



## SUBMISSION

---

Submission: Local Government (System Improvements) Amendment Bill

To: Governance and Administration Committee

Date: 27 August 2025

Contact: Dom Kalasih, Chief Executive  
Ia Ara Aotearoa Transporting New Zealand  
[dom@transporting.nz](mailto:dom@transporting.nz) ph. 027 441 4309

Mark Stockdale, Policy and Advocacy Advisor  
Ia Ara Aotearoa Transporting New Zealand  
[mark@transporting.nz](mailto:mark@transporting.nz) ph. 021 434 097

## **About Ia Ara Aotearoa Transporting New Zealand**

Ia Ara Aotearoa Transporting New Zealand is a national membership association representing the road freight transport industry. Our members operate urban, rural and inter-regional commercial freight transport services throughout the country.

As the peak body and authoritative voice of the road freight sector, Transporting New Zealand's purpose is creating the environment where trucking operators can drive successful, safe, sustainable businesses. Our focus areas for the period 2025 to 2027:

- Advocacy and policy
- Improving infrastructure to improve productivity
- Making our industry and our members businesses stronger and more resilient
- Sustainability
- Transporting New Zealand business performance

New Zealand's road freight transport industry employs 33,000 people (1.2% of the total workforce), and has a gross annual turnover in the order of \$6 billion. This is part of a wider transport sector that employs 108,000 people and contributes 4.8 percent of New Zealand's GDP. Road freight transport accounts for 93% of the total tonnage of freight moved in New Zealand (MoT National Freight Demands Study 2018).

## **Ia Ara Aotearoa Transporting New Zealand submission on the Local Government (System Improvements) Amendment Bill**

### **Introduction**

- 1 Ia Ara Aotearoa Transporting New Zealand (Transporting New Zealand) welcomes the opportunity to make a submission to the Governance and Administration Committee on the Local Government (System Improvements) Amendment Bill (the Bill).
- 2 Transporting New Zealand supports the draft legislation, particularly the proposed amendments in the draft Bill which:
  - a. amend councils' purpose to focus on specific core purposes and remove the previous four aspects of community well-being.
  - b. focus councils on delivering core services such as transport infrastructure.
- 3 There is nothing confidential in our submission and we permit it to be published in full.
- 4 We do not wish to speak to this submission in hearings conducted by the Governance and Administration Committee on this Bill.

### **Emphasising core services, particularly road maintenance and improvements**

- 5 Roads are the lifeblood of New Zealand's economy, with nearly 93% of freight being carried by road (on a gross tonnage basis). Councils have a significant role in maintaining our country's 80,000 km of local roads, that play an essential role in the freight network. Unfortunately, population and freight task growth, combined with substantial increases in construction costs, have put New Zealand's roading system under increasing pressure.
- 6 While the current and preceding Government Policy Statements on land transport allocated increased funding to road maintenance, there is still a considerable maintenance deficit that central and local government have to address.
- 7 The poor state of the roading network is a leading concern for the road freight sector. The 2025 National Road Freight Industry Survey<sup>1</sup>, commissioned by Transporting New Zealand and completed by Research New Zealand, identified that the poor state of the roading network was respondent's second highest concern, second only to economic and financial pressures.
- 8 Sixty-one percent of industry respondents rated the poor condition of the roading network as one of their top three concerns. Within that, 93% of respondents agreed that poor maintenance of the road network was endangering truck drivers and other road users, with 84% agreeing that regional roads including bridges tend to get ignored.

---

<sup>1</sup> Research New Zealand (on behalf of Transporting New Zealand), National Road Freight Industry Survey, April 2025: <https://www.transporting.nz/news/national-road-freight-industry-survey-2025>

- 9 Transporting New Zealand has acknowledged the need for reform to address this significant infrastructure challenge. This includes supporting increased use of tolling, the introduction of time-of-use charging legislation, and well signalled increases in Road User Charges and Fuel Excise Duty.
- 10 Transporting New Zealand submits that the proposed amendments in the draft Bill will help address New Zealand's significant infrastructure challenges, by ensuring that councils focus on core services and essential infrastructure.

## **Comments on the draft Bill**

### **11 *Section 3 amended (Purpose)***

Transporting New Zealand supports the amendment to replace the current section 3(d) which provided for local authorities to promote the co-called '4 well-beings'. This current requirement is burdening Councils with obligations they can't deliver on effectively, is outside of their primary purpose, and has resulted in councils spending rates revenue on activities outside of their core services. We support the new wording of the purpose specifically referring to meeting community needs for local infrastructure and public services.

### **12 *Section 10 replaced (Purpose of local government)***

Transporting New Zealand similarly supports replacing Section 10 with a more narrowly-defined purpose focussing on local matters covering infrastructure and public services. Given funding shortfalls and record rate rises, we support councils focussing on core issues like delivering key infrastructure such as roading repairs and maintenance.

### **13 *New section 11A inserted (Core services to be considered in performing role)***

Aligned with the re-defined purpose, Transport New Zealand supports the new section 11A which outlines the core services local authorities should focus on, including infrastructure, public transport, waste management and public facilities like libraries. We concur that these are the core services which councils should be managing, and in directing this it should result in more targeting spending on the roading network.

### **14 *Section 14 amended (Principles relating to local authorities)***

While reference to the '4 well-beings' is being removed from Section 3 above, we note that in Section 14, the word 'well-being' is simply being replaced with 'interests' e.g. "social economic and cultural interests of people and communities" (new section 14(1)(h)(i)). It is unclear whether this amendment will make any substantive difference.

**ENDS**