



Ministry for Cities, Environment, Regions & Transport

PROACTIVE RELEASE COVERSHEET

Minister	Hon Simon Watts	Portfolio	Local Government
Name of package	Local Government System Improvements – Amendment Paper 755	Date to be published	16 September 2026

List of documents that have been proactively released

Date	Title	Author
24 August 2026	CAB-26-MIN-0277	Cabinet Office
19 August 2026	ECO-26-MIN-0157	Cabinet Office
12 August 2026	Cabinet paper: Local Government (System Improvements) Amendment Bill: Approval to Release Amendment Paper	Office of the Minister of Local Government

Information redacted **YES**

Any information redacted in this document is redacted in accordance with the Ministry for Cities, the Environment, Regions & Transport's policy on proactive release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Summary of reasons for redaction

Some information has been withheld from the above documents under the following sections of the Official Information Act 1982:

- Section (9)(2)(f)(iv) – information withheld to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.
- Section 9(2)(h) – maintain legal professional privilege.
- Information is out of scope of release.



Cabinet

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.

Out of scope

ECO-26-MIN-0157

Local Government (System Improvements)
Amendment Bill: Approval to Release Amendment
Paper
Portfolio: Local Government

CONFIRMED

Out of scope

Out of scope



Rachel Hayward
Secretary of the Cabinet

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982



Cabinet Economic Policy Committee

Minute of Decision

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Local Government (System Improvements) Amendment Bill: Approval to Release Amendment Paper

Portfolio **Local Government**

On 19 August 2026, the Cabinet Economic Policy Committee (ECO):

- 1 **noted** that the Local Government (System Improvements) Amendment Bill (the Bill) has 9(2)(f)(iv) [REDACTED]
- 2 **noted** that the Bill proposes a range of amendments to the Local Government Act 2002 (the Act), including to improve the connection between councils and communities by strengthening council transparency and accountability;
- 3 **noted** that in May 2026, ECO agreed to amend the Act to prevent non-democratically elected members appointed to a council committee, subcommittee, or other subordinate decision-making body established under the Act, from voting at meetings or contributing to the quorum at meetings [ECO-26-MIN-0094];
- 4 **agreed** to the following changes, which align with the intent of the above decisions and are reflected in the Amendment Paper attached to the submission under ECO-26-SUB-0157 (the Amendment Paper):
 - 4.1 members of Houkura (the Independent Māori Statutory Board of Auckland Council) will not vote or contribute to quorum when they are appointed to a committee, subcommittee or other subordinate decision-making body of Auckland Council;
 - 4.2 members of a local authority's local boards and community boards, and Commissioners appointed to a local authority under Part 10 of the Local Government Act 2002, may vote and contribute to quorum if they are appointed to a committee of that local authority or a joint committee that includes that local authority;
 - 4.3 non-elected members on specified committees created under secondary legislation will continue to be able to vote and contribute to quorum;
 - 4.4 non-elected members on future committees created under secondary legislation will not vote or contribute to quorum unless an exception is made;

- 5 **noted** that the proposed new section 260A of the Act (new clause 21A in the Amendment Paper) enables the Minister of Local Government to recommend that exceptions to the restrictions be made by Order in Council, if those exceptions are, in the Minister's opinion, necessary or desirable;
- 6 **noted** the Minister of Local Government's expectation that exceptions will be rare and only granted where a clear and specific justification is made;
- 7 **authorised** the Minister of Local Government to issue drafting instructions to the Parliamentary Counsel Office for any Orders in Council to be made under the proposed new section 260A of the Act, subject to the passage of the Bill, consultation with relevant Ministers, and those Orders being confirmed by Cabinet once drafted;
- 8 **noted** that the Minister of Local Government will report back to the Cabinet Legislation Committee in early 2027 if any exceptions are determined to be necessary or desirable;
- 9 **noted** that the Amendment Paper also makes minor and technical amendments to:
- 9.1 ensure there will be public reporting on local authority water services in FY 2025/26;
- 9.2 improve how the common law about council elected members' access to council-held information is codified;
- 10 **approved** the Amendment Paper [PCO 26207-5/6.0] for release.

Rachel Clarke
Committee Secretary

Present:

Hon David Seymour
Hon Nicola Willis (Chair)
Hon Chris Bishop
Hon Brooke van Velden
Hon Shane Jones
Hon Paul Goldsmith
Hon Louise Upston
Hon Todd McClay
Hon Tama Potaka
Hon Simon Watts
Hon Casey Costello
Hon Nicola Grigg
Hon Andrew Hoggard
Hon Mark Patterson
Hon James Meager
Hon Scott Simpson
Hon Cameron Brewer
Simon Court MP

Officials present from:

Office of the Prime Minister
Office of Hon Simon Watts
Officials Committee for ECO

Office of the Minister of Local Government

Cabinet Legislation Committee

Local Government (System Improvements) Amendment Bill: Approval to release Amendment Paper

Proposal

- 1 This paper seeks approval for the release of an Amendment Paper to the Local Government (System Improvements) Amendment Bill (the Bill) that:
 - 1.1 gives effect to Government policy on voting at local authority (council) committees; and
 - 1.2 makes minor and technical amendments related to water services reporting and elected member access to information provisions.

Policy

- 2 Cabinet has agreed to amend the Local Government Act 2002 so that any person who is not democratically elected cannot vote or contribute to the quorum at meetings of any council committee, subcommittee, or other subordinate decision-making body (committee) they have been appointed to by a council [ECO-26-MIN-0094].
- 3 An Amendment Paper to the Bill has been drafted to give effect to this policy. The purpose of the Bill is to refocus councils on doing the basics. It proposes to improve the connection between councils and communities by strengthening council transparency and accountability.
- 4 Pursuant to Cabinet direction, the Amendment Paper:
 - 4.1 restricts non-elected members from voting or contributing to the quorum of committee meetings;
 - 4.2 creates an exception from the restrictions for statutory committees and appointments (including committees and appointments by Treaty of Waitangi settlements);
 - 4.3 provides that the restrictions take effect 6 months after the day of Royal assent; and
 - 4.4 enables the Minister of Local Government to recommend an Order in Council be created to exempt other types of committees from the restrictions.

Matters not previously considered by Cabinet

- 5 Matters arose during drafting that are aligned with the overall intent of Cabinet's decisions but were not previously considered. Under delegated authority, I instructed the Parliamentary Counsel Office on these matters.

Houkura (the Independent Māori Statutory Board of Auckland Council)

- 6 Houkura is an independent statutory board established under the Local Government (Auckland Council) Act 2009 (the Auckland Council Act) whose purpose is to assist Auckland Council to make decisions, perform functions, and exercise powers by promoting cultural, economic, environmental and social issues of significance for mana whenua groups and mataawaka (Māori who live in Auckland who are not in a mana whenua group).
- 7 The Auckland Council Act requires for Houkura members to be appointed to any committee of Auckland Council dealing with natural resources. Auckland Council may also appoint Houkura members to other committees.
- 8 The effect of Cabinet's previous decisions is that Houkura members would continue to be able to vote on committees dealing with natural resources (because these are statutory appointments made under another enactment so would be captured by this exception), but not on other committees (where appointments are at Auckland Council's discretion).
- 9 I have received advice that it is possible to fully remove the Houkura voting entitlement via this Amendment Paper without amending the Auckland Council Act (i.e., by stating that the exception for statutory committees does not apply to Houkura). The Office of the Clerk has advised that this is procedurally acceptable. The Department of Internal Affairs¹ and Te Puni Kōkiri have advised me and the Minister for Māori Crown Relations of the risks associated with this proposal:
- 9.1 Both Auckland Council and Houkura would be less able to fulfil their statutory functions. Removal of voting rights may make fulfilling these duties more difficult, time-consuming and expensive for Auckland Council.
- 9.2 Potential damage to the relationship between the Crown and Auckland Council.
- 9.3 **LEGALLY PRIVILEGED** 9(2)(h) [REDACTED]
- 10 I sought and received further advice from Crown Law on the scope-fit and legal risks of the removing voting rights from Houkura representatives, with particular consideration of the Crown's obligations under the Treaty of Waitangi. Crown Law provided the following summary of its draft advice:

LEGALLY PRIVILEGED SECTION BEGINS

- 9(2)(h) [REDACTED]

¹ The Department of Internal Affairs was the Government's advisor on local government policy until 30 June 2026; from 1 July, this function was transferred to the Ministry for Cities, Environment, Regions and Transport.

- 9(2)(h)

- 9(2)(h)

- 9(2)(h)

LEGALLY PRIVILEGED SECTION ENDS

- 11 I have not engaged Auckland Council, Houkura or Māori on this policy.
- 12 I have considered the benefits and risks. Accordingly, the Amendment Paper has been drafted so as to remove the voting entitlement for members of Houkura appointed to an Auckland Council committee under section 85 of the Auckland Council Act.

Local board members, community board members and Commissioners

- 13 The Amendment Paper provides that an elected member of a council's local board or community board, or any Commissioner appointed in place of the council under Part 10 of the Local Government Act 2002, can vote (and contribute to quorum) if they are appointed to a committee of that council.
- 14 The rationale for this is because local board and community board members are democratically elected with their own mandate. Councils can delegate responsibilities to local boards and community boards (where these members can vote). Continuing a voting entitlement in this instance is the most consistent approach. In the case of Commissioners, these people are appointed by the Government of the day to replace elected members and should have the same powers and rights as elected members.

Statutory committees created by Order in Council

- 15 Local governance has a complicated structure. That is why we are undertaking reforms to simplify local government. In previous reorganisations of local government, some councils have been given committees and joint committees with non-elected members to undertake specific functions (including within the area of a former special-purpose authority like a railway board or drainage board) or to improve collaboration between local authorities.
- 16 These are, in effect, statutory committees created by Order in Council. Cabinet agreed that where legislation requires a committee or an appointment to be made, voting

rights may continue. The Amendment Paper provides this for committees created under primary legislation. My officials have identified three committees created under secondary legislation which are not explicitly covered by Cabinet's previous decisions.

- 17 I have decided it is consistent to provide a statutory exemption for these three historic committees. However, all future committees created in a reorganisation will not have voting by non-elected members without Ministerial approval. This is provided for in the Amendment Paper.
- 18 I am also signalling my intention to review the exemptions for statutory committees in the next term of Parliament.

Minor and technical amendments to the Bill

- 19 The Amendment Paper also makes minor and technical amendments to the Bill, as summarised below.

Water services	The purpose of this amendment is to close an unintended gap in the reporting framework established under the Local Government (Water Services) Act 2025. This will require councils to publicly report on their water services activities in their annual reports for FY 2025/26, which must be adopted by 31 October 2026. The current provisions create doubt that this reporting is required.
Access to information	The purpose of this amendment is to address concerns raised with me about the amendments in the Bill which codify the common law about council elected members' access to information. The Bill currently applies to "documents" held by a local authority; I intend to replace this term with "information." I also intend to remove the proposed prescription in the Bill for how elected members can obtain council-held information. Instead, councils may agree their own procedures.

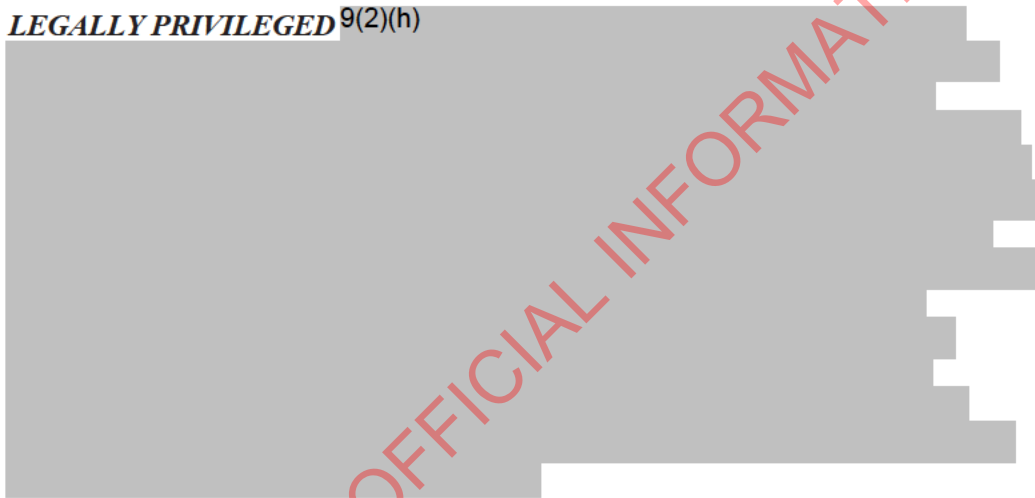
Impact analysis

- 20 A regulatory impact statement on non-elected member appointments to council committees was prepared by the Department of Internal Affairs and submitted to the Cabinet Economic Policy Committee at the policy approval stage [ECO-26-MIN-0094].
- 21 The Ministry for Cities, Environment, Regions and Transport determined that the impact analysis requirements do not apply to the water services amendments or the access to information amendments, because they are minor and technical.

Compliance

- 22 The consistency accountability statement requirements in the Regulatory Standards Act 2025 do not apply to this Amendment Paper because it relates to a Bill that was introduced before those requirements commenced.

- 23 The Amendment Paper is consistent with:
- 23.1 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;
 - 23.2 the Privacy Act 2020;
 - 23.3 relevant international standards and obligations; and
 - 23.4 the Legislation Guidelines (2021 edition).
- 24 Regarding compliance with the principles of the Treaty of Waitangi, the Amendment Paper amends a mechanism for Māori in Auckland to participate in decision-making by Auckland Council, and may therefore engage or affect Māori interests.
- 25 **LEGALLY PRIVILEGED** ^{9(2)(h)}



Consultation

- 26 The following agencies have been consulted on this Cabinet paper: Ministry of Justice, Department of Conservation, Office of Treaty Settlements and Takutai Moana, Te Puni Kōkiri, Ministry of Business, Innovation and Employment (Regional Economic Development and Investment Unit), Ministry for Regulation, Ministry for Primary Industries (Rural Communities), Ministry of Social Development, National Emergency Management Agency, and Ministry for Culture and Heritage. The Office of the Clerk, the Office of the Ombudsman, the Audit Office, Treasury and the Department of the Prime Minister and Cabinet were informed.
- 27 Agency feedback generally supported the objective of strengthening democratic accountability. Feedback focused primarily on the proposed removal of Houkura voting rights, with Te Puni Kōkiri, the Ministry of Justice, and the Ministry of Social Development seeking assurance that meaningful Māori participation in local authority decision-making would continue and noting potential moderate to high Treaty-related risks.

Binding on the Crown

- 28 The Amendment Paper is not binding on the Crown.

Creating new agencies or amending law relating to existing agencies

29 The Amendment Paper does not create a new agency.

Allocation of decision-making powers

30 The Amendment Paper does not involve the allocation of decision-making powers between the Executive, the courts, and tribunals.

Associated regulations

31 Regulations are not needed to bring the Amendment Paper into operation.

Other instruments

32 The Amendment Paper enables Orders in Council to be made on the recommendation of the Minister of Local Government. The practical effect of these Orders is to enable non-elected members to vote and contribute to quorum. These Orders are secondary legislation and the Legislation Act 2019 requirements for publication, presentation and disallowance apply.

33 The Amendment Paper proposes that the Minister must be satisfied that an exception to the non-elected members rule is necessary or desirable. The Government has set clear expectations that all non-elected members should be non-voting and I have communicated this to mayors and regional council chairs.

34 I expect councils will ask for exceptions and I have agreed an operational process to streamline such requests and ensure consistent treatment. My view is exceptions should be rare and only granted where a clear and specific justification is established. I will communicate this again to mayors and chairs after the Bill is passed.

35 I intend for exceptions to be agreed within the six-month transition period if possible. Given the timing of the General Election, I seek Cabinet's delegated authority to issue drafting instructions for any Orders in Council I intend to recommend, subject to the passage of the Bill, consultation with relevant Ministers, and those Orders being confirmed by Cabinet once drafted. If I determine that any exemptions are necessary or desirable, I will bring the Orders to the Cabinet Legislation Committee in early 2027.

Definition of Minister/department

36 The Amendment Paper does not create a new definition or amend an existing definition of a minister or department.

Commencement of legislation

37 The Amendment Paper comes into force the day after the day of Royal assent. However, councils do not need to comply with the restriction on voting for non-elected members until 6 months after the day of Royal assent.

Parliamentary stages

- 38 The Bill currently holds 9(2)(f)(iv)
- 39 I propose that the Amendment Paper be released immediately. The Bill will be available for consideration by the Committee of the Whole House subject to the completion of drafting for the development contributions Amendment Paper [CAB-26-MIN-0260] and prioritisation within the Legislation Programme.

Proactive Release

- 40 I intend to proactively release this paper, subject to any redactions made under the Official Information Act 1982, as soon as practicable. The Amendment Paper will be published on the New Zealand Legislation website after it is released.

Recommendations

The Minister of Local Government recommends that the Cabinet Legislation Committee:

- 1 **note** that the Local Government (System Improvements) Amendment Bill holds a 9(2)(f)(iv)
- 2 **note** that the Bill proposes a range of amendments to the Local Government Act 2002, including to improve the connection between councils and communities by strengthening council transparency and accountability;
- 3 **note** that the Government has agreed to strengthen accountability by amending the Bill so that that non-elected members appointed to committees will not be able to vote or contribute to the quorum of the meeting;
- 4 **agree** the following changes that align with the intent of previous Cabinet decisions [ECO-26-MIN-0094] and are reflected in the Amendment Paper:
 - 4.1 members of Houkura (the Independent Māori Statutory Board of Auckland Council) will not vote or contribute to quorum when they are appointed to a committee, subcommittee or other subordinate decision-making body of Auckland Council;
 - 4.2 members of a local authority's local boards and community boards, and Commissioners appointed to a local authority under Part 10 of the Local Government Act 2002, may vote and contribute to quorum if they are appointed to a committee of that local authority or a joint committee that includes that local authority;
 - 4.3 non-elected members on specified committees created under secondary legislation will continue to be able to vote and contribute to quorum;
 - 4.4 non-elected members on future committees created under secondary legislation will not vote or contribute to quorum unless an exception is made;

- 5 **note** that proposed new section 260A of the Local Government Act 2002 (new clause 21A in the Amendment Paper) enables the Minister of Local Government to recommend exceptions to the restrictions be made by Order in Council, if those exceptions are in the Minister's opinion necessary or desirable;
- 6 **note** the Minister of Local Government's expectation that exceptions will be rare and only granted where a clear and specific justification is made;
- 7 **authorise** the Minister of Local Government to issue drafting instructions for any Orders in Council to be made under proposed new section 260A of the Local Government Act 2002 subject to the passage of the Bill, consultation with relevant Ministers, and those Orders being confirmed by Cabinet once drafted;
- 8 **note** that the Minister of Local Government will report back to the Cabinet Legislation Committee in early 2027 if any exceptions are determined to be necessary or desirable;
- 9 **note** that the Amendment Paper also makes minor and technical amendments to:
- 9.1 ensure there will be public reporting on local authority water services in FY 2025/26;
- 9.2 improve how the common law about council elected members' access to council-held information is codified;
- 10 **approve** the Amendment Paper to be released.

Authorised for lodgement

Hon Simon Watts

Minister of Local Government