



2024 Annual General Meeting

REMITTS



Please note that this document is not the full set of papers for this year's AGM. It just includes the remits going forward to the AGM so members can decide how they will vote on them. The full set of AGM papers will be shared no later than 10 working days before the AGM.



Prioritising remits

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

LGNZ's National Council decided at its June meeting to ask the AGM to prioritise remits, to make it clearer where most resource should be directed. This will be a two-step process:

1. At the AGM, delegates will vote on remits as usual. Then, in a separate vote, they will rank successful remits in order of priority. This vote will be carried out electronically and result in a prioritised list of remits.
2. National Council will look at this prioritised list and allocate resource accordingly.
 - This will include determining where on the list the cutoff lies between a 'maximalist' and 'minimalist' approach. Depending on the nature of the remit, a 'maximalist' approach could include commissioning advice or research, or in-depth policy or advocacy work. A 'minimalist' approach could involve less resource, such as writing a letter to the relevant minister or agency.
 - Any support that proposing councils offer to deliver the remit will be considered in this decision making.

National Council will share its decision with councils, along with proposed actions.

Progress made against remits will continue to be reported in the four-monthly update to members.



Proposed Remit		Page
1.	Representation reviews	4
2.	Community Services Card	5
3.	Local government constituencies & wards should not be subject to referendum.	7
4.	Entrenchment of Māori wards seats for local government	20
5.	Graduated driver licensing system	22
6.	Proactive lever to mitigate the deterioration of unoccupied buildings	26
7.	Appropriate funding models for central government initiatives	46
8.	Goods and services tax (GST) revenue sharing with local government	48



// 01

Representation reviews

Remit: *That LGNZ advocate for changes that support the provision of timely and accurate regional and sub-regional population data to councils for use in council representation reviews.*

Proposed by: Waikato Regional Council

Supported by: Zone 2

Why is this remit important?

Because local democracy relies on accurate and up to date electoral population data to ensure fair and effective representation.

Background and Context

Census and local electoral cycles are not aligned which means that census data used to inform representation reviews can be up to six years old.

This remit is flexible enough to enable advocacy that takes into account a possible move to a four-year term and possible future shifts in the way the census may be conducted in the future, including a possible replacement by the use of administrative data.

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

This is a critical issue for local government as it goes to the very foundation of localism. Seeks advocacy in relation to a significant issue impacting local government.

This is not currently part of the current work programme but could be linked to the Electoral Reform Working Group's look at how to best implement a four-year term.

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

Drafting submissions and attending meetings with Statistics New Zealand amongst other things.



// 02

Community Services Card

Remit: *That LGNZ advocate to Central Government to amend the Health Entitlement Cards Regulations 1993 so that the cardholder can use the Community Services Card as evidence for the purposes of accessing Council services which would otherwise rely on a form of means testing.*

Proposed by: Palmerston North City Council

Supported by: Zone 3

Why is this remit important?

Councils are restricted from requesting a community services card as evidence of eligibility to access services. Instead Council must instead request a series of other documents from an individual to test eligibility. This creates obstacles for applicants and privacy and consistency concerns for councils.

Background and Context

The authorised uses of Community Services Cards are set out in the Health Entitlement Cards Regulations 1993 regulation 12 and restrict the purposes for which it can be used. The Regulations state that no person, other than an employee of the department or the Ministry of Health or a pharmacist or any person (other than the cardholder) mentioned in regulation 12(b) or (ba) shall demand or request a Community Services Card as a form of identification of the cardholder or as evidence that the cardholder is eligible for that Community Services Card.

People in receipt of a main benefit (e.g. Jobseeker Support, Sole Parent Support, Supported Living Payment) or receiving a Student Allowance automatically qualify for a Community Services Card. Otherwise people can apply for a Community Services Card and must meet qualifying criteria including:

- They are over 18 years of age (or over 16 years of age if enrolled in full-time tertiary study)
- They are living legally in New Zealand (or are applying for refugee status)
- They meet an income test.

Palmerston North City Council in seeking to determine a means of establishing eligibility for some council services, including social housing, found that the Community Services Card, based on its eligibility criteria, would appropriately identify eligible people. However, current regulations do not allow councils to ask if a person is a Community Services Card holder in order to establish eligibility for council services.

Cabinet has previously amended the Health Entitlement Cards Regulation 1993 and the Social Security Regulations 2018 to add public transport authorities to those able to request or demand to see a Community Services Card, and the combination SuperGold and Community Services Card, as evidence that the cardholder is eligible for public transport concessions.



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

This remit could increase accessibility to local government services. It also comfortably sits within the principles of the Local Government Act 2002 in that it would give local government a tool to provide services more efficiently.

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

We can provide further legal background knowledge and research to date; and accompany LGNZ in any advocacy meetings with the Ministry or legislators.



// 03

Local government constituencies & wards should not be subject to referendum

Remit: *That LGNZ lobbies central government to ensure that Māori wards and constituencies are treated the same as all other wards in that they should not be subject to a referendum. We oppose the idea that Māori wards should be singled out and forced to suffer a public referendum.*

Proposed by: Palmerston North City Council

Supported by: Zone 3, Te Pae Tawhiti (Horizons Region, Māori ward and constituency councillors)

Why is this remit important?

It is evident that the introduction of Māori wards and constituencies empowered more Māori to nominate, stand, vote, and participate in local government.

Legislative changes will only apply to Māori wards and constituencies but not all wards and constituencies. This shows a prejudice to Māori, a complete lack of fairness and will result in further disengagement of Māori in local government. It will see the demise of Māori representation and engagement in local government.

Background and Context

Māori wards and constituencies councillors serve on district, city and regional Councils in New Zealand and represent local ratepayers and constituents registered on the Māori parliamentary electoral roll. The purpose of Māori wards and constituencies is to ensure Māori are represented in local government decision making.

In February 2021, the Government made legislative changes which would uphold local council decisions to establish Māori wards and abolish the existing law which allowed local referendums to veto decisions by councils to establish Māori wards and Constituencies. The Local Electoral (Māori Wards and Māori Constituencies) Amendment Act 2021, eliminated mechanisms for holding referendums on the establishment of Māori wards and constituencies on local bodies.

Many councils took the opportunity to make decisions about establishing Māori wards and Constituencies after the law change and as a result, the 2022 local elections saw six of the eleven regional councils (54.5%) have Māori constituencies and 29 of the 67 territorial authorities (43.3%) have Māori ward/s. Horizons Regional Council, and all seven District Councils of this region, have Māori wards.

Following the changes in legislation, there was a significant increase in Māori representation. The 2022 Local Government election saw the highest number of Māori elected members in local government, growing from 5% to 22%.



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

The proposed remit fits within LGNZ's stance that they too believe that Māori wards and constituencies should be treated the same as other wards in that they should not be subject to a referendum or if so, all wards should be subjected to the referendum.

Councils should be empowered to make decisions about the make-up of their representation through the Representation Review process.

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

Palmerston North City Council and Te Pae Tawhiti already made oral and written submissions to the Justice Select Committee in June.

We also encouraged LGNZ to lead out the letter from the mayors to key ministers in May.

We are keen to support ongoing messaging, noting this remit is submitted prior to the Parliamentary decision on the proposed legislation.



pncc.govt.nz
info@pncc.govt.nz

Te Marae o Hine
The Square
Private Bag 11034
Palmerston North 4442
New Zealand

Committee Secretariat
Justice Committee
Parliament Buildings
Wellington

justice.submissions@parliament.govt.nz

29 May 2024

Members of the Justice Select Committee,
Re: Local Electoral Amendment Act 2024

E ngā mana e ngā reo e ngā karangatanga maha, tēnā koutou katoa.

E te tēpū whakatau o ngā whakakaupapa hou mō 'Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill' Nei rā he mihi nui ki a koutou i āta whakaaro i āta whiriwhiri i ēnei kaupapa whakahirahira e pā ana ki ngā kaunihera o te motu. Ko mātou tēnei o Te Kaunihera o Papanui e mihi atu nei ki a koutou me te kaupapa e kawea nei e koutou. Kia kaha, kia māia kia manawanui. Anei o mātou ake whakaaro e pā ana. Nō reira tēnā koutou, tēnā koutou, tēnā tātou katoa.

Thank you for the opportunity to submit to the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill. We challenge the Select Committee to genuinely consider the feedback provided through this process. Councils do not want or need this change to occur. Our communities, and certainly Rangitāne o Manawatū our Treaty partner, are not asking for this.

Palmerston North is home to:

- near on 100,000 people of over 150 ethnicities
- one of the youngest populations with the highest number of PhDs per capita in the country

We proudly display:

- our city crest in our Council Chamber- one of we understand only four in the country which depict both Māori and Pākehā in the heraldry. Three being councils and the Crown you represent being the fourth.
- a statue of Te Peeti Te Awe Awe in the heart of our city- Te Marae o Hine The Square. Erected in 1906 jointly by city and Rangitāne leaders.

Our representation arrangements, most recently reviewed in 2021, are 1 mayor + 15 members: 2 Māori ward seats and 13 General ward seats, at-large across the city.

PNCC is committed to the principles of local government. Namely, as set out in the Local Government Act 2002 sections 4 and 81, which state we must

"... 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... to facilitate participation by Māori in local authority decision-making processes.”

and

“establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and

consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority.”

There are also other statutory obligations, most notably the Resource Management Act 1991, to account for the culture and traditions of Māori as it relates to the natural environment. Not to mention obligations under the Treaty of Waitangi and the Human Rights Act. These obligations alone do not adequately emphasise the foundational importance of councils’ partnership with Māori and the critical value that relationships with tangata whenua bring to local governance.

Councils have many strategic commitments that support the development of Māori capacity to participate more fully and effectively in the Council’s decision-making processes. We engage directly with tangata whenua as a part of our statutory responsibilities and as a means of giving expression to the Council’s commitment to bicultural development and responsiveness. A Māori ward is another expression of this.

PNCC is committed to its kawenata relationship with tangata whenua Rangitāne o Manawatū, who support a Māori ward for wider Māori voice at Council. In 2021 Rangitāne o Manawatū gifted names for the city-wide wards:

- Te Hirawanui General Ward: reflects the long history of partnership between the Council and Rangitāne in the founding of Palmerston North, most particularly recognising one of our Rangatira chief Te Hirawanui who coordinated and inter alia signed the deed for sale for Te Ahu a Turanga land block, of which Palmerston North became a part.
- Te Pūao Māori Ward: the heralding a new dawn, and the mouth of a river as it leads to the ocean, reminiscent of the words spoken by Rangitāne rangatira Tiweta and Mahuri to the Ngāti Upokoiri people when they invited them to take refuge in the Manawatū-- in other words signalling the opportunities to come from the Māori ward and the relationship between Māori and Local Government in the Manawatū and beyond.

On 1 May 2024, Council resolved to formally endorse this current representative structure.

PNCC wants to increase engagement with parts of the city’s community that have historically been representationally marginalised. A Māori ward ensures Māori voices will be represented at local decision-making tables. It is one tool to support democracy, which a council can use to best represent the communities it serves. Māori can stand in general wards, but the data tells us they haven’t been doing so, even in Palmerston North where STV voting and district-wide wards which should encourage diverse candidacy. Māori wards are one way to remove a structural obstacle to the choices of Māori voters. In our view, having Māori ward seats at councils to represent those on the Māori elector role is the equivalent of Māori seats in Parliament for Parliamentary elections. Participation literature repeatedly points to people being able ‘to see themselves’ in diverse candidates as a motivator for voting. Many councils chose to establish Māori wards for the 2022 elections. We then saw the highest number of Māori elected members in local government, growing from 5% to 22%, much more closely aligned to the population. It is evident the introduction of Māori wards and constituencies enabled through the 2021 legislative change empowered more Māori to nominate, stand, vote, and participate in local government.

In its report to the Māori Affairs Committee in February 2021 on the Local Electoral (Māori Wards and Māori Constituencies) Amendment Bill of the time, National Party members made their own statement, separate to the Committee report. The members noted (emphasis in bold below) that:

Rushed legislation is not good legislation.

We agree.

The [prior] law requires that when a council proposes general wards it must publicly notify its proposals and call and hear submissions. These provisions do not apply to the creation of a Māori ward under this [previous] bill. If the Government genuinely wished to align the process it would require the same legal process for creating Māori wards as for general wards.

We agree.

If Government wishes to treat Māori wards in the same way as general wards, it should seek to include Māori wards within the representation review process subject to community submissions and Local Government Commission review NOT reinstate a different process.

Representation issues are complex. They cannot be reduced to simple binary questions of yes or no. Palmerston North knows first-hand what division looks like when lobby groups from outside our community lead a poll demand.

If the Government's true intentions were to improve the representation arrangements for councils, rather than revert this legislation, they would be looking to improve it. For example, could the rules around population ratios be removed so that councils can be more responsive to the needs of their communities of interest and not limited by percentages and population ratios?

"Our 78 local councils with their 1,600 elected members, are already obliged under legislation to have improving relationships with Māori and ensure proper engagement and involvement with Māori in decision-making. Local government and iwi/hapū take those responsibilities very seriously and in good faith. How they best meet their Treaty obligations should be up to them to decide. Local government and Māori are quite capable of doing that and achieving the outcome, without the central government deciding the means."

We agree.

Local democracy is one of the two purposes of local government set out in section 10 of the Local Government Act,

"The purpose of local government is—to enable democratic local decision-making and action by, and on behalf of, communities."

Aotearoa New Zealand is a representative democracy. We elect leaders to lead. We understand well that as councillors we are democratically elected to make decisions on behalf of all of our communities, not just the majority. Local councils are well placed to make those decisions, because we consult our people and weigh up various viewpoints on an issue.

PNCC voted to establish a Māori ward for the City, in 2017 and again in 2021. Since then, every council in our Horizons region (8 councils) has established Māori wards or constituencies.

Why is the Government telling us we are not capable of making a decision we have already made twice, and must now be bound to the result of a referendum? New Zealand is a representative democracy. Referenda are usually used for consultative purposes on controversial issues. The 1993 electoral system referendum is the rare case of a binding referendum. None of the 5 citizen-initiated referenda held since 1994 have been actioned by Parliament. Why then impose a binding referendum

that allows people not directly affected by the result (ie. those not on the Māori electoral roll) to determine an outcome?

“Not the most important local government issue at this time when Local government is struggling on several fronts. The sector is overwhelmed and facing the most significant period of change in 30 years, and there are more pressing issues to address at this time like infrastructure, housing, transport, water, resource management, consenting processes, climate change impacts, and poor customer experiences.”

We agree. The costs of polls are another unfunded mandate on councils. We have more than enough to do without distractions of fixing something that is not broken; that is in fact working well. Having a Māori ward works extremely well for Palmerston North. Why is the central government now telling us to spend more ratepayer money and time on a referendum?

We ask that the Local Electoral Act provisions with regard to the establishment of Māori wards and constituencies not be changed.

Ngā mihi nui

Grant Smith JP
MAYOR
Palmerston North City Council

A handwritten signature in black ink, appearing to read 'Grant Smith', with a long horizontal stroke extending to the right.

29 May 2024

Submission of Te Pae Tāwhiti Rōpū

To: Justice Committee regarding the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill

Te Pae Tāwhiti Rōpū is a rōpū (group) made up of Māori Ward Councillors from the Horizons Region.

The Horizons Region is the Manawatū-Whanganui area of the lower North Island. The region is made up of eight Councils:

- Horizons Regional Council
- Palmerston North City Council
- Manawatu District Council
- Ruapehu District Council
- Rangitikei District Council
- Horowhenua District Council
- Tararua District Council
- Whanganui District Council.

All of the Councils of the Horizons Region, except Whanganui District Council, established at least one Māori ward/constituency in 2021, in time for the 2022 local elections. In October 2023, Whanganui District Council voted to establish a Māori ward for the 2025 and 2028 elections.

This submission in opposition to the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill (Bill) is based on the views of Māori Ward Councillors who belong to Te Pae Tāwhiti Rōpū.

Although we are current Councillors, we make this submission not to advocate for our personal positions on Council but for the future preservation of Māori wards and constituencies, to ensure that Māori who choose to be on the Māori electoral role, continue to have the choice of Māori representation in local government.

Introduction

We are Local Government elected members, elected to represent the best interests of Māori within our ward/constituency, and in addition we serve all constituents across the wider Districts and Region we represent. We provide a connection into Council and advocate for residents and ratepayers.

We believe that Māori have been under-represented in Local Government for far too long, and the establishment of Māori wards/constituencies at our Councils in 2021 have helped bridge this gap.

Since we were elected in 2022, we have striven to provide a voice, true representation and a Te Ao Māori view on our respective councils. We wish to emphasise that the decisions by our respective Councils to establish Māori wards/constituencies in 2021 each followed an extensive public consultation process, whereby all members of the community had an equal chance to be heard, and Councils openly debated and decided the issues.

Poll provisions, by contrast, are a “tool of the majority” and never favour minority groups such as Iwi Māori. This has been proven to be the case since 2001 under the previous Māori wards regime – with only two Councils being able to establish Māori wards prior to the 2021 Amendment Act (Waikato Regional Council in 2013 and Wairoa District Council in 2016). All 15 other initiatives to establish Māori wards were voted down by binding poll.

Bringing back the poll provisions will recreate a higher procedural standard for Māori wards than that of general wards for “communities of interest” such as rural wards, for which Council decisions are democratically made in a representation review and cannot be subject to a binding poll. This is completely unfair and seeks to silence the voice of Māori. We believe that Māori wards and constituencies should be treated the same as all other wards and not be subject to poll provisions. Instead Local Government should be empowered to make its own decisions – not have the ability to do so taken away.

In this respect, we fully support the letter dated 20 May 2024 to the Government from the 52 Mayors and Chairs, LGNZ and Te Maruata, and agree that this legislation is a complete overreach on the Coalition Government’s part, on local decision-making.

Ultimately, given the track record of binding polls in the past, we believe the Bill will result in many Māori wards and constituencies across the country being disestablished. Not having a Māori ward or constituency will remove the option for Māori voters to choose whether to be represented by general or Māori ward councillor and we believe that any alternative mechanisms for Māori participation in Local Government would not be the same as having a dedicated seat at the decision-making table.

We fully support the Waitangi Tribunal Report dated 17 May, which found that this Bill will breach the Treaty of Waitangi and its principles, and recommended the Bill be paused for further policy development and consultation. The Tribunal findings also show that the Department of Internal Affairs advised the Minister of Local Government against this move, providing good rationale and that it is likely to breach Te Tiriti o Waitangi.

We do not agree with the Government putting its commitment to its Coalition agreement above Te Tiriti o Waitangi, and with the extremely rushed way in which the Coalition Government is progressing this change of legislation process, including only allowing 4 working days for a submission to be made.

Māori Wards Contribution to Local Government

We are opposed to this Bill because it does not honour and respect the contribution of Māori Wards to Local Government.

As Councillors of a Māori ward or constituency, we are honoured and privileged to represent Māori in our respective Councils. The participation of Māori representatives is crucial for fostering a more inclusive, equitable, and culturally responsive Council. It’s about having faces at the table that reflect their community and bringing our values, and lived and real perspectives to discussions and collective decision making.

Māori ward/constituency elected members bring valuable cultural knowledge and perspectives to Local Government, enhancing the cultural competence of Councils. This leads to:

- Better Decision-Making with diverse viewpoints contributing to robust and well-rounded policy decisions
- Cultural Responsiveness in policies and services that are more in line with to the needs and aspirations of Māori
- Social Cohesion which promotes mutual respect and understanding between Māori and non-Māori populations.

Inclusive governance that actively involves Māori can lead to improved outcomes across various sectors, such as:

- Environmental Stewardship with Māori often bringing a deeper understanding of and commitment to environmental sustainability, informed by traditional ecological knowledge
- Social Wellbeing where policies reflect Māori values and needs can contribute to healthier, more vibrant communities.

We wish to note that, while we have Councillor colleagues elected to general wards and constituencies who have whakapapa Māori, and they can also seek to bring their Māori-centric experiences to the Council table, those Councillors did not campaign to be (and may not want to be) a voice or representative for Māori on their Council. They are not and should not be expected to represent the voice of Māori in the way that we, as specifically-elected Māori Ward/Constituency Councillors, are.

Honouring Te Tiriti o Waitangi

We are opposed to this Bill because it does not honour Te Tiriti o Waitangi.

Te Tiriti o Waitangi establishes a foundational relationship between Māori and the Crown, emphasising partnership, participation, and protection. The changes enacted by the Crown in 2021 have helped ensure Māori representation in Local Government aligns with the principles of Te Tiriti by:

- Partnership - facilitating collaborative decision-making processes that involve Māori perspectives
- Participation - encouraging active Māori involvement in governance, ensuring these voices and concerns are heard
- Protection - safeguarding Māori rights and interests, particularly in areas impacting our whenua, resources, and cultural heritage.

The participation of Māori Councillors is crucial for fostering a more inclusive, equitable, and culturally responsive governance structure.

We fully support the Waitangi Tribunal Report dated 17 May. Although the Tribunal was forced to draft the Report under intense time pressure due to the imminent introduction of the Māori Wards legislation into Parliament, the report findings are comprehensive and compelling. The Tribunal found that this Bill will breach the Treaty of Waitangi and its principles, and recommended the Bill be paused for further policy development and consultation.

Poll Provisions – not compatible with complex constitutional matters

We are opposed to this bill because binding polls are not fair in practice and not compatible with complex constitutional matters such as establishing Māori wards.

The Waitangi Tribunal findings show that the Crown’s own advisors on Local Government issues – the Department of Internal Affairs advised the Minister of Local Government against this move, providing good rationale and that it is likely to breach Te Tiriti o Waitangi.

Historically, providing poll provisions for Māori wards and constituencies did not deliver on the original policy intent which was to involve the community in decision making, and to support Māori communities by providing an avenue for them to demand that their Council holds a poll to establish Māori wards or constituencies.

The effects of poll provisions from 2002 to 2019 have proven to be an insurmountable barrier to establishing a Māori ward or constituency. From the 16 polls taken between 2002 and 2019 only one poll was successful (Wairoa District Council 2016). This was a Council initiated poll with 54% in favour and 46% against.

Instead of being a mechanism for community participation, they have deterred Councils and communities from proposing a Māori ward or constituency.

The Department of Internal Affairs, in advice to the Minister on this Bill, summed up the problems with poll provisions in that:

Reinstating the polls will be unpopular with many in the local government sector and Māori communities;

Since the 2021 law changes, 46 local authorities have resolved to establish Māori wards. Our understanding is that many councils previously did not seriously consider establishing Māori wards. This was because of the perception that the polls could harm community relationships, including relationships with mana whenua, and undermine social cohesion.

We anticipate most of these councils will be very concerned about the re-introduction of the polls. It is likely to discourage any other councils considering establishing Māori wards in the future. The change is also likely to be very unpopular with Māori communities, especially where wards have been established.

Before the 2021 amendments, Local Government New Zealand (LGNZ) and Taituarā – Local Government Professionals advocated strongly to remove the polls. In a 2018 letter, LGNZ noted “It is imperative that the Government act to address the unfairness created by the poll provisions and put in place a legislative framework that will enable mature and constructive conversations about options for Māori representation in local authorities”.

An LGNZ survey of elected members found that, after the 2022 local elections, about 21% of members identify as Māori or are of Māori descent. This is up from 14% in the 2019 survey.

We agree with this statement from the Department of Internal Affairs.

Advice to Minister Brown from Department of Internal Affairs 5 December 2023:

The polls proved to be an almost insurmountable barrier to establishing Māori wards. Only two councils were able to establish Māori wards using the Local Electoral Act process. When polls were held, community division and animosity was common. As a result many councils

opted not to even put the option on the table because of the risk of community conflict. Similarly, mana whenua sometimes asked councils not to consider Māori wards because of the risk of a backlash against their community. The poll provisions gave no scope for councils to balance minority interests in the final decision because the poll outcome was binding, based on a straight majority. Since the poll provisions were removed, 46 councils have resolved to establish Māori wards

We agree with this statement from Department of Internal Affairs.

The Waitangi Tribunal has observed that “Alternative mechanisms for Māori participation in local government are not the same as having a dedicated seat at the council table”. A Māori ward or constituency is the only mechanism that guarantees Māori representation on the body that makes the final decisions (for example committees of council cannot adopt a District Plan or Long-Term Plan).

We agree with this statement from Department of Internal Affairs citing the Waitangi Tribunal.

The advice from the Department of Internal Affairs to Minister Brown was:

“Referendums and polls are an instrument of majority rule which can suppress minority interests. Normal lawmaking process have safeguards to make sure minority rights and interests are considered – human rights legislation, parliamentary debates and the select committee process. But referendums do not require that tabling and balancing of interests, and the outcome will depend on the majority’s perception of the minority interests.”

We completely agree with this advice and believe that the Department of Internal Affairs summed this up perfectly. The issue of representation for Māori is complex and should be decided upon locally by Councils in consultation with Iwi / Māori and its communities, not by a simple ‘yes’ or ‘no’ poll.

Further to this, the former LGNZ President Dave Cull summed up binding polls by saying:

“Of equal concern, the polls reduce a complex issue to a simple binary choice, which, by encouraging people to take sides, damages race relations in our districts. Matters of representation and relationships should be addressed in a deliberative manner that employs balanced and considered dialogue – not by poll. In fact, a poll is not necessary. Should a council resolve to establish Māori wards or constituencies, or any other ward, against the wishes of its community then the community has the option to hold that council to account at the next election – this is how representative democracy is intended to work

Again, we agree with this statement and also believe that binding polls and poll provisions in general are divisive and do nothing to enhance relationships within communities. In fact, it will do quite the opposite.

In summary, we are in opposition to the reinstatement of polls for Māori wards and constituencies and ask that this be relooked at and withdrawn.

If polls are to be implemented then we strongly urge the following to be implemented:

- That only those on the Māori roll vote in a poll. These are the only residents and ratepayers who will be affected by the outcome of the poll and therefore should have the most input into it.

- We ask that there is an increase in the petition threshold from 5% to 10% of electors to initiate a poll. Five per cent is a low threshold given the costs and impacts of polls on communities. It is therefore not unreasonable to expect a larger demonstration of a desire for a poll before undertaking one. A move to 10 per cent would align with the threshold set out in the Citizens Initiated Referenda Act 1993.
- We also recommend making the polls non-binding but require councils to give them due consideration in their decision making process. This would give the poll weight in the decision making process, but still enable these decisions to be made within the wider legal context and with due consideration of a range of relevant factors.

Cost to Ratepayers

The significant cost to ratepayers is another reason we oppose this Bill.

This change in legislation could result in up to 45 councils being required to hold a poll on Māori wards and constituencies at the 2025 elections, with the outcome to take effect in 2028. This is dependent upon what is decided by August 2024 in terms of disestablish now or ride it out until a poll in 2025. Councils throughout the country have extremely tight budgets and will need to fund the extra cost for the poll, as well as an early representation review. Many Councils are in the process of reviewing their Long Term Plan with proposed rates increases the highest ever seen. This in the midst of a cost of living crisis that will constrain Council budgets further. The cost of a poll and representation review will be dependent on the size of the council and district/region with an estimate at around \$175,000 for a poll and potential costs of up to \$170,000 for a representation review. In addition, Council staff and resource will be required.

Timing of Poll Should it Proceed

Finally, we are concerned at the timing of the proposed poll on Māori wards and constituencies. All Māori ward candidates will need to campaign for their seat, engage with Māori and participate in electioneering, while simultaneously convincing the community of the value of a Māori ward or constituency. This will be a huge undertaking and put potential Māori ward/constituency councillors to an unfair burden. The responsibility of educating the community on Māori wards will naturally fall to iwi to lead and coordinate without guaranteed resources or support.

Summary and Recommendation

In summary, Māori should be fairly represented in local government. This Bill will likely result in the disestablishment of many Māori wards and constituencies across the country. Disestablishing Māori wards and constituencies, and making them subject to a higher procedural standard than that of general or rural ward is opposed by Te Pae Tāwhiti Rōpū.

We recommend that the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill not be progressed and that status quo remains.

Whilst we oppose the reintroduction of poll provisions for Māori wards and constituencies, should these be reintroduced, we recommend the following:

- Increase the petition threshold from five per cent to 10 per cent of electors to initiate a poll. Five per cent is too low a threshold given the costs and impacts of polls on communities.
- Only those registered on the Māori roll can vote on a Māori ward and constituency poll.
- Make the poll non-binding and require councils to give them due consideration.

We would like the opportunity to speak in support of this submission.

Parties to the submission:

Roly Fitzgerald

Te Pūao Māori Ward Councillor, Palmerston North City Council

Korty Wilson

Ruapehu Māori Ward Councillor, Ruapehu District Council

Justin Tamihana

Horowhenua Māori Ward Councillor, Horowhenua District Council

Nina Hori Te Pa

Horowhenua Māori Ward Councillor, Horowhenua District Council

Coral Raukawa

Tiikeitia ki Tai (Coastal) Ward Councillor, Rangitikei District Council

Piki Te Ora Hiroa

Tiikeitia ki Uta (Inland) Ward Councillor, Rangitikei District Council

Bridget Bell

Ngā Tapuae o Matangi Māori Ward Councillor, Manawatū District Council

Fiona Kahukura Hadley-Chase

Ruapehu Māori Ward Councillor, Ruapehu District Council

Channey Iwikau

Ruapehu Māori Ward Councillor, Ruapehu District Council

Naioma Chase

Tāmaki-nui-a-Rua Māori Ward Councillor, Tararua District Council

Te Kenehi Teira

Tonga Māori Councillor, Horizons Regional Council

Turuhia (Jim) Edmonds

Raki Māori Councillor, Horizons Regional Council

And from Horizons Regional Council:

Wiremu Te Awe Awe

Councillor, Horizons Regional Council.



// 04

Entrenchment of Māori wards seats for local government

Remit: *That LGNZ proactively promote and lobby to entrench the Māori Wards and Constituencies for the 64 councils which currently have these, to require the support of a supermajority of parliament should either parliament or councils seek their removal.*

Proposed by: Northland Regional Council

Supported by: LGNZ Zone 1 (Northland Regional Council, Far North District Council, Whangarei District Council)

Why is this remit important?

Zone 1 opposes the changes proposed to Māori wards and constituencies provisions in the Local Electoral Act 2001 (LEA), the Local Government Electoral Legislation Act 2023, and the Local Electoral Regulations 2001.

Zone 1 views are summarised below:

- a) Māori wards and constituencies are an appropriate and necessary way to deliver on Te Tiriti o Waitangi obligations — they are not a race-based selection.
- b) Reversion to a poll system to establish / retain Māori constituencies in local government is inconsistent with the national electoral system of a Māori roll and Māori seats in Parliament. There is no rational reason for the different approach.

Background and Context

The current government has agreed to amend the legislation and regulation related to the establishment and continuation of Māori wards in Aotearoa New Zealand.

The proposed changes have a major impact for the representation of Māori communities and the unique opportunities and challenges they face. It also compromises the ability of local government across the country to deliver on its Treaty of Waitangi obligations.

Zone 1 members do not support the proposed changes and have submitted their views as individual councils and the broader local government sector through LGNZ.

As discussions have developed on the proposed amendments, the need to align Māori ward representation models with parliamentary Māori electorate representation model has become evident.

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

This proposal aligns with LGNZ's policy that states:

- Remits must be relevant to local government as a whole rather than exclusively relevant to a single zone or sector group or an individual council;



- Remits should be of a major policy nature (constitutional and substantive policy) rather than matters that can be dealt with by administrative action.

In accordance with LGNZ's strategy, this proposal would strengthen local government as a whole to support our communities to thrive - environmentally, culturally, economically and socially.

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

Northland Regional Council, with the support of Far North District Council and Whangarei District Council, will advocate, lobby, and promote the cause and case for the entrenchment of Māori ward seats in local government governance structures.



// 05

Graduated driver licensing system

Remit: *That LGNZ advocate for changes to the fee structure for driver licensing, better preparing young people for driver license testing, and greater testing capacity in key locations throughout New Zealand, in order to relieve pressure on the driver licensing system and ensure testing can be conducted in a quick and efficient manner.*

Proposed by: Ashburton District Council

Supported by: Hurunui District Council, Kaikōura District Council, Selwyn District Council, Timaru District Council, Waimakariri District Council and Waitaki District Council

Why is this remit important?

Communities across New Zealand are being impacted by excessive wait times associated with the graduated driver licensing system (GDLS). There are three stages to the GDLS, and those aged 16 or older can enter the system and undergo both theoretical and practical testing to graduate from a learner's license (accompanied driving) to a full license (license without restrictions) over the space of 24 months. Currently, across the country, demand for testing significantly exceeds testing capacity leading to negative implications for our young people, and the wider community. Action is required to ensure young people in our community can undertake testing without delay, failing to remedy this situation could result in:

- Reduced ability to access testing
- Increases in testing failure rates
- Social and economic disadvantages for young people

Background and Context

Work undertaken by Waka Kotahi and other agencies identified the need to remove barriers for young people associated with obtaining a driving license in New Zealand. Through this work, re-sit fees were identified as a potential barrier. According to Waka Kotahi data, only 53% of people on a restricted license pass their practical driving test first time around, meaning many young people trying to graduate were being financially burdened by subsequent fees in completing a re-sit.

From October 1 2023, Waka Kotahi introduced a revised fee structure for a learner's, restricted, or full license, which removed re-sit fees for drivers who failed a first or subsequent attempt. While this change makes graduation through the system more financially obtainable, it has put increased pressure on testing services as those who fail the first time are rebooking immediately. This, in combination with the shortage of assessors, is causing significant wait times across the country. The increase in wait times has multiple implications which are summarized below using national and local examples.

- **Reduced ability to access testing:** In 2020, the national average wait time to sit a restricted driving test was 16 days, this has dramatically increased to 53 days in 2023/24. Drivers in the Ashburton district are facing a 94-day delay in booking a restricted license test, with only one agent (VTNZ) being able to facilitate testing.



- Increases in testing failure rates: excessive wait times in Ashburton may be causing young people to book testing in alternative locations. According to information obtained during an Ashburton District Road Safety Co-ordinating Committee meeting, some young people from Ashburton and Timaru are travelling to the West Coast (3-5 hours away) to undertake practical testing, there is concern that completing a practical test on unfamiliar roads may lead to an increase in failure rates. Reports have also been made that the decision to remove re-sit fees has led to young drivers completing the test before they are ready, leading to multiple failed attempts.
- Social and economic disadvantages for young people: there are social and employability benefits to holding a driver's license. According to MBIE, two-thirds of all jobs advertised in New Zealand have a minimum requirement of a restricted license. The reduced ability for young people to obtain a restricted or full license may see otherwise suitably skilled candidates miss out on employment opportunities while they wait to sit and obtain the required license. This also has impacts for the community, in particular local businesses, who will potentially struggle to source young candidates for entry level roles. This is further amplified in our community where public transport is non-existent, with the only quasi-public transport available being the Mid Canterbury Connector – a locally led, volunteer driven service operating on a booked return trip service between rural communities.

Relevant legislation, policy or practice

- Land Transport Act 1998 (part 4)
- Land Transport (Driver Licensing and Driver Testing Fees) Regulations 1999.
- NZTA driving licensing fees schedule

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

While this is not currently part of LGNZ's work programme, engaging with central government will be essential to making progress in this area. Ensuring that the local voice is heard and understood by central agencies is the only way in which this issue will be able to be addressed. Given the impact on our young people, and the subsequent effects this has on their ability to gain independence and contribute to our communities and local economies, we believe this is a worthy project for LGNZ to drive on behalf of the sector.

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

While changing the fee structure will help incentivise people to pass their tests on their first attempt, other changes should be made to better prepare people, particularly young people, who are trying to obtain a driver licence, and ensure there is sufficient capacity in the system.

Ashburton District Council is willing to trial/pilot the practical applications of an improved graduated driver's licensing scheme.

Our Mayors Taskforce for Jobs programme has been highly successful, working with community groups and schools to identify people who are disadvantaged in the labour market. A significant proportion of this group are seeking drivers' licences in order to improve their chances of employment. There is an opportunity to align the Mayors Taskforce for Jobs programme with an enhancement of an Ashburton based training and accreditation centre, leveraging the MTFJ programme's experience in driver licensing schemes. The goal of this would be to better prepare



young people for driver licence tests and reduce the pressure on the system imposed by people having to re-sit tests.

Ashburton District Council also proposes a pilot scheme to work with government to attract, train and supply increased numbers of examiners for the Ashburton district along with other centres throughout the country. Ashburton district would become a training region; prospective examiners would be based in the region while they train and qualify before returning to their respective regions to fill gaps and boost capability. Our region is well suited to examiner development, being close to Christchurch but more affordable and having a network of urban and rural roads.

Hon Simeon Brown

Minister for Energy
Minister of Local Government
Minister of Transport
Minister for Auckland
Deputy Leader of the House



James Meager MP
Member of Parliament for Rangitata
Parliament Buildings
WELLINGTON

24 MAY 2024

Dear James

Thank you for your letter of 2 May 2024 regarding the driving licence processing delays in the Rangitata electorate. I share the frustration being experienced by people wanting to engage driver licence services only to be met with significant delays.

The Automobile Association (AA) and Vehicle Testing New Zealand (VTNZ) have been providing regulatory services on behalf of the NZ Transport Agency (NZTA) since 1999.

NZTA advises me that since the previous government's decision last year to remove the re-sit fee for theory and practical tests there has been a significant increase in demand for testing services, leading to unacceptable delays.

The inability to engage driver licence services in a timely manner is having an impact on the employability of learners and delaying their progression into the community.

NZTA and VTNZ are currently taking measures to accommodate the current high demand by re-prioritising driver testing officers to driver licencing agent sites with high booking numbers and increasing site opening hours. NZTA is aware of the urgency and my expectation that the issues be addressed promptly.

These delays across New Zealand, which follow the previous government's changes to re-sit fees, are unacceptable. I remain very concerned about these delays and am currently considering advice on options to address it, which may include reinstating a re-sit fee.

Regarding your request that NZTA remove the age limit for booking drivers licence tests, I have been advised that it is a legal requirement for applicants of driver licences to be 16 years or older.

Thank you again for writing.

Yours sincerely

A handwritten signature in blue ink that reads "Si-B" followed by a horizontal line.

Hon Simeon Brown
Minister of Transport



// 06

Proactive lever to mitigate the deterioration of unoccupied buildings

Remit: *That LGNZ advocate to Government:*

- *For legislative change enabling local authorities to compel building owners to remediate unoccupied derelict buildings and sites that have deteriorated to a state where they negatively impact the amenity of the surrounding area.*
- *To incentivise repurposing vacant buildings to meet region-specific needs, for example, accommodation conversion.*

Proposed by: Gisborne District Council

Supported by: Rotorua Lakes Council, South Wairarapa District Council, Wairoa District Council, New Plymouth District Council, Napier City Council, Rangitikei District Council, Whanganui District Council, Dunedin City Council

Why is this remit important?

There is no legislation enabling councils to take proactive action on the decaying condition of vacant buildings. Intervention is only possible when buildings become so dangerous that the Building Act 2004 (BA04) allows for dangerous building notices.

The absence of enabling regulations and enforcement tools can result in derelict sites negatively affecting both neighbourhoods and city centres. The public expects their local authorities to maintain community standards and they are frequently disappointed by our inability to intervene. Especially where keystone buildings deteriorate over decades.

The economic and social consequences of unoccupied derelict buildings negatively affect local businesses, city centre revitalisation, regional economic development, and tourism activity. Negative impacts suppress local investment and the prosperity of regional centres throughout New Zealand. Legislative change to enable the remediation of decaying building conditions and unlock their economic potential is in the national interest and significant to local government as a whole.

Background and Context

Existing building legislation is too late to mitigate decaying buildings

Once a Code Compliance Certificate has been issued, there is no regulatory avenue for proactive remediation of a vacant building's decaying condition. The BA04 is silent on maintenance responsibilities until the public is likely to be harmed by unsafe building conditions.

The BA04's approach to dangerous buildings is reactive as it seeks only to remediate dangerous conditions. The impact of a deteriorating building on its surrounding environment is not taken into consideration.

Waiting until a building becomes dangerous is too late to remediate the significant economic and social effects of vacant and deteriorating buildings.



In regional centres like Gisborne, a small number of deteriorating assets can have a significant impact on surrounding businesses and perceptions of the city centre. Long-term underinvestment means significant capital is required to restore these buildings before prospective owners and/or tenants can reoccupy the space. Investment is often cost-prohibitive, leaving vital buildings empty and further deteriorating.

In May 2024, Gisborne's Mayor wrote to Government detailing the national impact of this legislative gap (letter attached). The letter's appendix, *Ten years of the National Problem*, outlines how problematic buildings are challenging local authorities throughout New Zealand.

Local authorities have developed ad hoc, imperfect solutions to address the legislative gap

Upper Hutt City Council's Unoccupied Commercial Premises Bylaw and Clutha District Council's Regulatory Bylaw both aim to prevent building deterioration. However, bylaw solutions are unenforceable without costly prosecutions that risk uncertain outcomes.

In Rotorua, where houses are problematic, rather than commercial buildings, Rotorua District Council has spent \$60,000 on consultants' reports and legal advice for a single abandoned property because it lacks the authority to require its demolition.

The BA04 seeks to ensure safety and well-being, sustainable development, and building code compliance. However, because it does not provide local authorities with effective tools to encourage essential maintenance and building utilisation, we have no way to intervene when buildings are deteriorating until the problems are significant, sometimes beyond repair.

Wellington City Council recently signaled its intention to remove ten buildings from its heritage list as part of a district plan review. Among those buildings were the dangerous, unoccupied Gordon Wilson Flats, a contentious feature of the Wellington skyline intended for demolition by their owner, Victoria University, due to restoration cost.

List removal failed to secure ministerial approval. However, this situation illustrates the impossible predicament faced by local authorities when heritage buildings have not been adequately maintained, and the extraordinary measures they must take when buildings have deteriorated beyond repair. Local authorities' inability to prevent the deterioration of vital assets threatens a loss of national heritage and identity through demolition. The solution must be to enable proactive measures addressing deteriorating conditions before buildings are demolished by neglect.

Mitigating the social and economic consequences of underutilised buildings urgently requires:

- A new legislative lever that will enable earlier intervention and action to remediate deteriorating building assets and or
- Collaboration between local and central government and regional providers to develop region-specific incentives encouraging the use of unproductive assets, e.g., repurposing buildings for accommodation.

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

Addressing the gap in building legislation and its consequences for regional economic development does not currently feature in LGNZ's broader advocacy work programme. However, LGNZ has for some time been aware of the legislative gap and advocated on this issue as it aligns with their strategic priority of focusing advocacy on the big issues impacting local government.



In 2014, LGNZ wrote to the Minister of Building and Construction suggesting the BA04 define derelict sites, which would allow for such properties to be included in their Dangerous and Insanitary Buildings Policies. LGNZ's 2015 submission to the Rules Reduction Taskforce highlighted that derelict building issues are a regular source of community distress, presenting risks to health, fire hazards, and sites for criminal behaviour. In 2022, LGNZ again proposed that the government define derelict buildings; however, attempts to meet the Minister of Building and Construction were unsuccessful.

While these efforts failed to find favour, advocacy to political leaders is urgently required because:

- Current BA04 considerations are inadequate in addressing building issues that need to be remediated before buildings become derelict.
- The Government's accelerated review of building code requirements extends to improving economic activity.
- The Government has signalled its intention to develop housing improvement strategies through a cross-government Ministerial Working Group on Housing.
- Legislative change and incentives to activate unproductive buildings and unlock regional economic improvement align with the Coalition's Decision-Making Principles A – E.

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

Gisborne District Council will:

- Continue advocating directly to the Ministers for Building and Construction, Housing and Local Government.
- Collaborate with LGNZ, councils, Government and stakeholders to develop new legislative tools to tackle this issue, strengthening our national economic resilience.
- Share any appropriate research and development, and data analysis from our region.
- Undertake any pilot programme involving temporary rule changes or funding initiatives, such as incentivising the conversion of commercial buildings to housing.
- Identify and work with local providers and property owners on the implementation of any pilot.

2 May 2024



GISBORNE
DISTRICT COUNCIL

Office of the Mayor

Hon Chris Penk - Minister for Building and Construction

Hon Chris Bishop - Minister for Housing

Hon Tama Potaka - Associate Minister Social Housing

Hon Simeon Brown - Minister Local Government

Email: christopher.penk@parliament.govt.nz, Chris.Bishop@parliament.govt.nz,
Tama.Potaka@parliament.govt.nz, Simeon.Brown@parliament.govt.nz

Cc: Dana.Kirkpatrick@parliament.govt.nz, cushla.tangaere-manuel@parliament.govt.nz

LEGISLATIVE CHANGE IS REQUIRED TO UNLOCK SUBSTANTIAL ECONOMIC AND HOUSING IMPROVEMENTS IN NEW ZEALAND'S REGIONAL CENTRE

Good morning Ministers,

I would like to bring to your attention a gap in current building legislation, which is affecting local businesses, city centre revitalisation, regional economic development and tourism activity in our region.

In short, there is no enabling legislation that allows regulatory agencies to take proactive action on the decaying condition of vacant buildings.

Intervention is only possible when buildings become so dangerous that the Building Act 2004 allows for dangerous building notices. The absence of enabling regulations and enforcement tools, results in keystone buildings remaining idle and unproductive, sometimes for decades.

The attachments to this letter provide more information on the challenges facing Gisborne District Council and many other local authorities across New Zealand.

Legislative change to unlock the economic potential of underutilised and decaying buildings is in the national interest because the negative economic and social impacts created by underutilised buildings are nationally significant.

Unproductive buildings negatively impact regional prosperity throughout the country. We believe:

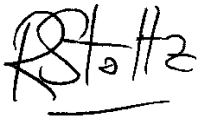
- New legislative tools are needed to unlock the economic potential of underutilised buildings.
- Urgent collaboration between local and central government is needed to develop a solution that will enable earlier intervention and action on commercial building issues.

- Activating unproductive buildings to support regional economic development is strongly aligned with the Government's Ongoing Decision-Making Principles A – E.

As this matter is significant for local government as a whole, Council will be putting forward a remit on this matter at the upcoming LGNZ Annual General Meeting.

We look forward to working with the Government to develop new legislative tools to enable us to tackle this issue and continue to strengthen our national economic resilience.

Warm regards,

A handwritten signature in black ink, appearing to read 'R Stoltz', with a horizontal line underneath.

Rehette Stoltz

Mayor Gisborne District Council

Attachments:

Attachment 1 – Gisborne's Deteriorating Buildings

Attachment 2 – Problem definition: Current legislation is too late to mitigate decaying buildings

Attachment 3 – Ten Years of the National Problem

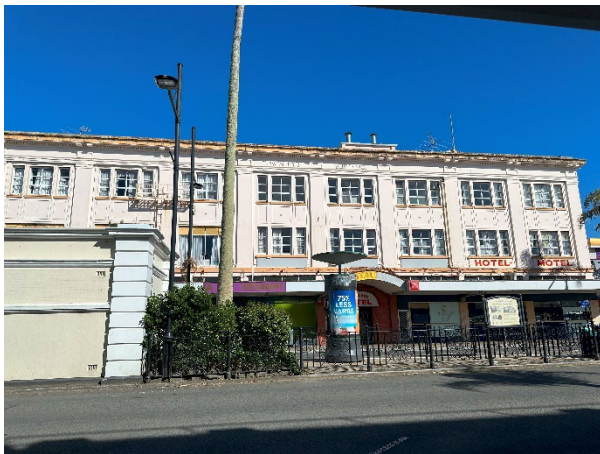
Attachment 4 – Seized buildings in Gisborne

Attachment 1 – Gisborne's Deteriorating Buildings

Main Street retail space. Corner Gladstone Rd and Peel St



Former Westlake Hotel. Corner Gladstone Rd and Peel St



Premium retail space. Peel St



Deteriorating building. Lowe St



Main Street retail space. Gladstone Rd



Deteriorating building. Childers Rd



Masonic Hotel decaying façade. Lowe St



Masonic Hotel frontage. Gladstone Rd



Abandoned detritus. Adjacent to Masonic Hotel



Main Street building decay. Gladstone Rd



Attachment 2: Problem definition: Current legislation is *too late* to mitigate decaying buildings

During deliberations on the Gisborne Dangerous, Affected and Insanitary Buildings Policy 2024¹ under the Building Act 2004 (the BA04), Gisborne District Council (Council) identified inadequacies in the existing building legislation framework. Also identified were the negative impacts these deficiencies are having both regionally and nationally.

Once a code compliance certificate (CCC) has been issued, there is no enabling legislation that allows regulatory agencies to take proactive action on the decaying condition of vacant buildings. Mitigation of problematic buildings is only possible when they eventually deteriorate to a condition so dangerous that BA04 provisions allow for dangerous building notices. The absence of enabling regulations and enforcement tools, in between CCC and dangerous building notices, results in essential buildings remaining idle and unproductive, sometimes for decades.

The BA04's approach to dangerous buildings is reactive. It seeks only to remediate dangerous conditions and does not consider the impact a decaying building has on its surrounding environment. This means it is both *too late* to remediate problematic conditions and an *inadequate tool* to address the significant economic effects caused when buildings become locked in a deterioration spiral. In Gisborne's case, deteriorating conditions negatively impact surrounding businesses and perceptions of the city centre, affecting a decline in economic activity. As regional economies underpin national economic prosperity,² the negative impact of underutilised buildings has a ripple effect on the national economy.

As a building's condition declines, the required investment in its essential maintenance and works (e.g. earthquake strengthening and cosmetic upkeep) decreases. The deteriorating condition of commercial buildings is particularly problematic in regional city centres, as this inefficient use of key placemaking assets contributes to poor amenity.

In regional centres, where the *heart of the city* is comprised of only a handful of buildings, even a small number of deteriorating assets can have a significant impact. A prolonged lack of maintenance requires significant investment to get a building back up to scratch before prospective owners and/or tenants can once again operate out of it. The required work is often cost-prohibitive, and vital buildings can remain empty, which leads to further deterioration.

The BA04 seeks to ensure safety and well-being, sustainable development, and building code compliance. However, because the current BA04 legislation does not provide local authorities with effective tools to encourage essential maintenance and building utilisation, we have no way to intervene when buildings are deteriorating until the problem is significant. We can only intervene when buildings have decayed to such a condition that they are likely to harm the public.

The public expects their local authorities to prevent city centre building deterioration, and they are frequently disappointed by our inability to intervene. Regional communities such as Gisborne, where the problem is acutely felt, are unable to prevent the gradual decline of their city centres. Without a legislative tool enabling the remediation of inactive buildings, and no central Government solution either, Council cannot achieve its aspiration of maintaining a

¹ Gisborne Dangerous, Affected and Insanitary Buildings [Policy](#) 2024.

² Hon Steven Joyce (2016) *Regions lead recovery from Global Financial Crisis*. This Beehive [Release](#) emphasises the instrumental role regional economies, including Gisborne, played in leading New Zealand's economic recovery from the Global Financial Crisis.

high-quality urban environment that capitalises on heritage, tourism, and lifestyle to attract economic investment and development.

The Problem in Gisborne

Gisborne's Central Business District (CBD) contains several **vacant** and **underutilised buildings** that have been **neglected for long periods**.³ Their deteriorating aesthetic condition **negatively affects the city's appearance, impacting tourism experiences and suppressing local utilisation, economic growth**, and community wellbeing.

Deterioration of Buildings: A lack of basic maintenance has led to the disrepair of unoccupied buildings in Gisborne. This includes premium ground-floor retail spaces on Gladstone Road, Gisborne's main street (see **Attachment 1 – Gisborne's Deteriorating Buildings**).

Negative Community Impact: Reduced vibrancy in the CBD has suppressed community utilisation and local commerce,⁴ making it less attractive to new businesses and shoppers. This decline in activity fosters increased incidences of vandalism and the impression of an unsafe CBD.

Homelessness Consequences: The declining condition of city buildings leads to squatters occupying vacant buildings, resulting in litter, sanitation issues, and antisocial behaviour adversely affecting adjacent businesses, some of which are rate-paying owner-occupiers. Council increasingly incurs the financial burden of cleanup and the disassembly of homeless encampments in conjunction with the Police.

Economic Investment Deterrence: Visible city centre decline creates the perception of an economically depressed area and discourages economic investment from outside the region, weakening local economic resilience. Decreased revenue from idled assets reduces the likelihood that owners of earthquake-prone buildings will fund reinforcement works, threatening key buildings with demolition.

Suppressed Tourism and Economic Growth: Tourism, a vital part of Gisborne's economy, is growing slower than the national average,⁵ limiting regional employment opportunities. The declining state of Gisborne's CBD negatively impacts tourists' experiences in our region, which challenges the Government's recent commitment to support tourism.⁶ A vibrant and welcoming city centre is essential for creating positive visitor experiences, as it influences overall impressions of a place.⁷ However, buildings becoming locked into a spiral of declining

³ In June 2007, Gisborne witnessed a 1.3% decline in retail sales despite national economic growth accelerating to 2.6%. In the same period. The number of commercial permits issued in Gisborne also fell by 13%. In December 2008, Gisborne experienced the largest quarterly decline in retail sales at a time when national retail sales were trending upward. Commercial building consents dropped by 6.1% in the same quarter. Sources: The National Bank Regional Trends Economics reports, February 2007, February 2008. In the wake of the global financial crisis, Council's 2010/11 Annual [Report](#) identified Gisborne's retailers among those most affected by economic conditions at the time.

⁴ Over 55% of Gisborne employment is currently located outside of land zoned for business.

⁵ The tourism sector contributed \$56.3 million to Gisborne GDP in 2022, accounting for 2.3% of the region's economic output and 7.1% of total annual employment. In 2022, total tourism spending in Gisborne was down 0.1% year on year, while national tourism spending increased by 1.4% in the same period. In the 10-year period 2012-2022, Gisborne has experienced only 1.8% annual employment growth, lagging 2.1% national growth. Sources: Trust Tairāwhiti (2023) [Draft Destination Management Plan](#) utilising data retrieved from Infometrics.co.nz; Infometrics (2023) *Tairāwhiti at a Glance: 2022* retrieved from Infometrics.co.nz on 7 March 2023.

⁶ Acknowledging tourism is the second biggest contributor to New Zealand's recent economy, the Tourism Minister, Hon. Matt Doocey, recently affirmed government commitment to supporting the growth of tourism and hospitality operators. Source: Hon Matt Doocey (2024) *Tourism data shows determination of sector*. Beehive [Release](#).

⁷ The Ministry of Business, Innovation and Employment [Destination Management Guidance](#) emphasises that supporting infrastructure and amenities are essential to cultivating compelling visitor experiences.

investment and physical deterioration presents a significant barrier to regional aspirations for a vibrant, thriving city that is a destination for business, employment, and tourism.

Figure 1 - the old Masonic Hotel greets cruise-ship tourists walking from Gisborne's port to the city centre.



The Problem nationwide

Gisborne is not the only region with declining, under-utilised buildings. Provincial areas are experiencing a downward spiral in the status of city centre vitality when compared to major urban areas.⁸ Unoccupied buildings are contributing to this decline. They pose safety risks and affect community well-being, property values, and public perception of city centres around the country.

Attachment 3 – Ten Years of the National Problem outlines how issues with idle, unproductive buildings have become a nationwide concern in the last decade. Neglected heritage buildings face significant challenges as councils struggle to intervene where *demolition by neglect*⁹ becomes irreversible. The lack of clear criteria for identifying and addressing derelict properties hinders councils' ability to take proactive measures to remediate these buildings as they deteriorate.

Legislative Inadequacies Prevent a Proactive Approach

1. Building Maintenance Responsibility

- After local authorities have issued code compliance certificates and no further building work is required, building maintenance is the responsibility of property owners.
- Local authorities have no means to enforce minimum maintenance standards for dormant or underutilised buildings, even in cases where buildings are left to decay.
- The absence of any tool to encourage proactive maintenance means local authorities can be left with unsightly buildings, often in prominent locations. This creates a cycle of declining investment that negatively impacts regional prosperity.
- Gisborne has five large, central buildings locked in an ongoing legal dispute between the Police and silent offshore owners. This contested ownership status prevents building remediation, even under dangerous building notices, as no party assumes responsibility for remediating the unsafe conditions.

2. The Building Act 2004 Does Not Adequately Consider Remediation

- The BA04 enables local authorities to compel remediation via dangerous or insanitary building notices only when building issues become so dangerous, they may harm occupants or the public.
- These notices are a last resort. They cannot address situations where buildings essential to a city's social, cultural and economic fabric decay due to neglect. This is because the BA04 does not consider the negative consequences experienced during a building's decline when its conditions are deteriorating but not yet dangerous.
- Councils can intervene when there is evidence of infestation or fire risk; however, the threshold for action is high.¹⁰

⁸ Aigwi, I., et al. (2019). *A performance-based framework to prioritise underutilised historical buildings for adaptive reuse interventions in New Zealand*. Sustainable Cities and Society, [48](#), 101547-101547.

⁹ Dunedin City Council defines *demolition by neglect* as a building being allowed to deteriorate to the point that demolition becomes necessary, or restoration becomes economically unreasonable. In some cases, building owners may allow this to happen to bypass heritage protections and the substantial financial investment to enable ongoing use. Source: Dunedin City Council's 15 May 2023 [Agenda](#).

¹⁰ [Newshub](#). (2022). Call for law change as councils say there is an increasing problem of derelict, unoccupied houses.

- Neglected heritage buildings are particularly vulnerable to becoming dangerous and, in instances of continued neglect, demolition.¹¹ Heritage New Zealand Pouhere Taonga recently requested Council policy¹² encourage heritage building owners to undertake preventative maintenance and upgrades to conserve their essential heritage character. However, BA04 considerations do not provide any mechanism for local authorities to encourage such action. Therefore, any suggestion or encouragement of proactive maintenance via a dangerous building policy would be unenforceable under the current BA04 considerations.
- In cases where heritage buildings have been neglected, the costs associated with restoration or repurposing can be prohibitive for building owners. Lotteries funding is not always readily available¹³ and heritage funding prioritises category-one buildings. Not all vital buildings are so categorised, and few buildings in Gisborne meet eligibility requirements.

Solution needed: Legislative Change

Activating unproductive buildings to unlock regional economic improvements aligns with the Coalition's Decision-Making Principles A – E:

- **Principled** decisions based on sound policy principles and economic efficiency;
- **Focused** on improving productivity and economic growth to increase prosperity, and enhance housing affordability, efficiency and effectiveness.
- Stopping interventions that aren't delivering **Results**.
- **People-focused** public services will be designed around the needs of public and tourist users. The Government will be **accountable** for clear public service targets and regular progress reporting on these objectives.

Proactive remediation measures do not sit comfortably within the BA04 framework because it was not designed to address the problem of inactive buildings and the associated economic consequences. Fixing the problem requires:

- a lever compelling proactive remediation of deteriorating city centre assets and or
- incentivising the utilisation of unproductive assets.

Examples of proactive legislative tools for unlocking the potential of unproductive buildings can be found in both the United Kingdom and the Republic of Ireland.

United Kingdom's Town and Country Planning Act 1990

The UK mitigates unproductive buildings via Section 215,¹⁴ which enables Local Planning Authorities to:

- take proactive steps towards sustainable regeneration of local areas, including conditions that adversely affect the amenity of the surrounding area
- consider local circumstances, such as site conditions and impact on the surroundings
- require a broad scope of works, including painting, external repairs, demolition and re-building

¹¹ The Ministry of Culture and Heritage identified late requests to 'save' buildings are commonly requested at the last possible moment due to communities not seeking remediation until a building is under threat of demolition. Source: Ministry for Culture and Heritage. (2018). *Strengthening protections for heritage buildings: [Report](#) identifying issues within New Zealand's heritage protection system.*

¹² HNZPT (2023) [submission](#) (Page 51) on the Gisborne District Council Dangerous Buildings Policy 2024.

¹³ Lottery Environment and Heritage Committee year on year funding [declined](#) by 46% in the 2023/24 financial year.

¹⁴ Town and Country Planning Act 1990 Section 215 [Best Practice Guidance](#) and [Act](#).

- use Section 215 notices in conjunction with other powers, such as repair notices for heritage-listed or dangerous buildings.

'Amenity' is a broad concept not formally defined in the legislation. This means assessment is a matter of degree. A clear and well-presented case that stresses the adverse impact of the site on the local street scene has proven more effective than a technical definition of 'loss of amenity'.

The Republic of Ireland Derelict Sites Act 1990

Ireland mitigates unproductive buildings with the Derelict Sites Act,¹⁵ which defines *derelict sites* and makes local authorities responsible for dealing with them. Derelict sites are defined as detracting from the amenity, character or appearance of the neighbourhood with:

- structures in a ruinous, derelict or dangerous condition
- land or structure condition that is neglected, unsightly or objectionable
- deposits or collections of litter, rubbish, debris, or waste.

Under the legislation, local authorities can mitigate problems by:

- prosecuting owners who do not comply with notices
- making compulsory land purchases
- carrying out necessary work and recovering cost.

Proactive Measures to Mitigate Inactivity would not conflict with the New Zealand Bill of Rights 1990 (BORA)

BORA protects human rights and fundamental freedoms; however, it does not provide for a general right to privacy or property enjoyment. BORA protections are subject to reasonable limitations where they are demonstrably justifiable in a free and democratic society.¹⁶ Indeed, the Justice Minister, Hon Paul Goldsmith, has indicated the government wishes to strike an appropriate balance between individual rights and the public interest.¹⁷

Therefore, it is reasonable to expect that the public interest should be safeguarded from neglected buildings and the significant negative impacts they have on our communities' life, livelihood, and economic output.

The [New Zealand Bill of Rights \(Right to Lawfully Acquired Property\) Amendment Bill](#) (introduced into Parliament on 27 July 2023) proposes reasonable compensation for property owners when deprived of the right to own and use lawfully acquired property. Enabling local authorities to encourage and or incentivise remediation or utilisation of vacant buildings would not conflict with this amendment, should it become law.

Alignment with improving housing availability

The Minister of Housing, Hon Chris Bishop, seeks to fix the housing crisis by increasing supply through the removal of barriers to construction. The Minister's recent Cabinet Briefing Paper *Fixing the housing crisis*¹⁸ outlines a programme to lift productivity, wages and ultimately national income by unleashing urban growth. The briefing paper identifies that:

- New Zealand's houses are among the world's least affordable due to persistent undersupply
- unaffordable housing has far-reaching social and economic consequences.

¹⁵ Republic of Ireland Derelict Sites [Act](#) 1990.

¹⁶ New Zealand Bill of Rights Act 1990, [Section 5: Justified limitations](#)

¹⁷ [RNZ](#) (2024) Bill of Rights won't stop gang patch ban - Justice Minister

¹⁸ [Hon Chris Bishop \(2024\) Fixing the Housing Crisis Cabinet Paper.](#)

- increasing housing supply and lowering housing costs will improve the living standards of all New Zealanders and lift productivity and wages by allowing more workers to live and work in cities.

Council agrees with the Minister's assessment that fixing the housing crisis will involve collaborative actions across Government and by different Ministers.

Gisborne is currently experiencing a critical housing shortage while city centre buildings deteriorate due to a lack of investment. There is an opportunity for the Government to address the housing shortage by incentivising building owners to repurpose buildings for accommodation before they decay beyond repair.

As an example, in 2017, the city of Vancouver introduced an [empty homes tax](#). Which currently charges owners three per cent of a property's value if it remains unoccupied for more than six months. Since inception, the number of vacant properties in Vancouver has decreased by 54% and CAD\$142 million has been raised for the city's housing initiatives.¹⁹

Figure 2 - Trends in Vancouver's Declared Vacant Properties 2017 – 2022. Source: City of Vancouver



¹⁹ Housing Vancouver. (2023). Empty Homes Tax Annual [Report](#) 2023. City of Vancouver.

Attachment 3 – Ten Years of the National Problem

27 February 2013: Upper Hutt City Council adopted an Unoccupied Commercial Premises [Bylaw](#) that aims to prevent unoccupied commercial premises from falling into disrepair by setting standards for the maintenance of unoccupied commercial premises. By requiring commercial premises be maintained to an immediately tenantable standard, the bylaw attempts to address issues such as rubbish, boarded windows, vermin and overgrown foliage. However, at best, this is a half-measure because it does not address utilisation and investment issues, which are the underlying cause of cosmetic conditions.

A fundamental problem with use of bylaws is unless new regulation enables fines, enforcement requires a prosecution. This would be cost-prohibitive with no guarantee of success or remediation of problematic conditions. This would waste a lot of time and resources that ratepayers expect to be well-utilised elsewhere.

2014: Following discussion with a number of councils, including discussion at an LGNZ Rural and Provincial Sector meeting, LGNZ wrote to the Minister of Building and Construction asking that the Government provide councils with powers to deal with problems created by derelict buildings to combat demolition by neglect. Specifically: "That a definition for derelict sites and homes be developed and included in the Building Act. This would enable Territorial Authorities to include such properties in their Dangerous and Insanitary Buildings Policy and update their procedures to respond in a timely and cost-effective manner to the needs of their community." However, as [reported](#) in Dunedin City Council's 15 May 2023 Agenda, the MBIE response was this was not a priority at the time.

22 April 2014: South Wairarapa District Council identified derelict commercial [buildings](#) as a problem that did not qualify as dangerous or unsanitary. The inability to take proactive remediation action has resulted in a perception of Featherston's town centre as unattractive and run-down.

4 May 2015: LGNZ's [submission](#) to the Rules Reduction Taskforce highlights that councils regularly face derelict building issues with requests for action coming from many sources, including neighbours and health officials. Buildings in serious disrepair cause neighbours distress, are a risk to health, a potential fire hazard, and are sites for criminal activity. However, councils have limited powers to remediate derelict properties. Over a period of five years, Rotorua District Council has spent more than \$60,000 on consultants' reports and legal advice for a single abandoned property because they lack the authority to require its demolition.

1 August 2016: The Christchurch City Development Forum, made up of city councillors and the business community, [urged](#) Christchurch City Council to develop an incentivisation policy to encourage owners to develop their derelict sites. Frustrating city revitalisation efforts are buildings that remain in limbo due to unresolved intentions or insurance disputes. High-profile heritage buildings are also part of the concern. However, despite derelict buildings being dangerous, unsanitary and an eyesore the city council had limited powers to deal with them.

21 October 2016: Stuff.co.nz reporting [highlights](#) that shuttered, deteriorating buildings are frustrating towns around the country, with Councils in these towns having found there is virtually nothing they can do legally about it. South Wairarapa District Council found that despite complaints that problematic buildings were holding the town back, there was no effective legal remedy. While the council can take the owners of these buildings to court under the Resource Management Act for loss of amenity, it is a subjective rather than objective issue, making it challenging to win in court. Additionally, even if they did win, taking someone to the Environment Court is expensive, with potential costs ranging from \$60,000 to \$100,000. Enforcement remains difficult even after winning a case. In Rotorua, the problem is with houses

rather than commercial buildings, but the issue remains the same. Derelict sites have potential fire risks, and the impact of these structures negatively impacts the value of surrounding properties. These abandoned buildings are eyesores; however, what is considered offensive is debatable under the law.

19 May 2017: Christchurch City Council outlines their [plan](#) for tracking derelict CBD sites they consider a barrier to the regeneration of the city centre. The plan of action seeks to address concerns about the sites, to improve investor confidence and to create a more positive impression of the central city. The third and final phase of their plan (to be used only as a last resort) involves joint action by agencies with enforcement and land acquisition powers. **This plan illustrates the problem: without legislative change, local authorities cannot prevent buildings from deteriorating to such a condition that outside agencies are required to facilitate collaborative solutions.*

16 June 2021: In the wake of a derelict house fire that destroyed a neighbouring house and damaged two others in Wellington, experts [question](#) why only a limited number of buildings meet strict criteria for dangerous or insanitary criteria. Otago University housing expert researcher Dr Lucy Telfar-Barnard said the bar was set too high for a dangerous or insanitary building. Regarding derelict houses, Victoria University Professor of Building Science Robyn Phipps says: "It's a ticking time bomb."

23 April 2022: Local authorities called for a change in the law to address the problem of derelict and unoccupied houses. In Whanganui, absentee owners are responsible for 10% of the derelict CBD buildings, committing to *demolition by neglect*. Litigating problem buildings is cost-prohibitive, and the bar is extremely high. Councils are completely powerless if a building simply looks terrible. As a result, LGNZ has [proposed](#) that the government define derelict buildings so that action can be taken. Stuart Crosby, LGNZ president, has highlighted that this problem is growing and needs to be addressed.

12 May 2022: Clutha District Council [identified](#) that its staff do not currently have the necessary tools to deal with abandoned buildings that become a target for vandals or unsightly in a town's main shopping street or issues of excessive waste and vegetation growth on private property.

May 2022: Dunedin City Council reports* that In May 2022, another attempt by LGNZ to meet the Minister of Building and Construction regarding derelict sites was unsuccessful. *Recounted in Dunedin City Council's 15 May 2023 [Agenda](#).

February 2023: As part of its submission to the Environment Select Committee on the Natural and Built Environment Bill and Spatial Planning Bill, DCC requested* the inclusion of "provisions in the NBEA to explicitly enable the management of neglected heritage buildings where a lack of maintenance is having an adverse effect on the structural stability, weather tightness, or long-term retention of a scheduled heritage building (aka demolition by neglect). This is urgently necessary for DCC (and other territorial authorities) to take actions to save heritage buildings where neglect has not yet progressed to a point of no return". *Reported in Dunedin City Council's 15 May 2023 [Agenda](#).

15 May 2023: Dunedin City Council (DCC) [identifies](#) that demolition by neglect is an issue in cities across New Zealand, yet is not regulated nor specifically referred to in either the Resource Management Act 1991, the Building Act 2004 or the Local Government Act 2002. DCC reports demolition by neglect is an issue for historic buildings that require significant investment to enable ongoing use. DCC asserts that, in the absence of legislative change, incentivisation is required to help motivate building owners to maintain buildings.

9 August 2023: The Press [reports](#) that the absence of legislation dealing with derelict properties has resulted in a derelict Christchurch property that, despite significant decay, does not meet the threshold for action.

6 September 2023: Considering lower rates for businesses and higher rates for vacant land, Wellington City Councillors express [frustration](#) with the inability of local authorities to target underutilised land due to it being too difficult to define: "It's deeply frustrating ... we can't make people do more with their land."

8 February 2024: Homeless persons squatting in a derelict building near Point Chevalier's town centre raise well-being and safety [concerns](#). Local businesses report daily harassment from intoxicated individuals and an increase in shoplifting, which they attribute to the squatters.

8 April 2024: Wellington City Council aims to remove ten buildings from the heritage list as part of its district plan review, utilising a 2012 amendment to the Resource Management Act (RMA) amendment aimed at ensuring more housing intensification in the country's largest cities. Among the ten buildings are the dangerous, unoccupied Gordon Wilson Flats. Considered unsafe due to potential earthquake and wind damage and empty since 2012, the flats have become a contentious feature of the Wellington skyline.

This move by Wellington City Council illustrates the extraordinary measures local authorities must take when buildings have deteriorated beyond repair resulting in a loss of national heritage and identity. The solution must be to enable proactive measures that address deteriorating conditions before buildings reach this level of decay.

Attachment 4 - Seized buildings in Gisborne

For almost a decade, five prominent Gisborne buildings have been the subject of an ongoing legal dispute between the Police and silent offshore owners. One of these buildings is Gisborne's finest, the heritage-listed [Masonic Hotel](#), and another features prominently in the Gisborne skyline (Figures 13 and 14, overleaf).

In 2016, Singaporean national Thomas Cheng was arrested in Gisborne for the importation and supply of methamphetamine. The Police subsequently obtained restraining orders over six commercial properties in Gisborne as part of a wider investigation into alleged tax evasion and money laundering by Cheng's father, William Cheng, and stepmother Nyioh Chew Hong, who live in Singapore.

An investigation into the "complex" ownership structure of the buildings saw restraining orders placed on associated bank accounts along with nine other buildings across Whanganui, Te Puke, Pahiatua, Timaru, and Gisborne. In 2020, the Police applied for the forfeiture of these buildings and associated bank accounts. The courts have recently declared the buildings to be beyond the reach of the drug investigation. However, legal proceedings continue to restrain the buildings.

In 2023, the Wellington High Court [ruled](#) that Cheng Jnr does not hold an interest in or have effective control of Cheng Snr's property. Therefore, the properties are not subject to forfeiture relating to Cheng Jnr's drug crimes. However, as the Police have appealed the ruling, the buildings remain in limbo, further complicated by possible [tax-evasion and money laundering](#) by Cheng Snr and Ms Hong.

Council has found it impossible to address building issues via Cheng Snr's New Zealand representatives. Cheng Snr is likely reluctant to undertake works without knowing what percentage of the buildings he will retain. The Police will not do anything as they are temporary custodians ill-equipped to deal with building remediation and unsure what percentage of the buildings they will retain.

This contested ownership status prevents building remediation, even under dangerous building notices, as no party assumes responsibility for remediating the unsafe conditions. Council has issued one seized building with a dangerous building notice; however, as ownership is contested, mitigation of dangerous conditions is not easily progressed. The restrained buildings, including the Masonic Hotel, continue to decline but are a long way from becoming Dangerous. Continued attempts by Council to engage building owners have met with little success.

Seized building: Gisborne's Masonic Hotel (now closed) prior to its decline. 46 Gladstone Rd



Seized building (left). 200 Gladstone Road.





// 07

Appropriate funding models for central government initiatives

Remit: *That LGNZ proactively promote and lobby for the development of a more equitable and appropriate funding model for central government initiatives.*

Proposed by: Northland Regional Council

Supported by: Zone 1 (Northland Regional Council, Far North District Council, Whangarei District Council).

Why is this remit important?

The constant reprioritisation of funding has a major impact on the ability of local government to provide quality infrastructure and services to the communities they are legally obliged to serve.

The development of a more equitable and appropriate funding model for central government initiatives would mitigate the risks and challenges the current funding model creates.

Background and Context

The reprioritisation of spending from community needs and services, to the implementation of central government policy and regulation, continues to be a major challenge for many councils.

Experience to date has shown that the current funding model needs to be reviewed and improved, to better reflect the community and operational realities of local government.

Zone 1 members firmly believe that central government should fully fund initiatives they wish to implement, or provide funding to local government in situations where they are required to implement a central government initiative.

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

This proposal aligns with LGNZ's policy that states:

- Remits must be relevant to local government as a whole rather than exclusively relevant to a single zone or sector group or an individual council;
- Remits should be of a major policy nature (constitutional and substantive policy) rather than matters that can be dealt with by administrative action.

In accordance with LGNZ's strategy, this proposal would strengthen local government as a whole to support our communities to thrive – environmentally, culturally, economically and socially.



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

Northland Regional Council, with the support of Far North District Council and Whangarei District Council, will advocate the case for the development of an improved equitable funding model for central government initiatives.



// 08

Goods and services tax (GST) revenue sharing with local government

Remit: *That LGNZ be proactive in lobbying central government on sharing GST revenue with local government, derived from local government rates and service fees related to flood protection mitigation, roading, and three waters, for investment in these areas.*

Proposed by: Northland Regional Council

Supported by: LGNZ Zone 1 (Northland Regional Council, Far North District Council, Whangarei District Council).

Why is this remit important?

Local government faces funding and resourcing challenges due to current funding models. The sharing of GST revenue derived from local government rates and service fees related to flood protection, roading, and three waters, would allow for increased spending and investment in these areas.

Background and Context

S&P Global Ratings note that local government rates have not increased, as a percentage of the economy, in the past 100 years – compared with central government taxation which has gone up 200% in the same period.

This funding gap presents many challenges for local government and its ability to provide infrastructure and services to its communities.

Member councils of Zone 1 have not lobbied central government individually to date. However, there was full support for the position of LGNZ given on the matter on 27 February 2024.

This proposal seeks to elevate the matter and make it a high priority for LGNZ to lobby, with a view to achieve, the diversion of GST revenue for localised investment in flood protection mitigation, roading, three waters, and the related capital expenditure and debt servicing.

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

This proposal aligns with LGNZ's policy that states:

- Remits must be relevant to local government as a whole rather than exclusively relevant to a single zone or sector group or an individual council;
- Remits should be of a major policy nature (constitutional and substantive policy) rather than matters that can be dealt with by administrative action.

In accordance with LGNZ's strategy, this proposal would strengthen local government as a whole to support our communities to thrive – environmentally, culturally, economically and socially.



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

Northland Regional Council, with the support of Far North District Council and Whangarei District Council, will advocate, lobby, and promote the case for the sharing of GST revenue with local government from the areas noted in this proposal.