

Reference: 20220194

8 June 2022

Dear [REDACTED]

Thank you for your Official Information Act (OIA) request, received on 30 May 2022.  
You requested:

*I wish to confirm please what proportion of Central Government funding over the 2021-2022 financial year was received by Local Government.*

We have interpreted your request as seeking information relating to funding provided to local authorities by central government agencies across all portfolio areas.

The Treasury does not keep a central record of all funding provided to local government. Local authorities in New Zealand have significant powers to raise funds (for example, through rates and charges) to carry out their activities. Individual central government agencies may allocate funding to local government for achieving certain policy outcomes. For example, the Department of Internal Affairs distributes funding to councils as part of the Three Waters reform programme, and Waka Kotahi NZ Transport Agency distributes funding for transport matters. You may wish to consider requesting information directly from the agencies responsible for subject matter areas that you are interested in.

I am therefore refusing your request under section 18(g) of the OIA because the information is not held by us and we do not think it is held by another department. However below is some general information which may be of assistance to you.

The Productivity Commission released the final report of its inquiry into local government funding and financing in 2019, which contains some general information on funding of local government. It noted that in 2017-18, grants and subsidies made up approximately 19% of total revenue across all local authorities. This category was mostly comprised of central government grants to cover roading and other costs. It found that overall, central government covers 53% of the cost of local transport. It also outlined that generally, rural councils, lower-growth councils and Auckland Council tend to be more reliant on central government grants and subsidies. A copy of the Productivity Commission's report is available at:

[www.productivity.govt.nz/inquiries/local-government-funding-and-financing](https://www.productivity.govt.nz/inquiries/local-government-funding-and-financing)

In 2021 the Government also established the Review into the Future for Local Government, which is considering how local governance, including current funding arrangements, should be reshaped for the future. The review is seeking feedback on its interim report until 30 June 2022, and its final report is due in April 2023. Further information is available at: [www.futureforlocalgovernment.govt.nz](http://www.futureforlocalgovernment.govt.nz)

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Awahi Fleming', written in a cursive style.

Awahi Fleming  
**Team Leader, Justice, Security and Government Services**