

**Media Statement**  
**25 November 2025**



## **Successful Local Government Reform Requires New Funding Tools**

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The Government's announcement to streamline local councils highlights an important truth – local government needs refocusing, and this opportunity must not be wasted, says Infrastructure New Zealand Chief Executive Nick Leggett, himself a former Mayor of Porirua.

"Local government can and should play a far greater role in shaping the wellbeing of its communities, local economies, and environments. A shift toward directly mandated mayors leading regional refocuses is a sensible step toward stronger, more responsive local leadership."

However, Infrastructure New Zealand warns that structural change alone won't deliver improved performance.

"Councils must be equipped to operate more efficiently and with the right tools to deliver," Leggett says. "Any reform package must include new and sustainable funding mechanisms."

Infrastructure New Zealand says it is estimated that local government owns roughly 35% of New Zealand's public infrastructure but receives only 11% of the nation's tax revenue. That imbalance loads the burden onto local decision-makers and ultimately constrains growth and progress. A funding reset must accompany structural reform if we expect local government to lift performance.

"Reform must also reassure the public that vital functions currently performed by regional authorities, particularly environmental stewardship and public transport, will not be weakened," Leggett says. "Any change must demonstrate that these services can be delivered better, not simply differently."

"The reform conversation should also include how to make better use of local public assets. In some cases, such as port companies, there may be opportunities to free up capital and recycle that into the new public infrastructure our communities urgently need."

**ENDS**

*Infrastructure New Zealand is the nation's leading infrastructure member association. Our core purpose is to advance best practice development of world-class transport, energy, water, telecommunications, and social infrastructure for all New Zealanders. We do this through research, advocacy, and public and private sector collaboration. Our membership is comprised of over 150 organisations, including central and local government agencies, consultants, contractors, financiers, utilities, and academics – collectively employing approximately 150,000 people in infrastructure-related roles. Together, we are committed to creating a better New Zealand through outstanding infrastructure.*

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