Ministry for Cities, Environment, Regions & Transport

PROACTIVE RELEASE COVERSHEET

Minister	Hon Simon Watts	**Portfolio**	Local Government
Name of package	Proactive release of Cabinet materials for Local Government (Local Authority Reporting) Amendment Regulations 2026	**Date to be published**	5 November 2026

List of documents that have been proactively released		
Date	***Title***	***Author***
24 September 2026	Cabinet paper: Local Government (Local Authority Reporting) Amendment Regulations 2026	Ministry for Cities, Environment, Regions and Transport
24 September 2026	Cabinet Legislation Committee minute LEG-26-MIN-0212	Cabinet Office
Information redacted **NO**		

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In Confidence

Office of the Minister for Local Government

Cabinet Legislation Committee

Local Government (Local Authority Reporting) Amendment Regulations 2026

Proposal

1 This paper seeks authorisation for submission to the Executive Council of the Local Government (Local Authority Reporting) Amendment Regulations 2026.

Policy

2 The Government is focused on economic growth, reducing the cost of living and delivering better public services. This includes enabling local government to do the basics brilliantly. Establishing clear groups of activities through these regulations will enable better measurement of council performance and strengthened accountability.

3 As part of the Government's work programme for Local Government System Improvements, Cabinet previously agreed to establish a new performance measurement framework [ECO-26-MIN-0039]. A key component of that work is the establishment of eight mandatory groups of activities for council planning and reporting.

4 Cabinet agreed that the groups of activities should be set through regulations rather than primary legislation [ECO-26-MIN-0039]. This will enable greater flexibility to review and update groups of activities and reporting requirements over time.

5 The regulations will be made under the Local Government Act 2002, and the empowering provision is in the Local Government (System Improvements) Amendment Act 2026.

6 The current requirements for reporting do not provide consistent information across local government. There are only five mandatory groups of activities that councils must report on, these include the three water services, flood protection, and roads and footpaths. Councils have flexibility to report on any other activities they undertake in a form that suits them individually. This has resulted in considerable variation in how councils present their reporting on performance, making it difficult for communities, central government agencies, and the local government sector to compare and contrast information across councils.

7 The regulations will establish eight new groups of activities that all councils must report on. These groups aim to collectively cover the full range of council services, facilities, and statutory functions. The groups will be familiar to councils, make sense

to communities and enable easily accessible information to be produced to compare council's performance.

8 The eight groups of activities are:

8.1 adaptation and emergency management;

8.2 community and recreational facilities;

8.3 governance, planning and reporting;

8.4 parks and reserves;

8.5 public regulatory services;

8.6 roading and transport;

8.7 waste management and minimisation; and

8.8 other.

9 Water supply, wastewater, and stormwater are now reported on as part of the Local Government (Water Services) Act 2025, so they are not proposed as groups of activities.

10 Establishing a more consistent reporting framework will support better data quality for the operation of the rates capping regulatory system. Better data quality will also improve the Audit Office's auditing function, the Ministry of Cities, Environment, Regions and Transport's local government stewardship functions, and the Infrastructure Commission's analysis and advisory role.

Timing and 28-day rule

11 The regulations are intended to come into force on 1 November 2026. The Local Government (System Improvements) Amendment Act 2026 Commencement Order 2026 will bring into force section 45(3), (4) and (6) of the Local Government (System Improvements) Amendment Act 2026 on 1 November 2026. Section 45(3), (4) and (6) amend Schedule 10 of the Local Government Act 2002 to:

11.1 remove the list of groups of activities from clause 2(2); and

11.2 reflect that groups of activities will instead be prescribed in regulations made under section 259(1)(de) of that Act.

12 The accompanying Local Government (Local Authority Reporting) Amendment Regulations 2026 will also commence on 1 November 2026, coinciding with the above commencement order.

13 1 November 2026 complies with the requirement that regulations not come into force until at least 28 days after they have been notified in the New Zealand Gazette.

14 This timing (along with exposure of the new groups of activities through consultation) should allow councils sufficient time to prepare for implementation and make adjustments to their reporting as part of planning for their 2027–37 long-term plans.

Compliance

15 The regulations comply with each of the following:

15.1 the principles of the Treaty of Waitangi;

15.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;

15.3 the principles and guidelines set out in the Privacy Act 2020;

15.4 relevant international standards and obligations; and

15.5 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

16 The Treaty Provisions Oversight Group were not consulted due to the regulations not affecting Treaty obligations.

Regulations Review Committee

17 It is not expected that there are any grounds for review of these regulations by the Regulations Review Committee under Standing Order 327.

Certification by Parliamentary Counsel

18 The secondary legislation is certified in order for submission to Cabinet provided:

18.1 the Local Government (System Improvements) Amendment Bill (the Bill) has received Royal assent;

18.2 references to provisions to be inserted into the Local Government Act 2002 by the Bill have been updated (if necessary); and

18.3 the Minister having complied with the requirements specified in section 259(4C)(a) and (b) of the Local Government Act 2002 and have had particular regard to the matters specified in section 259(4C)(c) of that Act.

Regulatory analysis

19 The policy underlying the regulations has previously been considered by Cabinet and was determined to be exempt from the previous Regulatory Impact Statement requirement because it is expected to only have minor economic, social or environmental impacts.

20 The regulations are expected to impose a one-off implementation cost on councils to update their financial systems and processes to align with the new groups of activities

they will be required to report on. The cost will likely vary between councils depending on their current reporting arrangements.

21 Implementation of the expanded mandatory groups of activities will likely result in some change for smaller councils because they tend to report on a smaller number of groups of activities than larger councils. This change may increase their reporting costs. However, these costs are expected to be outweighed by the benefits of improved transparency, accountability, and data consistency.

Consistency with principles of responsible regulation

22 The policy underlying the regulations has previously been considered by Cabinet and was determined to be exempt from the previous Regulatory Impact Statement requirement [ECO-26-MIN-0039]. Accordingly, we have not prepared a Consistency Accountability Statement nor a Summary of Underpinning Analysis.

Publicity

23 The Minister of Local Government will publish a press release announcing that the new regulations have come into effect. The Ministry will issue guidance to councils on how councils must report on the new groups of activities set out in the regulations.

Proactive Release

24 I intend to proactively release this paper within 30 business days of final decisions being confirmed by Cabinet, subject to any withholding grounds under the Official Information Act 1982.

Consultation

25 To assist in the development of the new groups of activities, a working group of local government practitioners and subject matter experts was established.

26 During the policy development stage government agencies were regularly consulted, including Statistics New Zealand, New Zealand Transport Agency, Ministry for Culture and Heritage, Ministry for the Environment (now part of the Ministry for Cities, Environment, Regions and Transport), New Zealand Infrastructure Commission, Office of the Controller and Auditor-General (now the Audit Office), and the Parliamentary Counsel Office. The Department of the Prime Minister and Cabinet was informed.

27 Departmental and Ministerial consultation began on 27 July 2026 and ended on 7 August 2026. No feedback was received through consultation.

Recommendations

28 I recommend that the Cabinet Legislation Committee:

1 **note** that on 25 March 2026 the Cabinet Economic Policy Committee agreed to invite the Minister to issue drafting instructions to the Parliamentary Counsel Office for regulations for the new groups of activities as set out in the paper under ECO-26-SUB-0039 [ECO-26-MIN-0039];

2 **note** that the following amendment regulations and commencement order will give effect to decisions at Recommendation 1:

2.1 The Local Government (Local Authority Reporting) Amendment Regulations 2026; and

2.2 The Local Government (System Improvements) Amendment Act 2026 Commencement Order 2026.

3 **authorise** the submission to the Executive Council of the amendment regulations and commencement order listed in Recommendation 2; and

4 **note** that the amendment regulations and commencement order listed in Recommendation 2 will come into force on 1 November 2026.

Authorised for lodgement

Hon Simon Watts

Minister of Local Government

LEG-26-MIN-0212

Cabinet Legislation Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Local Government (Local Authority Reporting) Amendment Regulations 2026 and Local Government (System Improvements) Amendment Act 2026 Commencement Order 2026

Portfolio **Local Government**

On 24 September 2026, the Cabinet Legislation Committee:

1 **noted** that in March 2026, the Cabinet Economic Policy Committee agreed to invite the Minister of Local Government to issue drafting instructions to the Parliamentary Counsel Office for regulations for eight new groups of activities for Councils' planning and reporting, as set out in the paper under ECO-26-SUB-0039 [ECO-26-MIN-0039];

2 **noted** that the following amendment regulations and commencement order will give effect to decisions above:

2.1 Local Government (Local Authority Reporting) Amendment Regulations 2026 [PCO 28905/5.0];

2.2 Local Government (System Improvements) Amendment Act 2026 Commencement Order 2026 [PCO 29361/2.0];

3 **authorised** the submission to the Executive Council of the amendment regulations and commencement order listed in paragraph 2;

4 **noted** that the amendment regulations and commencement order listed in paragraph 2 will come into force on 1 November 2026.

Sam Moffett
Committee Secretary

Present:
Rt Hon Winston Peters
Hon Louise Upston (Chair)
Hon Simon Watts
Hon Brooke van Velden
Hon Casey Costello
Hon Scott Simpson
Hon Cameron Brewer
Stuart Smith MP
Todd Stephenson MP

Officials present from:
Officials Committee for LEG