identify what good long-term planning involves and how to improve performance.

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FOR MORE INFORMATION GO TO:

www.oag.govt.nz

OAG (2021) MATTERS ARISING FROM OUR AUDITS OF THE 2021 – 31 LOCAL AUTHORITY LONG-TERM PLANS

+

AVAILABLE FROM:

https://oag.parliament.nz/2022/ltps/?utm_source=subs&utm_medium=subs&utm_campaign=LTPs2022



11.

Financial management and funding

// Ngā whakahaere ahumoni me ngā
pūtea tautoko >

Local authorities are responsible to gathering public money and determining the most appropriate expenditure for that money, for the benefit of the communities they serve. To do this effectively requires well-informed and carefully considered financial management.

Local authorities are public corporations with the power to levy a variety of property taxes, charges and user fees. This power is prescribed in the Local Government (Rating) Act 2002 (the Rating Act), the LGA 2002 and other specific statutes that have their own charging regimes. In addition, the LGA 2002 sets out the accountability framework that councils must comply with before employing the funding tools contained in the Rating Act.

These processes are broadly described as financial management or financial governance and are outlined in this chapter.

Financial governance

// Te kāwana ā-ahumoni

The LGA 2002 contains several principles and requirements that determine the framework for financial governance. When followed, they ensure that financial decisions are based on good analysis of their immediate and future impact.

A key principle is that of 'prudent' (careful, sensible or acting with careful deliberation) management and sustainability. Section 101(1) of the LGA 2002 states:

/01.

A local authority must manage its revenues, expenses, assets, liabilities, investments and general financial dealings 'prudently' and in a manner that promotes the current and future interests of the community.

/02.

A local authority must make adequate and effective provision in its long-term plan and in its annual plan (where applicable) to meet the expenditure needs of the local authority identified in that long term council community plan and annual plan.

In addition, s.102 details the specific financial policies councils must adopt to ensure sources and levels of funding will achieve predictability and certainty.

To act prudently, the local authority must use its judgement based on the best available information and set operating revenue at a level that adequately funds forecast operating expenses, which includes the useful life of all aspects of council's infrastructure assets. Other judgements include deciding the share of operating revenue that will be raised from rates and other sources.

THE FINANCIAL GOVERNANCE FRAMEWORK

- // Section 101: Prudence and sustainability
 - // To manage finances prudently in a manner that promotes the current and future interests of the community
- // Section 101A: Financial strategy
 - // The adoption of a strategy to inform and guide the assessment of funding and expenditure proposals
- // Section 102: Funding and financial policies
 - // The adoption of a set of funding and financial policies to provide predictability about levels and sources of funding
- // Balanced budget requirement
 - // Operating revenues must be set at a level sufficient to meet operating expenses, unless prudent not to.

Financial strategy

// Te rautaki pūtea

Your council must adopt a financial strategy as part of its Long-term Plan (LTP). See [Chapter 10](#) on the Long-term Plan for more information. A financial strategy sets out the overall direction for the financial aspects of the LTP, and provides a synthesis of the financial issues and consequences arising from your local authority's policy and service delivery decisions.

Section 101A of the LGA 2002 defines the purpose of a financial strategy as being to facilitate:

- // prudent financial management by [your] local authority by providing a guide for considering proposals for funding and expenditure against, and
- // consultation on your local authority's proposals for funding and expenditure by making the overall effects of those proposals on services, rates, debt, and investments fully transparent.

Financial strategies will look different for each local authority. For example, a council with assets that are coming to their end-of-life and needing significant renewal expenditure, will probably have a completely different strategy than one creating new assets for growth, or a council with relatively new infrastructure.

Your financial strategy must be closely aligned to your infrastructure strategy. See [Chapter 9](#) Looking after your communities' assets for more information on infrastructure strategies. Local authorities must prepare and adopt an infrastructure strategy, with a planning horizon of at least 30 years, as part of their LTPs. The purpose of these strategies is to identify significant infrastructure issues and the principal options for managing those issues.

A council's total revenue needs are based on expenditure; therefore, councils must allocate the required revenue in accordance with section 101(3) of the LGA, by taking into account the relationship of each activity to be funded to:

- // the community outcomes to which the activity primarily contributes,
- // the distribution of benefits across the community,
- // the period in or over which those benefits are expected to occur,
- // the extent to which the actions or inaction contributes to the need to undertake the activity,
- // the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

In addition, you must also consider the overall impact of any allocation of liability for revenue needs on your communities, which includes the impact on affordability.



Funding and financial policies

Councils must also adopt a range of funding and financial policies. These include:

- // **A revenue and financing policy** - indicating how operational and capital spending will be funded. This policy sets the context in which the other funding and financial policies operate.
- // **A liability management policy** - indicating how the council will manage borrowing and liability such as the giving of securities.
- // **An investment policy** - indicating how council investments will be managed.
- // **A policy on development and financial contributions** - indicating how, and to what extent, the cost of capital expenditure will be met by a levy on new subdivisions and developments.
- // **A policy on the remission and postponement of rates on Māori freehold land** - indicating the conditions and criteria that will apply should a council decide to implement such a policy. See [Chapter 12 Rates](#).
- // **A remission and postponement policy for other classes of land** - may also be adopted.

Balanced budget

// Tahua taurite

The LGA 2002 states that councils must balance their budget unless they have prudent reasons not to and outlines a set of exceptions. The decision to depart from a balanced budget requires careful analysis of the council's funding needs and overall financial strategy to best deliver sustainable community services over the long term.

The grounds for departing from the principle of a balanced budget are outlined in s.100, LGA 2002, Balanced Budget Requirement:

/01.

A local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.

/02.

Despite subsection (1), a local authority may set projected operating revenues at a different level from that required by that subsection if the local authority resolves that it is financially prudent to do so, having regard to:

- a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term council community plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
- d) the funding and financial policies adopted under section 102 (s.101).

If a council decides to take this approach, then it will have to make a resolution not to balance its operating budget in any year covered by the LTP. The resolution must state the reasons for not balancing its budget, any other matters taken into account, and the implications of the decision. See below for a detailed explanation of the requirement for a balanced budget, including the impacts of depreciation.

The balanced budget test focuses on deficits. While an operating deficit may indicate that the local authority's levels of service and financial operations are unsustainable, resulting in future generations bearing the costs, a surplus does not necessarily mean that the LTP is financially prudent. The core question, when considering a forecast operating deficit, is whether ratepayers are paying an appropriate level of rates bearing in mind the services they are receiving. This will typically involve deeper analysis.

See [Chapter 13 Assessing Council Performance](#) for information on benchmarks for assessing whether a council is managing its finances prudently.

Depreciation in the local government context

// Te hekenga wāriu i roto i te horopaki o te kāwanatanga ā-rohe

Councils must follow generally accepted accounting practice (GAAP), which defines depreciation as an operating expense. *“Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life” (GAAP).*

It must be considered alongside other operational costs, including interest, when a council determines its operating revenue.

The legislation requires that councils ensure projected revenues are at least equal to projected operational expenditure including depreciation, unless it is prudent to do otherwise. The cash or funding generated by the revenue may be used for present capital needs (including renewals), debt reduction, or set aside for future capital needs. This helps ensure sound asset management practice and continuity of service to future generations.

Purpose of depreciation

Depreciation is an expense that reflects the use or consumption of the service, implicit in an asset. The purpose of depreciation is not to provide for the replacement of the asset, although this may be a consequence.

There are two critical factors in determining the expense. The first is the cost or revalued amount, and the second is the useful life. It is not related to the physical wearing out of any asset. For example, being able to sit on a park bench in year one is the same benefit to a resident as being able to sit on park bench in year 15, 16, and 17.



Cost or revalued amount

While the cost of an asset is relatively easy to ascertain, because assets provide benefit for a long period of time (50 to 100 years) councils would normally revalue their assets regularly, so that they reflect the fair value (book value). For all infrastructural assets, this is based on depreciation replacement cost (DRC). This is the cost based on the replacement value of an equivalent asset, less the accumulated depreciation.

As a result of revaluing assets, depreciation will increase. However, as the purpose of depreciation is to charge the people who are using the asset their share of that asset, if the value has increased, in theory the people using the asset should pay a greater share. If the value has increased, then so have the future renewal costs.



Useful life

Determining an asset's useful life can be difficult. However, there are 'standard useful lives' and often manufacturers give a 'minimum useful life'. There are several factors for determining this which can be grouped as either **condition-based** or **performance-based**. Condition relates to the physical attributes of the asset, while performance relates to the ability of the asset to meet the level of service requirements.

The range of useful lives is reflected in each council's accounting policies, included within the financial statements, and these can vary significantly. It is not uncommon for one council to have a standard useful life of 80 years for an asset class, while another council has 160 years for the same asset, because of different construction methods, environmental constraints, topography, or soil types.



A change in useful lives results in a different depreciation expense.

The approach to depreciation in the local government context is no different than in the commercial sector; the only real difference is the useful lives of local government assets are significantly longer than many assets used in the commercial sector.

Some councils use the average of future renewal expenditure to set revenue rather than the forecast depreciation expense. This is sometimes known as the Long Run Average Renewal Approach (LRARA). This approach averages the renewal expenditure for the next 25-35 years and uses this in calculating funding requirements. In these cases, the depreciation is still recognised as an expense, but not used for setting revenue.

However, LRARA cannot be used to calculate the depreciation expense as it is forward-looking, and this does not comply with the accounting concept of consumption. More importantly, if depreciation is calculated correctly then over the life-cycle of an asset (ignoring the impacts of inflation and revaluation) the depreciation expense and LRARA-based funding need calculation would be the same or similar in value.

Funding or cash implications of depreciation

Depreciation is especially important as it ensures that today's ratepayers pay their fair share of consumption of the assets, making it a vital component of the process of setting rates and charges.

As depreciation is a non-cash item of expenditure, the combination of depreciation and total operational expenditure will result in a funding surplus from operations. It is then up to a council to decide how that surplus should be allocated. Broadly, there are four options:

- // repay debt,
- // pay for renewal expenditure,
- // acquire new assets, or
- // transfer to a reserve for the replacement or future renewal of an asset.

While these are the most common options, there is no reason why a council cannot take another option if it believes that is a prudent use of council's funds. That decision should be made as part of its financial strategy.

Funding impact statement

A local authority must include a funding impact statement (FIS) in its LTP and annual plans. The FIS sets out the amount of funding required, how those funds will be raised and how much each mechanism or funding tool will raise. It must also show how council activities will be funded, whether by rates, user charges or some form of targeted charge. It must detail the council's forecasting assumptions and a description of any risks underlying the estimates.

The annual report must include an audited FIS for each group of activities and an audited FIS for the financial year, identifying the amount of funds produced from each source of funding and how the funds were applied. The information in the FIS should be reflected in a council's rating resolution.

Frequently asked questions

// Ngā pātai auau

Why is it prudent for some councils not to balance their budget?

Because depreciation is regarded as an operational expense, where a council chooses not to fully depreciate an asset or assets the reduction is reflected as a deficit. There may be very prudent grounds for not depreciating an asset or class of assets, such as when an asset is not going to be replaced or when an asset is new and does not require expenditure on maintenance or renewal.

Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

**OAG 2024, OBSERVATIONS
FROM OUR AUDITS OF
COUNCILS 2024 – 2034
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12.

Local government rates

// Ngā reiti kāwanatanga ā-rohe >

Rates, or property taxes, are the most common source of revenue in almost all councils. The rules that give councils the authority to levy rates are found in the Local Government (Rating) Act 2002 (Rating Act). The purpose of the Rating Act is to promote the purposes of local government, as spelt out in s.10 of the LGA 2002 and:

- // provide local authorities with flexible powers to set, assess, and collect rates to fund local government activities
- // ensure that rates are set in accordance with decisions that are made in a transparent and consultative manner
- // provide for processes and information to enable ratepayers to identify and understand their liability for rates.

Rates are a tax on the value of property. The Rating Act enables councils to levy two main types of rates:

- // *general rates* – where the council decides that all, or part of, the cost of a particular function or functions should be met by the community as a whole, and
- // *targeted rates* – where the council decides that all, or part of, the cost of a particular function or functions should be funded by a specific rate, potentially targeted to particular categories of rating units.

To set their rates, councils must pass a specific resolution, a rates resolution. This must be set in accordance with the Long-term Plan (LTP) or Annual Plan and be consistent with the Funding Impact Statement (FIS). Each rate must fit within the council's revenue and financing policy, which council must also ensure properly supports the rates resolution as stated by the Office of the Auditor-General (OAG).

Any type of rating tool can be used.

In addition, council may also impose fees and charges where it decides that all, or part of, the cost of a particular function should be met by the individuals who benefit from it. These powers are prescribed in legislation, including in the LGA 2002, which contains a generic power, and in the Rating Act, which contains the power to meter water use.

Many of the statutes that govern the activities councils undertake also contain specific charging powers. In some cases, these charging powers are prescribed and, because of inflation, no longer reflect the actual cost incurred. As legislation is updated, charging regimes are generally adjusted to allow councils to set fees on an actual and reasonable basis.

General rates

// Ngā reiti whānui

Local authorities have two sorts of general rating powers:

- // *general rates* – a rate per dollar of property value set on a land, capital or annual value basis, and
- // *uniform annual general charges* (UAGC) – a fixed dollar charge per rating unit or 'separately used or inhabited part of a rating unit'.

The concept of 'separately used or inhabited part' allows councils to set rates on parts of a property that might have separate or distinct uses. It includes any portion of a rating unit inhabited or used by a person other than the owner, who has the right to do so by virtue of a tenancy, lease, licence or other agreement. If a council utilises separately used or inhabited parts of rating units in their FIS then a definition of what these are, must also be provided.

The general rate can be set at the same rate in the dollar for all rating units or differentially (different rates in the dollar for different categories of rating units). If differential rates are to be used, one or more of the following must be used as the basis for differentiating:

- // property value (land, annual and capital),
- // location,
- // land area,
- // use (residential, commercial, farmland etc),
- // the provision or availability of a service by, or on behalf of, a local authority,
- // any activities that are permitted, controlled or discretionary for the area in which land is subject under an operative district or regional plan under the Resource Management Act, or
- // any activities that are proposed to be permitted, controlled or discretionary for the area in which land is situated, and the rules to which it is subject under a proposed district or regional plan (if there are no 'live' submissions in opposition to those proposed activities).

No other matters that may be used for differentiating the general rate.

A common use of differential powers is a rural differential to reduce the rates charged on rural properties as they do not have the same access to the services that urban residents receive.

Targeted rates

// Ngā reiti whāiti

Targeted rates are designed to fund specific functions (mahis or services provided by the council) or groups of functions. If a council sets a targeted rate for a particular purpose, it cannot use the revenue for another purpose. Councils can set:

- // a targeted rate for more than one function (for example, some councils charge what are called 'ward rates', which fund several different services in a defined area), or
- // more than one targeted rate for a single function (for example, where councils have different water schemes, they might use a targeted rate to fund each scheme).

Councils can set a targeted rate on all rating units in their area, or they can exclude some. For example, a council might set a targeted rate for security, street cleaning or beautification in the central business district.

The factors that can be used when developing a targeted rate are outlined in Schedule 3 of the Rating Act. These provide the basis for calculating the liability for a charge. These factors include:

- // property values (land, capital, annual or improvement values) set by the Rating Act,
- // land area (either the total area of land in the rating unit; the area of land that is sealed, paved, or built on; the area of land protected by any facility or amenity provided by a local authority, or the area of floor space of buildings within a rating unit),
- // the number, or nature, of connections to any reticulation system,
- // the number of water closets and urinals (although a rating unit used primarily as a residence for a single household must be treated as having only one water closet or urinal),
- // the number of separately used or inhabited portions of the rating unit, for example, it is legal to set a targeted rate on most of what are currently called apportionments, and
- // the extent any service is provided to the rating unit by the local authority, subject to a rider that the extent of provision must be measured objectively and be able to be verified. For example, half charges for availability of connection to a water or sewage scheme can still be made by using this factor.

The Rating Act carries on what is known as the '30 per cent cap'. This is a limit on local authority's ability to raise revenue from fixed rates, including:

- // any UAGC, and
- // any targeted rate that is calculated as a fixed amount per rating unit or separately used or inhabited part of a rating unit (and which is not used solely for water supply or sewage disposal).

In any one year, your local authority cannot collect more than 30 percent of its total rates revenue in this way. The cap is less restrictive than it appears. The exemption of fixed rates for water supply and sewage disposal is one reason (there are local authorities that raise more than 50 percent of their rates revenue in this way, entirely legitimately).

Non-rateable land

// Ngā whenua reiti-kore

The Rating Act sets out categories of land that are exempt from certain kinds of rates, either completely or in part. The following is a simplified list of land that is non-rateable.



Conservation land such as National Parks, wildlife refuges, the bed of the sea and any navigable lake or river where that land is vested in the Crown. However, land that is used primarily for private or commercial purposes under a lease, licence or other agreement is not exempt. Similarly, land owned by an association which is open to the public and not used for private/commercial purposes is non-rateable.



Heritage land, land owned and used by any of the Historic Places Trust, the QE2 Trust, Te Papa, Health Camps and the Foundation for the Blind provided the land is both owned and used by these organisations. If leased to someone else, it is fully rateable.



Local authority land used as a public garden, reserve, playground, hall, library, athenaeum, museum, art gallery, pool, water closets, or for soil conservation or river control, games and sports. This does not apply to local authority-owned utilities. However, if the council does not want to collect rates from these properties it has to either remit the rates, or give them a differential.



Education land including schools of any type and ownership such as early childhood centres, polytechnics, teachers' colleges, universities and wananga. School houses are also non-rateable if the house is used by a principal, caretaker or teacher and the house is let at a discounted rent.

In addition the following are also non-rateable:

- // Te Whatu Ora Health New Zealand land used to provide health or health-related services (including living accommodation).
- // Institutions used as a place of religious worship.
- // Cemeteries and crematoria less than 2.0 hectares in area (except those conducted for profit).
- // Māori customary land, urupa and anything used as marae or hui house that does not exceed 2.0 hectares in area.
- // Roads owned by the Crown or a local authority.
- // Airports where the land is owned by the Crown or an airport authority and used as the runway or for the loading and unloading of goods and passengers.
- // Wharves.
- // Machinery.
- // Railways (regardless of ownership).
- // Charitable institutions used or occupied by, or for the purposes of, any institution that is for the '*free maintenance or relief of persons in need*' and that does not exceed 1.5 hectares in area.

Although unable to set a general rate on these, councils can set targeted rates for sewage disposal, water supply and waste management.

The Rating Act also creates a special category of rating units that are 50 per cent non-rateable. These are liable for targeted rates for sewage disposal, water supply and refuse collection and are also liable for 50 per cent of the general rates set for sewage disposal, water supply or waste management. The types of rating unit that fall into this category include:

- // Land owned and used as showgrounds or as a place of hui, by a society incorporated under the Agricultural and Pastoral Societies Act 1908.
- // Land owned or used by a society or association of persons (whether incorporated or not) for games or sports except for galloping, harness or horse racing.
- // Land owned or used by a society or association of persons (whether incorporated or not) for any branch of 'the arts' (not defined).

However, any land, including land detailed above, that is subject to a liquor licence is fully rateable.

Other rating matters

// Ētahi atu take reiti

Other factors influence the ability of councils to set and collect rates on properties.



Water metering

The Rating Act authorises the use of water metering but limits it to funding water supply. For example, councils cannot use water consumption as the basis of a charge for sewage disposal, unless water and wastewater are delivered through a council-controlled organisation.



Educational establishments

The Rating Act gives the Minister of Local Government the power to make regulations on the rating of educational establishments for sewage disposal, particularly if the Minister believes councils are overcharging schools for this service.

Development or financial contributions⁴

Development contributions are a fiscal tool to identify and allocate the cost of growth. Growth can result in the services territorial authorities provide coming under pressure, requiring expensive redevelopment. This may include demand for infrastructure to be redeveloped to meet an increased need for:

- // access; by providing local roads and transport facilities,
- // sanitation; by providing water and wastewater reticulation and treatment facilities,
- // land drainage and protection from flooding; by providing storm-water drainage, or
- // recreation and amenity; by providing reserves, parks, community facilities and car parking.

The purpose of the development contributions provisions is to enable territorial authorities to recover from those undertaking development a fair, equitable and proportionate portion of the total cost of capital expenditure necessary to service growth over the long-term.

⁴ Please note that the reform of water services will impact on council's development contribution powers.



Policy on development contributions

Councils must adopt a policy on development or financial contributions. It must explain the total cost of capital expenditure identified in the LTP or forecast to be needed to meet the increased demand. It must also state the proportion of that total cost that will be funded by development contributions, financial contributions and other sources of funding.

The policy must explain, why a decision to use these funding sources has been made. It must identify separately each activity, or group of activities, for which a development or financial contribution will be required and specify the total amount of funding to be sought for each, by these contributions.

Although councils are required to adopt a development contribution policy, that policy can be zero rated; contain no charge where a council might wish to attract development or has excess infrastructure capacity.



What can development contributions be used for?

Development contributions may be required if the effect of the development will require new or additional assets, or assets of increased capacity, and the territorial authority incurs capital expenditure to provide appropriately for either reserves or network or community infrastructure.

A development contribution must be used for the capital expenditure for which it was required. It cannot be used maintenance of the infrastructure.



Community infrastructure - the following assets when owned, operated or controlled by a territorial authority:

- // community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated,
- // play equipment that is located on a neighbourhood reserve and
- // toilets for use by the public.



Network infrastructure - the provision of roads and other transport, water, wastewater, and stormwater collection and management.

Please note: The Government has announced its intention to replace the regime of development contributions with a new form of development levy, to be announced in 2026.

Frequently asked questions

// Ngā pātai auau

Why do rates always go up?

- /01.** They don't always increase. However, there are three main reasons why this is common.
- /02.** Increased levels of service and community expectations which generally require more income and therefore higher taxes.
- /03.** The increased cost of council network infrastructure the materials used, which often increase at a faster rate than the consumer price index.
- /04.** Additional duties and responsibilities given to councils by central government.

Which is best, land value or capital value rating?

It depends on the nature of your community, land use and priorities. Capital value is often adopted as it is seen to have a closer relationship with ability to pay, investing in a property can be considered an indication of wealth. It is also regarded as having a closer relationship to the benefit principle, as land that is built on is more likely to use council services. Alternatively, land value rating is often supported as it is seen to be less distortive and encourages owners to make the best economic decisions about their land, including providing a tool to reduce land banking.

Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

**SETTING RATES:
POTENTIAL ISSUES FOR
COUNCILS TO WATCH
OUT FOR**

+

AVAILABLE FROM:

<https://oag.parliament.nz/2022/setting-rates>

**PRODUCTIVITY
COMMISSION 2019, LOCAL
GOVERNMENT FUNDING
AND FINANCING**

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AVAILABLE AT:

<https://www.productivity.govt.nz/inquiries/local-government-funding-and-financing/final-report/>

**LGNZ ELECTED MEMBERS'
GUIDE TO THE LOCAL
GOVERNMENT (RATING)
ACT 2002**

+

AVAILABLE FROM:

www.lgnz.co.nz/learning-support/governance-guides/

13.

Assessing council performance

// Te aromatawai i ngā ekenga ā-mahi o te
kaunihera >

When it comes to the performance of your council, the buck stops with you as a member of the governing body. Ultimately, it is the governing body that determines the level of revenue, agrees the work programme, determines the council's priorities and expected levels of service, and employs the chief executive. Performance means meeting your community's needs and expectations, as well as performing any statutory duties and obligations that have been set by legislation.

Performance management is a process of determining objectives, measuring progress against them and using the results to improve the delivery of services to the community. The outcome of it is an improvement in service delivery.

Good performance management helps your local authority:

- // ensure all of its activities contribute to its wider objectives,
- // focus resources on what matters,
- // demonstrate what the community is getting for their money, and
- // obtain information on underperforming areas, allowing elected members and staff to take corrective action in a timely way.

This chapter provides more information on what is required of council and how performance can be assessed.

Legislative requirements

// Ngā here ā-ture

The legislative framework under which local authorities operate, includes multiple requirements on councils to measure and report their performance, from specific requirements under the Building Act and the Resource Management Act, to more general requirements under the Local Government Act (LGA) 2002, which are discussed below.

In meeting community expectations and fulfilling statutory duties, councils must act according to principles set out in the LGA 2002, which include a requirement to ensure public resources are used wisely and efficiently. These principles require a council to:

- // conduct its business in an open, transparent, and democratically accountable manner; and give effect to its identified priorities and desired outcomes in an efficient and effective manner, and
- // 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 outcomes.

The first principle emphasises the fact that as councils operate in the public sphere they must be open, transparent, and democratically accountable.

The second principle places an obligation on local authorities to explore shared service options with other local authorities. Some service and back-office areas allow for economies of scale.

Performance and the long-term plan

// Ngā ekenga ā-mahi me te mahere pae tawhiti

Councils must set performance measures in their Long-term Plans (LTP), including what is being targeted, what has been achieved, and how the local authority is making people's lives better.

These measures include:

- // the council's Statement of Service Performance (SSP) which includes performance measures for groups of activities.
- // measures selected by councils for other major activities, for example libraries, including targets, any intended changes to levels of services, the reasons for the changes, and the reason for any material change to the cost.

The performance measures chosen should provide a balanced picture of the important aspects of a council's activity. They should make sense to everyone, be focused on quality not quantity, and reflect significance, importance and risk.

Performance against these measures is tracked and shared in the annual report, which must include an audited statement that:

- a) compares the level of service achieved in relation to a group of activities with the performance target or targets for the group of activities,
- b) specifies whether any intended changes to the level of service have been achieved, and
- c) gives the reasons for any significant variation between the level of service achieved and the intended level of service.

When selecting performance measures to report, your council will consider the characteristics of performance that:

- // are of greatest importance to stakeholders,
- // reflect the financial significance of the activity, and
- // reflect both the objectives for carrying out the activity and any (external or internal) risks needed to be managed in achieving those objectives.

Official measures of performance

// Mēhua ekenga ā-mahi ōkawa

In July 2025 the Department of Internal Affairs published for the first time a Local government performance measurement framework. The framework provides information on council financial; performance, asset management, service delivery and governance.

The framework groups councils by population size so that users can compare information against councils that have similar characteristics. The first iteration of the framework provides information on financial performance, such as:

- // Rates revenue
- // Capital expenditure
- // Debt
- // Personnel
- // Operating expenditure
- // Conformance with the balanced budget rule

At a glance it allows member to assess whether their council's profile is typical of councils of similar size or is unusual in some respect, providing a basis on which to investigate further.



The framework can be found at
<https://www.dia.govt.nz/local-government-performance-metrics>

Ministerial review of a council

// Te arotake a te minita i tētahi kaunihera

For the most part, local governments have a high level of autonomy in how they govern. However, the Minister of Local Government has a range of intervention options should a local authority experience a 'problem'; defined in s.256 (a), LGA 2002 as:

- i. a matter or circumstance relating to the management or governance of the local authority that detracts from, or is likely to detract from its ability to give effect to the purpose of local government within its district or region,
- ii. a significant or persistent failure by the local authority to perform 1 or more of its functions or duties under any enactment, or
- iii. the consequences of a state of emergency and includes a failure by the local authority to demonstrate prudent management of its revenues, expenses, assets, liabilities, investments, or general financial dealings.

In relation to any problem (as defined above) the Minister may:

- // require a local authority to provide information on the extent of a problem,
- // appoint a Crown Review Team,
- // appoint a Crown Observer,
- // appoint a Crown Manager,
- // appoint a Commission.

A Crown Manager or Observer may be appointed to observe or manage a specific activity within a council, such as a building control activity. When appointing a Commission, the Minister may also delay a general election of the local authority.

Te Korowai

Te Korowai is a voluntary independent assessment system, established by LGNZ, to improve the public's knowledge of the work councils are doing in their communities and to support individual councils to improve the service and value they provide.

Formerly known as CouncilMARK, the Te Korowai programme supports councils to understand their performance, identify key challenges and opportunities, and drive continuous improvement. It goes beyond assessments and benchmarking, offering expert insights and practical guidance.

With a clear three-stage approach, Te Korowai ensures councils receive tailored, independent support aligned with their unique priorities and aspirations.



Visit our website for more information.

Pre-election reports

// Ngā pūrongo pōtitanga tōmua

Pre-election reports must be prepared and signed off by each chief executive no later than two weeks before nominations open. They provide another source of critical information designed to help residents assess trends in councils' performance.

The purpose of the pre-election report is to provide information and promote discussion about the issues facing the local authority. The council has considerable discretion about how this is published. The pre-election report must contain, for the three years preceding the election and the three years following the election, the following:

- // the funding impact statement,
- // a summary balance sheet,
- // a statement setting out the extent to which the authority has complied with limits in its financial strategy, and
- // information on planned major projects.

Elected members cannot influence the content of a pre-election report. Most are web-based and published on council websites. Pre-election reports can provide a helpful snapshot of a council's financial performance over time.

Satisfaction surveys

// Ngā tirohanga whānui ki te mokori

Many councils commission surveys to identify how satisfied residents are with their performance. These are usually undertaken annually and involve a representative sample of the population. In addition, surveys are often taken of the users of council facilities, such as museums or swimming pools. The results provide important performance information for elected members and the community.

Where surveys are used, they should form part of the information used to understand what is sought from services and to make improvements.

However, surveys on their own are unlikely to provide a complete view of performance. They are more powerful when interpreted alongside results from previous years or other comparative information so that trends can be identified. Satisfaction survey results are often used in a council's SSP and can usually be found published in full on council websites.



Frequently asked questions

// Ngā pātai auau

How do I know how efficient my council is?

As an elected member you can request your chief executive provide information on whatever initiatives they undertake to ensure they are operating efficiently. Councils often benchmark themselves against other councils of similar size and circumstance and much of this information will be publicly available.

Is amalgamation the best way to improve efficiency?

For some services, maybe. There is no simple recipe for improving efficiency without reducing the standards of the services you deliver; in fact, there are multiple options to explore. One way of achieving economies of scale is through 'shared services'. Many councils have joined together to deliver and procure services together, including procurement, backroom services, and valuation. A range of shared service initiatives exist throughout New Zealand; ask your officials for information on these.

How can I compare average rates between my council and others?

Ask your chief executive for advice on this issue. There are no measures that are fair to every class of local authority. Some measures, for example rates per person, disadvantage councils with large numbers of holiday homes. Alternatively, rates per rating unit (the government's measure) disadvantage councils that have a high number of apartments (multiple households on a single rating unit) and provide services to large numbers of visitors or non-resident workers. Both categories are distorted by the size of commercial rates income and the use of differentials. Some councils use a 'rates paid by an average valued property' as a comparator.

How do I ensure my council is operating prudently?

There are several answers to this question. It is important to ensure you have an Audit and Risk committee with an appropriately qualified external appointee. It is the role of an Audit and Risk Committee to monitor and report on any risks to the sustainable operation of the local authority. In addition, you need to monitor any trends highlighted in the Department of Internal Affairs recently published Performance Framework (see above).

Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

**OAG (2010). LOCAL
GOVERNMENT:
EXAMPLES OF BETTER
PRACTICE IN SETTING
LOCAL AUTHORITIES'
PERFORMANCE
MEASURES.**

+

AVAILABLE FROM:

[www.oag.govt.nz/2010/examples-of-better-practice/docs/
examples-of-better-practice.pdf/view](http://www.oag.govt.nz/2010/examples-of-better-practice/docs/examples-of-better-practice.pdf/view)

**THE BIG CITY QUALITY OF
LIFE PROJECT**

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14.

Community boards

// Ngā poari hapori >

Community boards are unincorporated bodies which are neither local authorities nor committees of a local authority. As local government bodies become larger, new avenues are needed for people to interact and take part in the decisions that shape their future and bring local government closer to the communities it represents. Community boards are one way for achieving this.

Not only do they ensure better representation, but they also promote stronger community wellbeing for all the diverse communities that exist in their area.

There are approximately 110 community boards in 40 territorial authorities across Aotearoa. Of these territorial authorities, more than 11 will have full city or district-wide coverage by community boards.

What are community boards?

// He aha ngā poari hapori?

The Local Government Act (LGA) 2002 sets out the role and powers of community boards, including things they may not do, e.g. acquire, hold or dispose of property; appoint, remove or suspend staff (staff). It also provides the statutory framework within which boards must operate, including particular rules and processes which govern how they work.

Community boards may be established in a territorial authority district but not in regions. They may be established as the result of a local government reorganisation, a proposal by electors under Schedule 6 of the LGA, or through a representation review process undertaken by the territorial authority. They can only be disestablished by a reorganisation or as the result of a territorial authority representation review.

Community boards must consist of no fewer than four and no more than 12 members. At least four members must be elected but boards can include members appointed by the territorial authority as long as their number is less than half the total number of members.

At elections, candidates may stand for both a community board and the council, but if elected to both, are deemed to have vacated the community board position and to have been elected to the council only.

Council staff can stand for, and be elected to, a community board.

The role of a community board and its members

// Te tūranga o ngā poari hapori me ōna mema

The role of a community board is set out in the Local Government Act (LGA) 2002, section 52 and is stated as to:

- a) *represent, and act as an advocate for, the interests of its community*
- b) *consider and report on all matters referred to it by the territorial authority, or any matter of interest or concern to the community board*
- c) *maintain an overview of services provided by the territorial authority within the community*
- d) *prepare an annual submission to the territorial authority for expenditure within the community*
- e) *communicate with community organisations and special interest groups within the community*
- f) *undertake any other responsibilities that are delegated to it by the territorial authority.*

It is important to note that, with the exception of (f), the statutory role of community boards exists independent of the views a council may have regarding activities boards should undertake in its area.

Aside from possible delegations of decision-making responsibilities from the council, the statutory community board role is primarily concerned with firstly, representing and advocating on behalf of its community and secondly, acting as a bridge between the community and council, providing advice and ensuring an effective channel of communication.

The role of a community board member is varied and when compared to the role of councillors community board members spend a greater proportion of their time on representation matters and proportionally less on governance matters. However, there is the opportunity for you and your board to discuss what is the best balance of the two roles for your community, and then to raise this with the council.

The attributes of a successful member are the same as those required of any elected member and are discussed in more detail in [Chapter two](#): Role of elected members.

CBEC: THE COMMUNITY BOARD EXECUTIVE COMMITTEE

Since the late 1990s, community boards have elected their own national executive committee to represent their interests.

CBEC consists of members elected by community boards from each of LGNZ's zones. The committee advocates for the interests of community boards, promotes good practice; publishes guidance in collaboration with LGNZ, and gives advice to boards. It is supported by LGNZ.



For more information go to www.lgnz.co.nz/cbec

Representation and advocacy

These parts of the role are driven by the need to promote wellbeing across all aspects of a community – social, cultural, economic and environmental wellbeing. Representation and advocacy also apply to specific issues, like providing community responses to council policies, plans and bylaws, processes and procedures, including the way council decisions are made and the allocation and distribution of resources.

Community boards have several tools they can use to be effective advocates and to act in the best interests of their communities, including for example:

- // developing a community plan, including the commissioning of research and surveys as input into this plan, to reflect community preferences and concerns,
- // making submissions on council policies and plans and on proposed legislation and departmental consultation documents,
- // lobbying councillors and committees as well as other organisations and individuals of influence, and
- // developing communication programmes with a view to influencing opinions.

There are some constraints on advocacy. For example, boards must act within budgetary constraints set by the council and they may need to rely on the council for staff support for helping to prepare documents, submissions or analysis of issues.

Advice and communication

This is where community boards act as a bridge between councils and the community, providing information and advice to the council about local needs, issues and matters of concern; at the same time, conveying information and advice back to the community from the council.

Community boards can be a very effective mechanism for sharing critical information with the community. For example, they can help the council to promote local resilience by sharing important information about community risk awareness and the need for emergency preparedness.

To do this effectively, boards need good processes and mechanisms for understanding what is going on in their communities. For example, boards should consider:

- // holding public forums at the start of meetings,
- // holding board meetings in community settings such as marae or community or school halls,
- // giving each member of the board a sector of the community to liaise with, such as the business sector, youth, migrant or education,
- // setting up committees with members drawn from the community, to provide intelligence on issues,
- // building local partnerships with community organisations, and
- // holding regular outreach meetings throughout the community, such as displays and presentations at local community events.

Decision-making and delegations

// Te whakatau kaupapa me te tautapa

The decision-making role of community boards is different in nature from its other roles, which they are empowered by legislation to undertake to promote community well-being. Decision-making, as provided for in section 52(f) of the LGA, is undertaken at the discretion of the council and as a result of the delegations it makes, which can be withdrawn by the council at any time.

Clause 32(4) of Schedule 7 of the LGA makes the nature of delegations very clear. It states that a community board to which any responsibilities, powers or duties are delegated, may, without confirmation by the council, *“exercise or perform them in the like manner and with the same effect as the local authority could itself have exercised or performed them”*.

As such, community boards have the authority to give advice and make recommendations under their statutory role and regardless of delegations. However, a delegation is needed to make decisions that bind a council into action. . Without such a delegation, community boards have no authority to direct the council in what it must do, it can only provide advice and recommendations.

What can and cannot be delegated

There are some things councils cannot delegate to their community boards. These include the following (see clause 32(1) of Schedule 7 of the LGA for the full list):

- // the power to make a rate,
- // the power to make a bylaw, and
- // the power to borrow money, purchase or dispose of assets, other than in accordance with the long-term plan (LTP).

The types of activities or services that can be delegated to community boards are largely of a non-regulatory nature but there are some relating to particular regulatory activities. The list includes:

- // *Community facilities:* governance decisions in respect of local libraries, swimming pools and community halls including local usage policies and approvals, opening hours, appointments to committees.
- // *Parks and reserves:* governance decisions in respect of reserve declarations and classifications, management plans, names, granting of leases and licences, details relating to new developments.
- // *Community development:* governance decisions, within council policies and budgets, in respect of community projects and events, collections and parades, community grants.
- // *Solid waste and recycling:* governance decisions in respect of the operation of community recycling and resource recovery centres.
- // *Health and safety:* decisions in respect of the application of legislation and bylaws in the community such as approvals of non-compliance or exemptions, alcohol bans, dog access and exercise areas
- // *Roading and transport:* acting as the roading authority for the community under the LGA 1974 in respect of roadways, names, concept/landscape plans, public safety, health, convenience, vehicle crossings, bus shelters, road stopping, traffic control and enforcement, traffic and parking bylaws.

Appointing members to community boards and their role

Almost all community boards comprise a combination of elected members and members appointed by the council. Council makes this decision as part of their representation review.

Community boards have no statutory role in determining whether there are appointed members or who they will be. However, it is not unusual for boards to take a view, and it is reasonable for the chair of the board, or any board members, to communicate their preferences to council.

Appointed board members are full members of the community board. They can vote in board meetings the same way as elected members, including the votes to choose the chair and deputy. They are also eligible to be elected as the chair or deputy of their community board. This can however put that person and the board in a difficult position and is not advised.

Having to wear two hats, as councillor and board chair, can limit the board's ability to take a community perspective, as opposed to a city or district view. It can confuse public and media perceptions about the nature and role of the community board.

Appointed members can avoid this conflict by standing aside from the discussion at their community board which can be particularly difficult if they are the chair. However, they may then be poorly positioned to properly represent the community board's point of view when acting as a member of the council.

To address such situations, some councils and community boards have adopted policies which require or recommend appointed members stand back and not take part in any decisions that will be considered by the council. This removes any risk that appointed members, when operating as councillors, might be seen as having a conflict of interest.



THINGS COUNCILS CAN DO TO STRENGTHEN RELATIONSHIPS

- // Be aware of local issues and concerns
- // Provide adequate funding
- // Provide appropriate administrative support
- // Create opportunities for boards to contribute to decisions about services in their area
- // Enable boards to participate in processes to set direction such as council long-term plan
- // Allow boards the right to speak at council and committee meetings
- // Encourage ward councillors to work closely with their boards.

Importance of being known by the community

// Te hiranga o te tū hei kanohi kitea i te hāpori

Because of their proximity to local communities, community boards have the potential to play a critical role in building trust in democracy and connecting people with important public institutions.

If community boards are to be effective in their local governance role and in promoting local democracy, they need to have a clearly visible community profile. Locals need to know that the board exists, what it does, how it adds value to community life and how they can participate in the board's work programme. Boards cannot afford to be invisible.

To create a community profile, boards need a communications strategy setting out their communication and engagement objectives and the way in which these will be achieved. For example, community boards can:

- // publish a report of each community board meeting in local newspapers immediately after each meeting,
- // develop a social media strategy and ensure that the board is easy to find on the council website – ideally having a separate board page with news about its activities,
- // develop a network of partner agencies and groups and provide regular information to those agencies and groups to share with their members on the board's activities,
- // develop a presence in local schools which may include promoting civics education and kids voting,
- // encourage individual members to liaise with local organisations representing residents, business and other sectors,
- // hold public forums at the start of every regular community board meeting, or
- // get to know and build contacts with the regional councils – it often plays a big role in local environmental issues for example.

Relationship between the council and community boards

// Te hononga i waenga i te kaunihera me ngā poari hapori

A successful relationship should be open and respectful and acknowledge the importance of the different roles each plays, including the role of council staff. Work is required on a continuous basis to establish and maintain effective relationships and good communication is fundamental.

Community boards and councils are two arms of local democracy — and when they're working well together, communities thrive.

This best practice guide is designed as a springboard for effective relationships. It's a living tool — something councils and community boards can shape together to reflect their shared purpose, local character, and the needs of their people. A strong relationship is built on:

- // Mutual respect
- // Clarity of roles and responsibilities
- // Shared intent to add value to local decision-making
- // Timely and meaningful two-way communication

At the heart of this guide is the idea of a Council-Community Board Accord — a relationship agreement that's drafted together early in the triennium, and forms the foundation for how both parties will work together.



Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

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www.businesslab.co.nz/insights/community-board-survey

**GOVERNING COMMUNITY
BOARDS – A GUIDE FOR
ELECTED MEMBERS**

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AVAILABLE FROM:

www.lgnz.co.nz/learning-support/governance-guides/

**A COPY OF THE
RELATIONSHIP GUIDE,
“BETTER TOGETHER,
A GUIDE FOR COUNCILS
AND COMMUNITY
BOARDS”, AND A DRAFT
ACCORD**

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CAN BE DOWNLOADED FROM LGNZ AT:

www.lgnz.co.nz/learning-support/governance-guides/



15.

The resource management act

// Te ture whakahaere rawa >

Please note that the Resource Management Act 1991 is under review and will be replaced by a suite of new statutes during 2023. This section applies until the new resource management framework becomes law.

The purpose of the Resource Management Act (RMA) is to promote the sustainable management of natural and physical resources. It requires councils to provide integrated management of the use and development of these resources and manage the resulting environmental effects. It also codifies many good practice requirements, such as consultation in planning and decision-making and the use of analytical and evaluation techniques.⁵

Local government is responsible for implementing and administering the RMA.

The RMA sets out the resource management functions of each type of local authority and what those entail. It also provides councils with the powers required to administer their plans and it establishes a resource consent process for activities not permitted as of right by a plan, or the RMA.

The RMA also contains Tiriti o Waitangi-based obligations. In preparing RMA plans, councils are required to consult with iwi and to recognise and provide for Māori matters important to them.

Sustainable management as a driving principle

// Ngā whakahaere toitū hei mātāpono āki

Sustainable management is an over-riding principle in the RMA. It is about ensuring our natural and physical resources pass to the next generation in no worse condition than they are today, so that they can meet future needs.

It is defined in section 5 of the RMA as “*managing the use, development and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic and cultural wellbeing and for their health and safety while:*

- // *sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations,*
- // *safeguarding the life-support capacity of air, water, soil and ecosystem, and*
- // *avoiding, remedying or mitigating any adverse effects of activities on the environment.”*

The definition of environment is broad and includes ecosystems, people and communities, natural land, physical resources and amenity values. The definition of effects is also broad; it includes positive and adverse effects, temporary, permanent and cumulative effects.

The requirement to avoid, remedy or mitigate adverse effects on the environment provides an opportunity to either prevent those effects from occurring, or reduce the effects to an acceptable and practical minimum.

The RMA focuses on the effects of activities rather than the activities themselves. The underlying assumption is that activity should proceed if there are no adverse environmental effects, or if those effects can be avoided, remedied or mitigated.

⁵ The Resource Management Act 1991 (RMA) was enacted following several years of intensive and broad-based consultation. It replaced over 50 former statutes, of which the best known were the Town and Country Planning Act 1977 and the Water and Soil Conservation Act 1967.

Policy statements and plans

// Ngā tauākī kaupapahere me ngā mahere

The RMA outlines a hierarchy of policies and plans to enable authorities to deal with issues of national, regional or local significance. These are outlined below. This diagram illustrates the hierarchy of instruments and how a single plan can sit across regional and district planning instruments. The RMA provides for both joint and combined plans. This enables a territorial authority to create a combined plan with a neighbouring territorial authority or a joint plan with a regional council. To date, only the three Wairarapa territorial authorities have created a combined district plan.

National policy statements

National Policy Statements (NPS) are statutory documents through which the Minister for the Environment can state policies of national resource management significance. A process of public consultation, enquiry and report is required in the process of preparing a statement, before it is approved and published. As at the beginning of 2022, councils must give effect to the following national policy statements:

- // Urban Development.
- // New Zealand Coastal Policy Statement.
- // Electricity Transmission.
- // Renewable Electricity Generation.
- // Freshwater Management.

National environmental standards and regulations

National Environment Standards (NES) are a tool under the RMA to set mandatory bottom line standards for specified activities and outcomes. A standard in a NES is a rule that a local authority must administer. As at the beginning of 2022, the following standards are in force as regulations:

- // Air quality standards.
- // Sources of human drinking water standard.
- // Telecommunications facilities.
- // Electricity transmission.
- // Assessing and managing contaminants in soil to protect human health.
- // Resource Management (Measurement and Reporting of Water Takes) Regulations 2010
- // Plantation forestry.

Regional policy statements

The RMA requires regional councils and unitary authorities to prepare a Regional Policy Statement (RPS) for the sustainable management of the region's resources. These cover significant regional resource management matters; for example, objectives and policies concerning biodiversity, natural hazards and freshwater. An RPS must give effect to an NPS.

Regional plans

Regional plans deal with specific resource management issues such as air, water, or land management. They must give effect to any NPS. Although their preparation is optional, regional councils must consider the desirability of preparing one, taking into account the degree of relevance to the region. Any person may ask for a regional plan to be prepared.

The major benefit of a regional plan is that it provides a public process for resolving resource issues so that conflicts are debated once during the formation of the plan, rather than each time a resource consent is applied for. Once a plan is in place it provides the basis for granting resource consents. In the absence of a plan for water and air, use of these resources generally requires resource consent.

In addition to regional plans, "regional coastal plans" are mandatory for all coastal marine areas. A regional coastal plan may form part of a regional plan, although most regional councils have prepared stand-alone plans.

District plans

City and district councils and unitary authorities must prepare a district plan for the sustainable management of the district's resources. District plans must give effect to any NPS, the New Zealand Coastal Policy Statement and regional policy statement. District plans must not be inconsistent with a regional plan.

Among other matters, a district plan must contain objectives and policies and the rules to implement the policies. The district plan may also state the reasons for adopting the policies and methods, the anticipated environmental outcomes and the significant resource management issues for the district.

Under the RMA, district plans have a life of 10 years. After this they must be reviewed to keep pace with the changing environment. Councils can choose to review the plan as a 'rolling review', reviewing different sections of the district plan separately over the course of 10-years.

Mana whakahono agreements

Mana Whakahono ā Rohe provide an opportunity for tangata whenua and local authorities to work together on environmental issues under the RMA. A Mana Whakahono ā Rohe is a binding statutory arrangement that provides for a structured relationship between one or more iwi authorities or hapū and one or more local authorities. The intent is to improve working relationships and to enhance Māori participation in RMA resource management and decision-making processes.

The Ministry for the Environment's guide, *[Mana Whakahono ā Rohe guidance](#)*, sets out the process that should be followed to initiate and develop a Mana Whakahono. Mana Whakahono can be initiated by an iwi authority or hapū. Section 58N of the RMA 1991 sets out principles that should guide the development and implementation of a Mana Whakahono ā Rohe.

The RMA in practice

// Te whakatinanatanga o te ture whakahaere rawa

Duty to consider alternatives, assess benefits, and costs

The RMA requires councils evaluate the extent to which each resource management objective is appropriate and whether the stated policies and rules are the most appropriate for achieving the objectives. They must do this by considering the costs and benefits of alternative options for example, fiscal measures and providing information and services.

Monitoring

There are significant requirements on councils to monitor, gather and keep information on the state of the environment. The LGA 2002 has provided additional monitoring and reporting responsibilities that complement the environmental emphasis of the RMA with the wider brief of social, economic and cultural wellbeing.

Consultation process for RMA policies and plans

Community participation in resource management is a key principle of the RMA and it provides for consultation and public participation at various stages in the policy and plan-making process. The same process applies when the council or a private party wants to make a change to an existing policy statement or plan. The process is as follows:

- /01.** Councils begin the process by preparing a proposed version of the policy statement or plan. Many also choose to issue a draft plan prior to this step, to solicit early views and input. In this process councils may consult with anyone but must consult with the responsible ministers of the Crown, other affected councils and tangata whenua.
- /02.** The council then publicly notifies the proposed policy statement or plan and makes it available to anyone who is interested. Anyone can make a submission on the proposal.
- /03.** Councils then summarise submissions and invite further submissions. Councils must hold a meeting or hearing, to enable people who made a submission to be heard if they wish.
- /04.** Decisions are then publicly notified and provided to everybody who made a submission. Those who made a submission have a right of appeal against a council decision to the Environment Court.

RMA policy statements and plans have a 10-year life. The consultation and review process must be commenced within 10 years of the document being finalised.

Resource consents

// Ngā whakaaetanga rawa

A person who proposes to use the environment in a manner not allowed (as of right) by the district or regional plan must apply for a resource consent.

The RMA sets out the following four types of activity:

- // **Permitted activities** – those that are allowed by a plan 'as of right' without a resource consent. The plan may specify conditions to be complied with.
- // **Controlled activities** – those that are allowed if all standards set in the plan are met. A resource consent is required which must be approved but may impose conditions.
- // **Discretionary activities** – those over which the council has discretion to refuse or grant a resource consent. A district or regional plan may have restricted its discretion (known as a restricted discretionary activity).
- // **Restricted discretionary activity** – consent can only be withheld or conditions imposed on those matters over which the council restricted its discretion.

Non-complying activities are those that are not specifically provided for in the plan. The council must not grant consent unless it is satisfied the environmental effects will be minor or the application will not be contrary to the objectives and policies of the plan. If one of these tests is satisfied, then the council assesses the application on its merits.

Prohibited activities are those activities the plan expressly prohibits and for which no resource consent application can be made.

Types of consent

There are six types of resource consents and permits. City or district councils deal with these two:

- // **Land use consents** – including building, excavation and activities on the surface of water.
- // **Subdivision consents** – including cross-lease, company lease and unit titles.

Regional councils deal with these four:

- /01. **Coastal permits** – for activities within the coastal marine areas.
- /02. **Water permits** – for using, taking or damming surface water, groundwater or geothermal water.
- /03. **Discharge permits** – for the discharge of contaminants into water, air, or onto land.
- /04. **Land use consents** – for matters such as soil conservation, managing ecosystems, managing water quality and quantity, and natural hazards.

Notification of applications

There are three notification statuses for resource consent applications:

/01.

Notified applications – the RMA specifies the criteria for notification of an application. If these are met then the application must be notified. Any person may make a submission setting out their reasons for an application and the outcomes they seek. Approximately five per cent of applications are notified.

/02.

Limited notified applications – applications where the effects are minor but the approval of affected parties is not obtained. The application is served only on affected parties and only those parties may make submissions. Approximately two per cent of applications are limited notified.

/03.

Non-notified applications – applications where there is no opportunity for submissions. An application may be non-notified if the plan specifies non-notification, or if any affected parties have consented in advance and environmental effects are minor. Approximately 94 per cent of applications are non-notified.

The resource consent process

The application process varies depending on what category of activity is proposed. In general, the process will involve:

- // A decision on whether the application is complete or if more information is required.
- // A decision on the effects associated with the proposal and parties that might be affected.
- // A decision on whether to notify the application.
- // If the application is notified or limited notified, notice of the application is served on affected persons and public notification may occur with an invitation to make submissions.
- // Subject to the agreement of the respective parties, the consent authority may hold a pre-hearing meeting.
- // The consent authority has discretion over whether to hold a hearing or not; a hearing may also be held on a non-notified application.
- // The consent authority assesses and determines the application in accordance with the criteria and requirements of the RMA. The decision is given in writing with reasons.

The applicant or a submitter may appeal the council's decision to the Environment Court and depending on the Environment Court ruling, the decision may be appealed to the High Court on matters of law.

Resource consent hearings

When a hearing is required, applications can be heard by a standing committee of council, for example the regulatory committee, or by a hearings panel formed specifically for it. While councillors generally opt to take this role, legislation does not require them to and the council can delegate.

Decision-making is a quasi-judicial function and must be kept separate from the council's representative or service delivery functions (for example, advising consent applicants) so that the application can be assessed independently. Committee members should not discuss proposals other than with other committee members and official advisors. A council officer normally prepares a written report on the application to assist the committee and is usually present at the hearing.

The RMA requires that the chair and all members of a hearings panel are accredited RMA decision-makers. LGNZ and the Ministry for the Environment jointly deliver the "Making Good Decisions Programme", which is an accreditation scheme under the RMA for all hearings commissioners, councillors and independent commissioners.

A pre-hearing meeting is sometimes held to make sure all parties are clear on the issues to be heard. It may also be an opportunity to find ways to avoid, remedy or mitigate adverse effects and to allow the affected parties to resolve the issues to be heard in the hearing. Any council member, delegate or officer who is empowered to make a decision may attend but only on the basis that all parties attending (including the consent authority) agree to their presence.

Making good decisions programme

The Making Good Decisions Programme was established by LGNZ and the Ministry for the Environment to provide councillors, community board members and other RMA decision-makers with the skills they need to navigate the resource consent process.

The programme involves a two-day workshop, assessment of understanding and update seminars. Successful participants are issued with a certificate that is valid for three years. Certificate holders are obliged to attend update seminars and have their understanding re-assessed if they wish to have their certificates reissued when they expire. Once recertified, the certification expires after five years.

Having councillors who are accredited decision-makers is very important and many councils encourage their elected members to become accredited. Without sufficient accredited decision-makers, a council is forced to delegate its resource management decision-making, including resource management policy, to independent commissioners.

Delegation of functions

Councils may delegate authority to a committee or to one or more commissioners to hear and decide a resource consent application on its behalf. Commissioners are usually involved if the council has a conflict of interest or if the specialist knowledge of a commissioner will help in considering the application. Local authorities may, except in defined circumstances, also delegate authority to council staff (staff) to grant resource consents. As they do not involve hearings and are processed on a non-notified basis, decisions on most applications for resource consent are delegated this way.

Role of central government

// Te tūrangā o te kāwanatanga ā-motu

Since 2009 applicants with proposals of 'national significance' (as defined within the RMA), have been able to lodge them directly with the Environmental Protection Authority (EPA), the central government agency responsible for protecting the environment. The RMA also has a direct referral process where applicants request that their notified application or notice of requirement be decided by the Environment Court rather than the relevant council.

Typically, when an application is notified (publicly or limited), it is open to submissions from people who may be affected by it and then proceeds to a council hearing for a decision. With direct referral, while the council notifies the application and receives submissions, the application is then transferred to the Environment Court for a decision, bypassing the council hearing stage.

The interface of the RMA and the LGA

// Te tāhono o te RMA me te ture kaunihera ā-rohe

The sustainable management purpose of the RMA underpins all decisions made under that Act. In comparison the sustainable development approach of the LGA 2002 is only one of several principles of local government. The Long-term Plan (LTP) does not override the provisions of RMA plans, nor is there a legal requirement that new RMA plans must conform to the LTP. However, because the LTP both records the outcomes adopted by the council and explains how the local authority will contribute to them, it is expected that local authorities will use this process to inform other plans and strategies such as RMA plans.

The RMA codifies the consultation and decision-making process at a level very different from the enabling approach of the LGA 2002. The consultation and decision-making processes of the LGA generally do not apply to RMA consultation and decision-making. However, if a council chooses to consult on a draft policy statement or plan, it must do so using the LGA 2002 consultation principles. In addition, a council may not be required to undertake the RMA consultation requirements in preparing a policy statement or plan if it consulted with the same people on the same matter under the LGA 2002 (or another Act) in the previous 12 months. The LGA also enables combined or concurrent consultation.

Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

**THE MINISTRY FOR
THE ENVIRONMENT
HAS PRODUCED MANY
PUBLICATIONS ON THE
RMA**

+

THESE ARE AVAILABLE ON:
www.mfe.govt.nz/publications/rma
or by contacting the Ministry.

**GUIDANCE MATERIAL
FOR PRACTITIONERS ON
ALL ASPECTS OF RMA
IMPLEMENTATION**

+

www.qualityplanning.org.nz is a partnership between LGNZ, the Ministry for the Environment, the New Zealand Planning Institute, the Resource Management Law Association, the New Zealand Institute of Landscape Architects and the New Zealand Institute of Surveyors. The website contains significant and detailed guidance material for practitioners on all aspects of RMA implementation, as well as an extensive library and news service.

AVAILABLE ON:

www.qualityplanning.org.nz

16.

Council-controlled organisations

// Ngā rōpū whakahaere ā-kaunihera >

Good governance means ensuring that services are delivered in a way that gives best value for money, responds to the needs and preferences of communities and meets public standards of equity and access.

Councils have many options for how they provide quality public services, discussed in detail in [Chapter 7](#) Decision Making. This chapter looks at one of those options in detail; arms-length bodies that are under the control of one or more local authorities, otherwise known as council-controlled organisations (CCOs) or council-controlled trading organisations (CCTOs). It outlines the roles and responsibilities of elected members in overseeing CCOs and CCTOs.

What are council-controlled organisations?

// He aha ngā rōpū whakahaere ā-kaunihera?

Since 1989 councils have been able to establish local and regional, publicly owned corporations. Originally called Local Authority Trading Enterprises these become CCOs after the Local Government Act (LGA) 2002 was passed. They can be thought of as a local version of state-owned enterprises, which central governments use for undertaking commercial activities. Today there are approximately 198 CCOs, of which 124 are CCTOs.

A CCO is an entity in which one or more local authorities control 50 per cent or more of the voting rights, or appoint 50 per cent or more of the members of the governing body. They can be a company, trust, partnership, incorporated society, joint venture or other similar profit-sharing arrangement. A CCO that operates a trading, undertaking to make a profit is referred to as a CCTO. Not-for-profit entities are CCOs. There are many examples in the local government sector, including:

- // Dunedin City Holdings Limited, a holding company that is a CCO that owns and monitors other CCOs owned by Dunedin City Council.
- // Wellington Water, a council owned, shared-service organisation, providing three waters network management services to Wellington City Council, Porirua City Council, Hutt City Council, Upper Hutt City Council and Greater Wellington.
- // Bay Venues Limited, which oversees the Tauranga City Council's aquatic and indoor sport and recreation facilities.

The definition of a CCO excludes port companies, energy companies, electricity lines businesses and their parent trusts, and several other named entities. Such entities aim to make a profit and as a result are described as CCTOs. In the following chapter the phrase CCO also refers to CCTOs.

Why establish a CCO?

// He aha te take o te whakatū i tētahi rōpū whakahaere ā-kaunihera?

A council might consider establishing a CCO to provide services for many reasons. In some cases, they don't have a choice. For certain activities, such as energy companies, legislation requires that they must be CCTOs. In most cases, however, the decision to establish a CCO is a discretionary one, made for policy reasons, such as:

- // The activity has a 'public' dimension that distinguishes it from a purely business undertaking and rules out privatisation.
- // The council expects that the activity might attract a significant level of public support through voluntary effort and donations if established as a stand-alone activity.
- // Greater transparency can be provided regarding the cost of the activity, and a CCO can also be a device for constraining expenditure.
- // As stand-alone, agencies tend to negotiate longer-term contracts with the council, and greater security of service is assured.
- // They create the opportunity for greater levels of self-management by staff (staff) and customers.
- // They remove the activity from the 'political' realm of direct council control and enable the directors to focus on achieving pre-determined outcomes.
- // They access the skills and expertise that experienced directors can bring.

In addition to commercial activities, CCOs are most commonly used where a high degree of expertise is needed in operating a service, or where economies of scale and scope might be achieved by joining together operational management.

The establishment of a new CCO is a complex business and should be carefully considered.



For more detailed information of the factors to be considered before establishing a CCO, see the Office of the Auditor General's publication "Governance and accountability of council-controlled organisations" at <https://oag.parliament.nz/2015/cco-governance/docs/cco-governance.pdf>

How to set up a CCO?

// Me pēhea e whakatū i tētahi rōpū whakahaere ā-kaunihera?

Before a council can establish, or become a shareholder in, a CCO it must undertake community consultation in accordance with the principles of section 82 of the Local Government Act (LGA) 2002. The local authority is responsible for the following aspects of a CCO:

- // Appointing members of the CCO's governing body.
- // Annually considering and commenting on the CCO's draft Statement of Intent.
- // Describing the significant policies and objectives for the CCO in the council's long-term plans (LTP) and annual plans.
- // Monitoring and reporting on the CCO's performance and achievements against its intentions, in the council annual report.
- // Reviewing the cost-effectiveness of a CCO's activity.
- // Considering whether to exempt small non-profit CCOs from the accountability requirements in the LGA 2002 and periodically reviewing any exemptions given.

Appointing directors

A council is responsible for the appointment of a CCO's directors. The LGA 2002 requires a local authority to have an objective and transparent process for making appointments. This includes having, and applying a policy that sets out the knowledge, skills and experience required of directors. The LGA 2002 prescribes that only people with the appropriate skills, knowledge or experience to contribute effectively to the CCO's objectives, should be appointed.

For a board to be fully effective it should comprise directors who have complementary skills and experiences to ensure that ideas are challenged and tested, and that decision-making is robust.

Should elected members also be directors?

Reasons for appointing councillors as directors can range from a desire to reinforce the council's objectives and expectations of a CCO, to ensuring an effective flow of information the two.

Although the same statutory provisions apply to appointing elected members as non-elected members as directors, some councils have policies that exclude elected members from such an appointment. This is usually to reduce the risk of a conflict of interest or to address community concerns about elected members being paid for both jobs.

The argument in favour of allowing payments to councillor-directors includes recognising they have taken on additional responsibilities for the governance of their CCO and that they are to be treated the same as independent directors. These matters must be addressed in each council's policy for the appointment of directors.

Objectives and statements of Intent

// Ngā whāinga me ngā tauākī whāinga

One of the principal objectives of a CCO is to achieve the objectives of its shareholders, both commercial and non-commercial, as specified in the Statement of Intent (SOI). A CCO must also exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates, and to be a good employer. If it is a CCTO, its principal objectives will also include conducting its affairs in accordance with sound business practice.

The Statement of Intent is the primary mechanism through which council influence the direction of the organisation and hold it to account for its performance. The SOI sets out the activities and intentions of a CCO for the coming year and the objectives those activities will contribute to.

The content of an SOI is laid out in Schedule 8 of the LGA 2002, which also includes the process for changing an SOI during the year. Key components of an SOI, which is a public document, includes:

- // The objectives of the CCO and any subsidiary organisations.
- // A statement of the board's approach to governance of the group.
- // The nature and scope of any activities to be undertaken.
- // The performance targets and other measures by which performance will be assessed.
- // Any activities for which the board seeks compensation from any local authority.
- // The board's estimate of the commercial value of the shareholders' investment in the group including the time at which the value is to be reassessed.
- // Any other matters that are agreed by the shareholders and the board.

The board of a CCO is required to prepare a draft SOI for consideration by each council. Some, such as Christchurch City Council and Dunedin City Council, have established holding companies to oversee their CCOs and CCTOs.

Performance monitoring

// Te aroturuki ekenga mahi

The board of each CCO must report on a six-monthly basis, with their half-yearly report provided to the council within two months of the end of the first half of the financial year. The annual report is required within three months of the end of the financial year.

Reports must include enough information to enable an informed assessment of each CCO and its subsidiaries, such as:

- // a comparison of the organisation's performance with the Statement of Intent,
- // an explanation of any material differences, and
- // the level of dividend, if any.

All CCO financial statements must be audited in accordance with generally accepted accounting practice.

A council's annual report must also disclose information about the performance of their CCOs, including the degree to which significant policies and objectives have been achieved, a comparison of the results with what was indicated in the council's LTP and key performance indicators.

Some councils have also developed systems for formally evaluating the performance of their CCO directors. Such systems can help determine whether the right mix of skills and experience exist, highlight training needs and skill gaps, and help when deciding on future directors.

Dis-establishing CCOs

// Te whakakore i ngā rōpū whakahaere ā-kaunihera

A council may decide to disestablish a CCO for several reasons, such as the CCO having achieved its objectives, financial insolvency or a desire to bring the activity under the direct control of a council committee. The legal procedures will vary depending upon the type of entity that the CCO is and legal advice is recommended.

Frequently asked questions

// Ngā pātai auau

Does the Local Government Official Information and Meetings Act 1987 (LGOIMA) apply to CCOs?

Yes, but only Parts 1 to 6 of LGOIMA, which concern access to information. Part 7, which is to do with public access to meetings, does not apply.

Can the council make loans to its CCTOs?

Yes, but it cannot subsidise the activities of its CCTOs, so any loans or capital grants must be made at market rates. Councils cannot give any guarantee, indemnity, or security in respect of the performance of any obligation by a CCTO.

How do you change directors?

Councils can, through a resolution, replace a director on a CCO before their term has expired. Removal is sometimes used as a sanction where an elected member who holds directorships has been found guilty of breaching their council's Code of Conduct.

Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?

**OAG (2015).
GOVERNANCE AND
ACCOUNTABILITY OF
COUNCIL-CONTROLLED
ORGANISATIONS.**

+

AVAILABLE FROM:

www.oag.govt.nz/2015/cco-governance

**OAG (2014). INQUIRY
INTO PROPERTY
INVESTMENTS BY DELTA
UTILITY SERVICES
LIMITED AT LUGGATE AND
JACKS POINT.**

+

AVAILABLE FROM:

www.oag.govt.nz/2014/delta

Attachment 1 experiencing abuse, harassment, and intimidation from the public

// Āpitihangā 1: te pānga ki te tūkinotanga,
te whakatīwheta me te whakawehi nā te
marea >

Please note that this chapter includes information about harassment and intimidation and provides options for how to respond. Some people may find these topics distressing and should seek support before reading this material. The information contained in this attachment should not be a substitute for legal advice – no liability is assumed by Local Government New Zealand.

As many a public figure will tell you, there are both upsides and downsides to having a public profile. There is unfortunately, a high chance that you will experience abuse, intimidation and even harassment during your time in office. However, tolerating or 'putting up with it' is not an expectation of the job and is not a phrase that will appear in any job description, code of conduct or legislation that governs the role of an elected member.

Abuse, harassment, and intimidation can take place in person, via mail, phone and also online. The channel of delivery makes no difference to the severity of the behaviour; online abuse and abusive mail should never be minimised just because they didn't occur in a face-to-face environment.

Many things can serve as catalysts for harassment and abuse such as kaunihera events or decisions or a media article. However, the reason or cause of the behaviour is irrelevant and there are times when there is no discernible trigger for what can occur.

How it affects you as an elected member should be the main consideration when deciding how to respond. No matter who the concerning behaviour comes from or the 'reason' for it, if it impacts on you in any way, you should take action, whether that be seeking support for your wellbeing, discussing it with your kaunihera, colleagues, friends or whānau or alerting the police.

Delaying action may increase the risk to you and your whānau's safety. Do not be discouraged to seek help and support. If you're concerned about the immediate safety of yourself or someone else, call 111.

What the law says

Harassment and intimidating behaviour have legal definitions in Aotearoa New Zealand meaning that legal action can be pursued if you experience harassment and intimidation. The following acts are relevant:

- // The Harassment Act 1997
- // The Summary of Offences Act 1981 (Section 21)
- // The Harmful Digital Communications Act 2015

Harassment and the harassment act 1997

The Harassment Act 1997 states it's a criminal offence for someone to harass you, if they intended to make you fear for your safety or if they knew that what they were doing was likely to make you fear for your safety.

If you report harassment to the police and they believe the harassment is criminal, they can arrest and charge the person responsible. If what happened doesn't meet the test for criminal harassment, you may still be able to use the non-criminal process under the Harassment Act against the person responsible. This will involve going to the District Court to get a restraining order. Harassment is limited to intimidating behaviour; if a person has attacked you or destroyed your property, talk to the Police about criminal charges.

See the Harassment Act 1997 [here](#).

For there to be "harassment", there must be both of the following:

- // the type of behaviour set out in the Harassment Act, and
- // a pattern of behaviour, not just a one-off incident.

Twice in one year: if the person does any of the things listed above twice or more within 12 months. It doesn't have to be the same kind of thing each time.

A continuing act: there'll also be a pattern if the person does any of the things listed above as one continuing act over a period of time.

Under the Harassment Act 1997, these are the types of acts or incidents that can amount to harassment:

- a) watching, hanging around, or blocking access to or from your home or workplace, or any other place you regularly or often visit; or
- b) following, stopping or confronting you; or
- c) coming into your home or onto your property, or interfering with your home or any of your things; or
- d) contacting you either by phone, letter, email or text, or through social media sites or apps like Facebook, or in any other way; or
- e) giving you offensive material, or leaving it where you'll find it or where someone else will give it to you or bring it to your attention – this includes posting offensive pictures or other material online; or
- f) doing anything else that makes you fear for your safety, and that would make a reasonable person in your situation fear for their safety. This includes where the harasser does the thing to a member of your family, rather than to you directly, in order to target you, and even if that family member doesn't in fact fear for their own safety.



What about indirect harassment through targeting family? It is still harassment if any of the acts above are directed toward someone's whānau in a bid to indirectly harass someone else. An example of this could be if a letter is sent to a member of your whānau with the intention of upsetting you.

Intimidation and the summary of offences act 1981

The Summary of Offences Act 1981 states it's an offence to intimidate you and defines intimidation as when a person commits an offence with intent to frighten or intimidate any other person, or knowing that their conduct is likely to cause that other person reasonably to be frightened or intimidated: This includes when someone:

- a) threatens to injure that other person or any member of his or her family, or to damage any of that person's property; or
- b) follows that other person; or
- c) hides any property owned or used by that other person or deprives that person of, or hinders that person in the use of, that property; or
- d) watches or loiters near the house or other place, or the approach to the house or other place, where that other person lives, or works, or carries on business, or happens to be; or
- e) stops, confronts, or accosts that other person in any public place. See the section on intimidation in the Summary of Offences Act 1981.

Online harm and the harmful digital communications act (HDCA) 2015

// Ngā ūtonga ā-ipurangi me te ture whakawhitiwhiti matihiko kino 2015

Netsafe (Aotearoa New Zealand's independent, non-profit online safety organisation) describes distressing content as that which is hateful, sexual or illegal material (like age-restricted material or extreme violence).

Offensive or illegal content could include topics, images or other information that could be prohibited in Aotearoa. It is illegal for anyone to send or publish threatening, offensive, or sensitive material and damaging rumours.

Online abuse includes cyberbullying and the distribution of inappropriate material, such as violent and sexual material that can cause emotional and physiological distress.

Online bullying or cyberbullying is when digital platforms or technology are used to send, post or publish content intended to cause harm to another person.

The HDCA 2015 aims to help people dealing with serious or repeated harmful digital communications. It includes criminal penalties of fines and jail-time. The HDCA covers any digital communications that are harmful such as text messages, social media messages, emails and social media content which contain discriminatory, sexist, racist, religiously intolerant comments as well as discriminatory comments about sexual orientation or disabilities.

The HDCA sets out 10 communications principles that a digital communication should not include:

- /01.** disclose sensitive personal facts about an individual
- /02.** be threatening, intimidating, or menacing
- /03.** be grossly offensive to a reasonable person in the position of the affected individual
- /04.** be indecent or obscene
- /05.** be used to harass an individual
- /06.** make a false allegation
- /07.** contain a matter that is published in breach of confidence
- /08.** incite or encourage anyone to send a message to an individual for the purpose of causing harm to the individual
- /09.** incite or encourage an individual to commit suicide
- /10.** denigrate an individual by reason of colour, race, ethnic or national origins, religion, gender, sexual orientation, or disability See the Harmful Digital Communications Act 2015.

SHIELD principles for handling harassment and intimidation

While there is no expectation that anyone 'put up with' harassment and intimidation as part of the job, each elected member will have a different tolerance threshold. Seeking support is a personal decision and is actively encouraged; if you have an instinct to seek support and protection, do so. In some instances, not dealing with the behaviour may increase risks to safety.

In the United Kingdom, the Local Government Association (the national membership body for local authorities) has developed the SHIELD principles to support elected members when responding to harassment and intimidation. The SHIELD principles provide a basic framework for elected members for engaging with the public to mitigate risks and handle incidents if they occur.

The SHIELD principles are:

- // **Safeguard:** protect yourself online and in-person by proactively setting a zero-tolerance policy for abuse, harassment or intimidation. Seek advice regarding your safety online and in-person.
- // **Help:** ensure you are safe before you take further action and get help if you need it. If the threat is immediate, call 111.
- // **Inform:** only if it is safe to do so, say that you consider the actions to be harassing and intimidating and challenge poor behaviour.
- // **Evidence:** gather evidence of harassment or intimidation, threatening communications, take photos, recordings or screenshots, keep any letters, emails and details of any witnesses.
- // **Let people know:** report the incident to the appropriate people such as your council or the police if necessary.
- // **Decide:** determine whether you want to continue interacting with the person.

If you do not, use social media functions to end engagements online and consider further options to inhibit them from approaching you in person. *Source: LGA Shield Principles – Local Government Association UK.*

Other tips for keeping safe

// Ētahi atu kōrero āwhina e haumaru ai

If you're concerned about the immediate safety of you or someone else, call 111. Have a safety network with your whānau, friends and colleagues. Creating a safety network with people you trust is a good way to have support if you need it. This could look like:

- // Letting your safety network work know about any activities or engagements you have planned so that they are aware of where you may be and when to expect you back home for example.
- // Asking someone to come with you to public activities, engagements, and events.
- // You could consider having a safety word, you could text or say on the phone if you need support or assistance.
- // Elected members sharing their experiences so that they can support each other.

Keep a record of events that make you feel unsafe. Not only is this useful if you need to go to the police, but keeping a record of ongoing acts of aggression, harassment, or intimidation no matter what the scale will help identify patterns of behaviour. This could be used to warn your peers and colleagues of red flags. It could also help your council create a coordinated response if it is required.

Try to stay calm

Some people could be infuriated, angry or upset with local issues and may expect elected members to fix issues beyond their control or mandate. In conversations like these, try your best to keep calm and do not debate with the person. Staying calm, does not mean you have to 'take it' and tolerate aggressive behaviour but more so about de-escalating a situation for your own safety.

You don't have to 'take it'

Putting up with harassment and intimidating behaviour from the public is not an expectation or a part of the job description of being an elected member or representative of your local community.

If you are on the receiving end of threatening, intimidating, racist, homophobic, sexist or derogatory remarks, it is your right to bring any meeting or interaction to an end and seek assistance and support. If you feel comfortable and safe doing so, you could try to tell the person that you could pick up the conversation again when the situation is calmer. Let your council know and contact the police if you feel unsafe. If you experience harassment, abuse or intimidation make a detailed note of the incident and those involved. Let your council know that it has happened. You can make a call on whether you want to inform the police. Dealing with online or digital abuse or distressing content. Many elected members use social media to connect with their local communities. Online abuse, harassment, bullying, and intimidation can be common but should not be minimised as 'normal political banter' or 'freedom of expression'. If you feel unable to deal with abuse yourself or have any concerns about your safety, report any incidents to Netsafe, your council or the police. If you are unsure about the seriousness of what you are experiencing, get in touch with Netsafe.

Netsafe

Netsafe is Aotearoa New Zealand's independent, non-profit online safety organisation providing online safety support, expertise and education. Netsafe is responsible for helping resolve reports related to alleged breaches of the 10 communication principles. They are not an enforcement agency, but do have a high rate of resolution. Some of the things Netsafe can do include: liaising with website hosts, Internet Service Providers (ISP) and other content hosts (both here and overseas) and request they takedown or moderate posts that are clearly offensive using advice, negotiation, mediation and persuasion (as appropriate) to resolve complaints. Learn more about Netsafe's services [here](#)

If Netsafe have tried to resolve the incident but can't, you may be able to apply to the District Court for action e.g. for a takedown order against the author or host of the allegedly harmful content. Netsafe will provide you with a Netsafe Summary that can be taken to the District Court to show that someone has tried to resolve the incident and that there are no further options that can be considered. The Netsafe summary will include a report of the incident and the resolution options offered, completed or attempted. The Netsafe Summary informs the District Court but does not impact the decision the District Court makes.

Netsafe's services are free, confidential, non-judgemental and available seven days a week.

Email help@netsafe.org.nz

Call toll free on 0508 NETSAFE (0508 638 723)

Online report at netsafe.org.nz/report

Text 'Netsafe' to 4282

Want to know more?

// Kei te pīrangī koe ki ētahi whakamārama anō?



LGNZ (2025)
HOW TO STAY SAFE:

Local Government New Zealand's guide to protecting
candidates and elected members from abuse and
harassment.

+

AVAILABLE FROM:

[https://d1pepq1a2249p5.cloudfront.net/media/documents/
How_to_stay_safe_-_a_guide.pdf](https://d1pepq1a2249p5.cloudfront.net/media/documents/How_to_stay_safe_-_a_guide.pdf)

Practical tips to deal online abuse:

// Ngā kōrero āwhina hāngai hei whakahaere i ngā tūkinotanga ā-ipurangi

Be security conscious

Social media profiles are actively targeted by cyber criminals, foreign intelligence services and others. Maintaining good online security practices can help mitigate the risks involved in using social media. Members should:

- // Choose a strong password (preferably a whole phrase rather than a single word) and never share it.
- // Use two-factor authentication where it is offered.
- // Keep operating systems and apps up to date as they will contain the latest security improvements. Seek the advice of your kaunihera staff if you do not know how to do this.
- // Be careful about locations for accessing social media: public wi-fi networks (such as in cafes, airports, hotels etc) put members at greater risk of being hacked.
- // Only install trusted apps and avoid granting them access to contacts, camera, photos, files etc.

Avoid posting information about their location by disabling location-sharing. Get familiar with social media platform settings. Make sure that you know the different settings and processes to block, mute, report and delete comments and users on the platforms you are using. If you're not sure how, you can visit the safety settings of social media platforms to find out how or talk to your council communications staff.

Set expectations on your social media platforms. You can post your own rules of engagement on your social media platforms establishing clear expectations on behaviour, boundaries and the possible response to those who breach those rules.

Here's an example of a rules of engagement statement:

"I welcome your comments and interactions but have two simple rules for a safe social community: 1) Be respectful to others; and 2) Do not post any harmful content. Content that I judge to be harmful will be hidden or removed. This includes misinformation, swearing, hate speech, trolling and spam. If I believe you are repeatedly disrespectful of myself or others, or if harmful content is repeatedly posted, then you may be banned or blocked."

Plan your approach to responding, before you post. Some information and content will be more controversial than others. Before you post it, think about how you intend to manage any engagement (comments and questions) with the content. For example, will you respond to all engagements or only those specifically addressing the content itself?

Wait to de-escalate

Fires burn out when they have no fuel. Heat can be taken out of a situation if you hold-off responding for a time. Don't feel obliged to reply immediately as it may be more beneficial to wait before responding to abusive or angry messages. If you do not feel comfortable replying at all, you do not have to.

Be firm and factual

De-escalate negative situations by acknowledging a person's frustrations, assuring them that they have been heard, and committing to follow up where appropriate.

Call out inappropriate comments

Make it clear that the language being used is unacceptable and inappropriate. Publicly challenging inappropriate behaviour can be a powerful tool in stopping it.

Know that you can step back if you need to

You never have to engage with online abuse, bullying or harassment. While you may wish to respond with factual information, you are under no obligation to do so. You can step back or step away at any time.

Block email addresses and numbers/callers on your phone

You can block phone numbers and email addresses that are sending harassing, intimidating or abusive messages or calls. Search online using the words “how to block phone numbers” and the model of your cell phone. Your mobile service provider may also be able to help you block numbers.

You may also want to consider having a separate work and personal phone. You can also talk to council staff for assistance with email and phone security.

Record and report any abuse or threatening communications

Screenshot comments, content or messages and keep a record of abusive or threatening communications. Report abusive comments using the social media platform's reporting functions, and mute or block repeat offenders.

Dealing with misinformation

There are three kinds of misinformation:

- // **Misinformation** is information that is false, but not created with the intention of causing harm.
- // **Disinformation** is information that is false and was created to harm a person, social group, organisation or country.
- // **Malinformation** is information that is based on reality, used to inflict harm on a person, organisation or country.

Misinformation can be stopped by reporting fake accounts, pages and domains that post or share misinformation. Most misinformation is legal, and people have the right to express their views or opinions. However, if you see content on social media that you believe to be false or misleading, you can report it to the social media platform you found the information on:

- // How do I mark a Facebook post as false news?
— <https://www.facebook.com/help>
- // Report inappropriate content — [YouTube.com](https://www.youtube.com/help)
- // Report a tweet, list or direct message — [Twitter.com](https://twitter.com/help)
- // Reduce the spread of false information
— [Instagram.com](https://www.instagram.com/help)
- // Staying safe on Whatsapp — [WhatsApp.com](https://www.whatsapp.com/help)
- // Report a problem — [TikTok.com](https://www.tiktok.com/help)

Misinformation, including leaflets and scams, can be reported to Government agency CERT NZ (Computer Emergency Response Team) and you can report to Netsafe any online harms including misinformation and hate speech or extremism.

With thanks to Auckland Council for sharing their social media policy and guidelines.

Attachment 2 key legislation in the history of local government

// Āpitihianga 2: ngā ture matua i te hītori o te kāwanatanga ā-rohe >

This timeline selects some key events to bring a historical perspective to the development of local government in New Zealand.

1842 Gazetting of Wellington Corporation as a council

1846 Municipal Corporations Ordinance

This ordinance created the earliest form of European-style local government in New Zealand. Before this, the only recognised geographical divisions were Māori tribal boundaries. The Ordinance applied to settlements having a population of 2,000 or more. It provided for elected councils and the levying of rates based on property ownership. Non-ratepayers could be enrolled on payment of a prescribed fee.

Constitution Act (UK)

This Act provided for the establishment of two or more provinces in New Zealand. The provinces of New Ulster and New Munster were established.

1852 Constitution Act (UK)

This Act provided for the establishment of six provinces with elected provincial councils. Over the next few years these councils set up a number of municipalities, often haphazardly, in Dunedin, Christchurch, Wellington, and Otago. There was a notable lack of uniformity of powers, responsibilities and constitution between these provinces.

1867 Municipal Corporations Act

This Act attempted to regularise the establishment of municipalities. It also authorised municipalities to undertake a wide range of functions and services that recognised their important role in the social, economic and administrative life of their communities.

1876 Abolition of Provinces Act

This Act abolished the provinces set up in 1852 and gave central government the responsibility for the local administration of the whole country.

Unlike its 1867 predecessor, this Act was mandatory for existing and future municipalities.

The Counties Act and the Municipal Corporations Act

These Acts established 63 counties and 45 municipalities in New Zealand and laid the foundation for our present systems of rural and urban local government. By 1920 the number of municipalities and counties had reached 246.

1946 Local Government Commission Act 1946

This Act established the first Local Government Commission as an independent body with responsibility for continually reviewing all local authorities. In the 1950s some reduction was achieved in the number of territorial authorities as a result of recommendations made by a number of Local Government Commissions and government-appointed committees.

By 1950 the number of special purpose authorities responsible for the administration of harbours, health, education, water catchments, drainage and pest destruction had reached 537.

1953 Town and Country Planning Act

Under the new Town and Country Planning Act it became mandatory for councils to prepare a district scheme to promote and safeguard the health, safety and general welfare of the inhabitants and all amenities.

1953 Local Government Commission Act

This Act severely curtailed the powers given to the Commission in 1946. It could no longer initiate inquiries and its recommendations for reform were more easily overturned by the introduction of new polling provisions. The Act introduced an appeal authority to hear appeals against any decisions of the Commission.

1956 Health Act

This Act confirmed the role of local authorities in public health and management of “nuisance”. It provides for local health bylaws.

1963 Auckland Regional Authority established

The ARA was created as a directly elected regional council to carry out a range of regional planning and delivery functions in the Auckland metropolitan area and adjoining rural districts.

1974 Local Government Act

Merged the municipal and counties legislation and provided for the creation of regional and united councils and territorial local authorities.

1977 Town and Country Planning Act

Extended previous planning legislation to include matters of national importance such as the relation of Māori to their land, regional plans and maritime planning authorities.

Reserves Act

Vested ultimate authority for reserves and domains in the Minister of Lands and required the development of management plans for all reserves.

1981 Public Works Act**1986 Local Government Amendment Act**

This Act reformed the electoral franchise by abolishing rating qualifications for property occupiers. Voting eligibility extended from ratepayers to residential electors using the parliamentary rolls as the base for local rolls.

1987 Conservation Act

Local Government Official Information and Meetings Act

This Act provides for the public availability of local authority official information. It also sets out various provisions relating to local authority meetings.

The government announces a comprehensive review of local government.

1988 Local Government Amendment Act (No 3)

Under the new Town and Country Planning Act it became mandatory for councils to prepare a district scheme to promote and safeguard the health, safety and general welfare of the inhabitants and all amenities.

This Act suspended existing reorganisation procedures and required the Local Government Commission to prepare final reorganisation schemes for New Zealand by 1 July 1989. At the time of the final reorganisation schemes there were:

- // 205 territorial authorities with the various names of county, city, borough, town, and district councils
- // 22 regional authorities, made up of the Auckland Regional Authority, Wellington, and Northland Regional Councils and 19 united councils
- // more than 400 special purpose authorities.

1989 Local Government Amendment Act (No 2)

This amendment to the Act gave local government wider powers. It led to or introduced:

- // a reduction in 74 territorial local authorities redesignated as city or district councils (including Chatham Islands County Council) and 13 regional councils
- // the abolition of most special purpose authorities
- // major restructuring of local authorities at committee and staff levels.

This Act suspended existing reorganisation procedures and required the Local Government Commission to prepare final reorganisation schemes for New Zealand by 1 July 1989. At the time of the final reorganisation schemes there were:

1991 Resource Management Act

This major reform of legislation dealing with the environment, providing an integrated approach to environmental management, replaced some 50 previous statutes, notably including the Town and Country Planning and Water and Soil Conservation Acts.

Building Act

Introduced a new national building code replacing previous local building bylaws. The code was “performance based” rather than prescriptive about building standards. It introduced a national consenting system administered by territorial authorities, replacing the previous local permit system. This Act was later repealed and replaced by the Building Act 2004, with later amendments also made.

1992 Local Government Law Reform Act

This Act introduced new changes, especially affecting regional councils. One regional council (Nelson Marlborough) was abolished and the three territorial authorities in the former region were constituted as unitary authorities undertaking regional as well as territorial functions.

1993 Biosecurity Act

This Act enables regional pest management strategies. The pest management strategies identify plant and animal pests for that region, and how these will be controlled. Regional Councils are also able to undertake small-scale management programmes under Section 100 of the Act for new incursions of pests without having to have them included in a pest management strategy.

1996 Dog Control Act

This Act repealed the previous legislation and introduced new legislation to better control dogs and manage dangerous dogs.

1996 Local Government Amendment (No. 3) Act

This contained financial management provisions that required all local authorities to prepare long-term financial strategies together with funding, borrowing and treasury management policies.

2001 Local Electoral Act

This Act modernised the statutes dealing with local government's electoral processes. Key changes included the ability of communities and / or councils to adopt transferable voting systems (STV, create separate Māori wards and have a mix of wards and "at large" electorates.

2002 Local Government (Rating) Act

This Act modernised the previous Rating Powers Act 1988, which was widely regarded as difficult to interpret. The new Rating Act provides councils with flexible powers to set, assess and collect rates.

Local Government Act

This Act replaced a large part of the previous LGA 1974. It is widely regarded as a radical departure from the previous way in which local authority powers and functions had been prescribed. It built on the planning and policy regimes that were introduced in the 1996 Local Government Amendment (No 3) Act. Among its features were the general empowerment clause, a clear statement of purpose based on promoting wellbeing and a statement of clear principles.

Civil Defence Emergency Management Act

This Act repealed the Civil Defence Act 1983 and provided for new mechanisms for planning and preparing for emergencies. All local authorities must participate in civil defence emergency management groups.

2003 Gambling Act

This Act was designed to provide an overarching framework for regulating and controlling the growth in gambling, and minimising resulting harm. It introduced a new role for territorial authorities of setting policies to control the location and number of class four (non-casino pokie) gaming machines.

Prostitution Reform Act

This Act began life as a private member's Bill and gives local authorities the power to regulate the location of brothels and place controls on signs advertising commercial sexual services, all through by-laws.

2008 Waste Minimisation Act

The purpose of the Act is to encourage waste minimisation and a decrease in waste disposal. It puts a levy on waste disposed of in landfills and contains the requirements for product stewardship schemes. This Act clarifies the roles and responsibilities of territorial authorities with respect to waste minimisation.

2009 Local Government (Tamaki Makaurau Reorganisation) Act

This Act established the Auckland City council as a single unitary authority to take effect on 1 November and prescribed a range of transitional provisions.

2010 Local Government (Auckland Council) Amendment Act

This Act provided greater detail on how the new council would operate, including the role of the Mayor and council- controlled organisations, particularly Auckland Transport and Auckland Water.

2011 Local Government Borrowing Act

This Act facilitates the operation of the New Zealand Local Government Funding Agency Ltd (LGFA), a council controlled organisation which is owned by 30 Local Authority Councils and the Crown. The provision of more efficient funding costs and diversified sources of funding (including foreign currency) are the primary purpose of the LGFA.

Freedom Camping Act

This Act regulates freedom camping on land controlled by local authorities (city, district and regional councils) and by the Department of Conservation. It does not regulate freedom camping on private land.

2012 Local Government Amendment Act

This Act amends the Local Government Act 2002. It was introduced as an implementation of the first four points of central government's "Better Local Government" reform programme, with a view to more effective and efficient operation of local government via refocusing local government's purpose, introducing financial prudence requirements, strengthening council governance and streamlining council reorganisation procedures.

Sale and Supply of Alcohol Act

This Act replaces the Sale of Liquor Act 1989, and amongst other things provides greater ability for communities to have a say by increasing the range of matters on which objections to licenses can be made. It allows councils to adopt local alcohol policies.

2014 Local Government Amendment Act

This Act completed the Government's Better Local Government programme. It required councils to adopt Infrastructure Strategies, undertake regular reviews of the way in which their services were delivered and adopt a Significance and Engagement policy.

2021 Water Services Act

This Act established a drinking water regulatory framework that is consistent with internationally accepted best practice, including a duty on drinking water suppliers to have a drinking water safety plan; and comply with legislative requirements (such as drinking water standards) on a consistent basis.

2024 Water Done Well Act

Established a framework for local government to provide water services in a flexible, cost-effective, financially sustainable, and accountable manner, by providing a range of structural and financing tools, and by implementing a new economic regulation regime for water services providers.

Attachment 3 glossary

// Āpitihianga 3: kuputaka >

accrual accounting

An accounting method whereby income and expenses are included in the financial reports when they are incurred, regardless of when they are actually received or paid. Revenues are included in the period when the earning occurred (for example, the period the rates relates to) even though it may not yet have been invoiced or paid for. Similarly, expenses are included in the period in which the expense was incurred.

assets

The economic resources controlled by the council. Assets commonly include cash, investments, accounts receivable, inventories (stock), land, buildings, machinery, equipment, etc. Assets are divided into current and non-current for financial reporting purposes.

annual plan

A document adopted by a local authority that sets out the budget for the year, and the sources of funding for the year.

annual report

A document that a local authority prepares each year which provides the public with information on the financial and non-financial performance of the local authority during the year.

balance sheet

Also known as Statement of Financial Position, the balance sheet summarises the council's financial position, its assets, equity, and liabilities, at a specific point in time. According to the basic equation in a balance sheet, the council's assets equal its liabilities plus owner's equity. Balance sheet data is most helpful when compared with information from a previous year and this information is included in the published financial statements.

casting vote

An additional vote which may be exercised by a person presiding over a meeting when the voting is otherwise tied, should the council's standing order provide for such a vote.

community

A network of people and organisations linked together by common factors. This might refer to a network of people linked by place (that is, a geographic community), common interest or identity (for example, a hapū, a voluntary organisation or society), an administrative community (such as a district).

code of conduct

A document that sets out members' expectations as to their roles and conduct while acting as an elected member.

community outcomes

The outcomes a local authority aims to achieve in meeting the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions.

council organisation (CO)

Any organisation in which one or more local authorities own or control any proportion of the voting rights or has the right to appoint one or more of the directors, trustees etc.

council-controlled organisation (CCO)

Any organisation in which one or more local authorities own or control 50 per cent or more of the voting rights or have the right to appoint 50 per cent or more of the directors of the organisation. council-controlled trading organisation (CCTO)

Any CCO that operates a trading undertaking for the purpose of making a profit.

depreciation

An expense that represents the consumption (or using up) of the asset over time. Different methods of depreciating assets include diminishing value (reducing balance) and the straight line method. GAAP defines depreciation as the systematic allocation of the depreciable amount of an asset over its useful life.

depreciation replacement cost (DCR)

The current gross replacement cost of an item less any allowance for physical deterioration, and optimisation for obsolescence and relevant surplus capacity.

equity

The value of the council's assets minus its liabilities. On a balance sheet, equity is also referred to as shareholders' equity, owners' equity or in the public sector taxpayers' equity.

generally accepted accounting practice (GAAP)

The rules and conventions accountants follow in recording and summarising transactions and preparing financial statements. In New Zealand, this is either approved financial reporting standards so far as they apply: or if there are no approved standards, accounting policies that are appropriate to the entity and have authoritative support within the accounting profession in New Zealand.

infrastructure assets

Systems (for example, roading or power) that form a network and serve whole communities, where the system as a whole is intended to be maintained indefinitely to provide a particular level of service by the continuing replacement and refurbishment of its components

infrastructure strategy

The infrastructure strategy must outline how the local authority intends to manage its infrastructure assets for at least 30 consecutive years.

long-term plan (LTP)

A plan, covering at least 10 years, adopted under s. 93 of the LGA 2002, that describes the activities the local authority will engage in over the life of the plan, why the local authority plans to engage in those activities and how those activities will be funded.

local governance statement

A collection of information prepared under s. 40 of the LGA 2002 that includes information about the ways in which a local authority engages with its community and makes decisions, and the ways in which citizens can influence processes.

notice of motion

A notice giving the precise words of a motion is intended to be moved at a later time, or more usually a later meeting.

renewals

Works to refurbish or replace existing facilities with facilities of equivalent capacity or performance capability.

significance and Engagement Policy

A local authority's general approach to determining the significance of proposals and decisions in relation to issues, assets, and other matters and the criteria for determining the level of engagement and consultation.

special consultative procedure (SCP)

A formal consultation process defined in the LGA 2002 that sets out a series of steps a local authority must follow when consulting on particular types of decisions.

statement of proposal (proposal)

A document that provides the basis for consultation with the community under the SCP, by setting out a local authority's proposals with respect to a particular matter.

strategic asset

An asset or group of assets that the local authority needs to retain to maintain its capacity to promote any outcome it considers important to the current or future well-being of the community.

statement of intent (SOI)

A document that sets out the objectives for a council-controlled organisation over the coming year, its expected activities and forecasts of its performance.

sustainable development approach

Taking into account the social, economic and cultural interests of people and communities; maintaining and enhancing the quality of the environment and taking into account the reasonably foreseeable needs of future generations.

triennial agreement

An agreement entered into by all of the local authorities within a region that sets out the basis for communication and coordination between the authorities.

CCO	Council-controlled organisation
CCTO	Council-controlled trading organisation
CO	Community outcomes
DIA	Department of Internal Affairs
DPMC	Department of the Prime Minister and Cabinet
EDA	Economic Development Agency
FIS	Funding Impact Statement
FPP	First past the post
LGA 1974	Local Government Act 1974
LGA 2002	Local Government Act 2002
LGFA	Local Government Funding Agency
LGNZ	Local Government New Zealand
LGOIMA	Local Government Official Information and Meetings Act 1987
LGRA 2002	Local Government (Rating) Act 2002
LTP	Long term plan (incorporating the LTCCP)
NPSET	National Policy Statement on Electricity Transmission
NZCPS	New Zealand Coastal Policy Statement
RC	Regional council
RMA	Resource Management Act 1991
RPS	Regional policy statement
SCP	Special consultative procedure
SOI	Statement of intent
SOLGM	Society of Local Government Managers (Taituarā)
PSC	Public Services Commission
STV	Single transferable vote
TA	Territorial authority

Ko Tatou
LGNZ.