

A journalist's guide to local government

2019 edition



**We are.
LGNZ.**
Te Kāhui Kaunihera o Aotearoa.



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Foreword

Foreword



For democracy to work well it needs an informed media with the capability to interpret and report on the activities of our public bodies. Local government is no exception.

As members of the fourth estate journalists play a critical and important role in ensuring the integrity and accountability of our system of local democracy. The media also plays an essential role in facilitating community understanding of our councils. After all, the quality of our democracy reflects the degree of interest that our citizens take in it.

As the organisation representing New Zealand's local authorities, LGNZ is committed to a transparent and accountable system of local government and in this endeavour, the role of the media is fundamental. Both are vital if we are to strengthen public confidence in our democratic institutions, local and national.

Citizens need to know how councils work, the nature of the issues they are grappling with and how to get involved. Local government is important because of its proximity to the communities that it governs, yet that proximity cannot be taken for granted. Timely and accurate reporting of local government and its decision-making processes remains essential.

This booklet has been designed to assist you, as a journalist, in your coverage of local government.

We do hope the Journalist's Guide provides you with the information you need to report on local government issues in an informed way, so that your audiences are able to make more enlightened decisions about whether or not to stand as candidates and who to choose to represent them in local government.

This booklet will be available online at www.vote2019.co.nz.

A handwritten signature in black ink, which appears to read 'Dave Cull'. The signature is fluid and cursive, with the first name 'Dave' and the last name 'Cull' clearly distinguishable.

Dave Cull
President
Local Government New Zealand

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**About Local
Government
New Zealand**

About Local Government New Zealand

Local Government New Zealand (LGNZ) represents all local authorities in New Zealand. Our purpose is to be the strong voice for great local government and our mission is local democracy powering community and national success.

New Zealand cannot be a strong and successful nation if it does not have strong and successful communities. That is the core business of local authorities. We achieve this by advocating for national policies and legislation that support effective local governance, and providing services that strengthen the governance capacity of our members.

LGNZ is an incorporated society governed by a National Council of 15 elected representatives, headed by a President and Vice President. The organisation is funded primarily through member subscriptions. LGNZ's Wellington based staff are led by a Chief Executive, and work on advocacy, performance improvement, best practice and policy development.

Local government profile

City, district, and regional councils are corporate bodies with the authority to make decisions and set directions in the best long-term interests of their communities. The corporate body has the authority to act or make decisions, but every elected member has a role and responsibility in the exercise of that authority.

Local government is:

- > one of the two branches of government in New Zealand; and
- > a product of statute but autonomous and accountable to communities.

There are 67 territorial authorities in New Zealand and 11 regional councils. The territorial authorities consist of 13 city councils and 54 district councils. The functions of territorial authorities (district and city councils) include:

- > emergency management;
- > community facilities and services;
- > libraries;
- > economic development;
- > environmental health and safety;

- > infrastructure provision (e.g. water, wastewater, stormwater, roads);
- > recreation and culture;
- > resource management, including land use planning and development control; and
- > local regulations (e.g. alcohol, dogs, noise, litter).

Regional councils are responsible for environmental resource management, flood control, air and water quality, pest control and, in some cases, public transport, regional parks and bulk water supply. Six territorial authorities are also known as 'unitary authorities.' Unitary authorities have the responsibilities of both territorial authorities and regional councils. The six unitary authorities are:

1. Auckland Council
2. Nelson City Council
3. Tasman District Council
4. Marlborough District Council
5. Gisborne District Council
6. Chatham Islands Council

The purpose of local government

Local government is a creature of parliament and receives its powers and duties through legislation. Local government's general powers, which allow councils to act in response to the wishes of their citizens, are set out in the Local Government Act 2002 (LGA). In addition, specific duties tend to be set out in specific statutes, such as the Dog Control Act 1996 or the Resource Management Act 1991.

Local government's general purpose is set out in Section 10 of the LGA, which states:

1. The purpose of local government is:
 - a) to enable democratic local decision-making and action by, and on behalf of, communities; and
 - b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.¹

¹ Good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are efficient, effective, and appropriate to present and anticipated future circumstances.

Please Note:

The Local Government (Community Well-being) Amendment Bill is currently before parliament and is expected to pass into law before the middle of 2019. It will amend the purpose of local government by replacing Section 10(b) with the following clause:

- b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Statistical overview

Local government is a major sector of the economy and, in 2017:

- > had an annual operating income of \$9.4 billion (excluding GST);
- > has an operating expenditure of \$9.8 billion (excluding GST);
- > owns assets worth \$138 billion;
- > has liabilities of \$19 billion;
- > employs approximately 30,000 full time equivalent staff; and
- > spends approximately 11 per cent of all public expenditure.

Other facts:

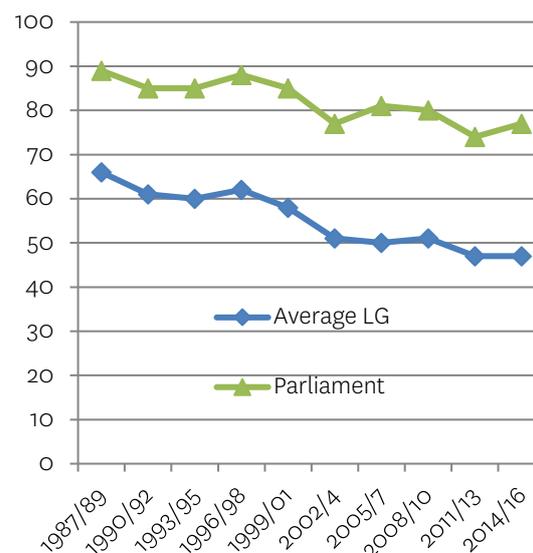
- > The proportion of roads owned by local authorities: 87 per cent.
- > The proportion of council income that comes from rates: 58 per cent.
- > The proportion of women councillors: 38 per cent.
- > The number of elected members who identify as Māori (2016): 10 per cent.
- > The number of elected members (councillors, mayors, board members): 1615.

See www.localcouncils.govt.nz for more statistical information.

Voter turnout

Turnout in the 2016 local authority elections averaged 47 per cent, as it did in the 2013 local government elections. In contrast, turnout in the 2017 parliamentary elections increased to 77 per cent, 30 per cent greater than the local authority average. Of note is the fact that turnout for both local and national elections has declined at a similar rate since 1988/89. This trend is mapped in the following figure.

Figure 1: Voter turnout (%)



LGNZ and Auckland Council surveyed citizens after the 2016 elections to find out who voted, who didn't, and why. The reasons most commonly given for not voting were:

- > Too busy or forgot: 23.3%
- > Lack of interest: 23.4%
- > Lack of information about candidates: 32.6%

The main reasons for voting were:

- > To have my say: 17%
- > To do my democratic duty: 26%
- > Because you cannot complain if you haven't voted: 7%

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About council structures

About council structures

Local authorities are governed by a 'governing body,' also known as the 'committee of the whole.' A council has the discretion to appoint standing committees, special committees or sub-committees. Standing committees (or permanent committees) are responsible for much of council's work. This includes regulatory services, planning, recreation and safety, as well as promoting economic development. Some councils now operate without committees.

Information on how councils organise themselves can be found in each council's Governance Statement, located on each council's website.

Community boards

These exist to ensure a community's interests are represented by bringing decision-making closer to citizens. In 2016, there were 110 community boards. The community boards' primary role is to advocate and represent the interests of communities, although many councils delegate a range of local decision-making responsibilities to their boards.

About Auckland

Auckland Council has a decision-making structure that is different in many aspects to how other councils operate. The Council consists of a mayor, 20 councillors (the governing body), and 21 local boards. It is designed as a co-governance model, with local boards responsible for local matters and the governing body responsible for matters affecting the overall metropolitan area.

Auckland's governing body and local boards have different, but complementary, responsibilities. The governing body of the Auckland Council is responsible for region-wide strategic decisions, including regional issues, activities and facilities. Local boards make decisions on local issues such as libraries, local parks, recreation services and facilities. Much of Auckland's operations are undertaken by Council Controlled Organisations, such as Auckland Transport and Watercare.

Local boards

Local boards were introduced with the Local Government (Auckland Council) Act 2009. They can comprise between five and 12 members. There are 21 local boards.

Each board must develop a plan of community priorities and preferences for the following three years, which must be submitted to the Auckland Council for agreement.

The Auckland Council owns all property and manages all employee appointments.

The Local Government Commission has the authority to establish local boards in other parts of the country during reorganisation processes, should it wish.

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About elections

About elections

Local authority elections are held on the second Saturday in October every three years and all are conducted by postal vote. The next elections are scheduled for Saturday 12 October 2019 and all votes must be received by 12 noon on the day. Voting documents will be sent to all eligible voters by post in time to enable all voters to have three weeks to complete and return their voting documents.

Each election is run by an electoral officer. This person is sometimes a council employee, although most councils use contractors to do this. Sitting elected members, and anyone standing for election, cannot be an electoral officer. Electoral officers are independent statutory officers for the period of the election. During this time they do not take instruction from either their council or its senior management.

Preliminary results are announced by the electoral officer as soon as possible after voting closes. Official results follow within a few days. The electoral officer also writes to all candidates once the final election result is known.

For up to date information on candidates go to www.vote2019.co.nz.

Successful elected members take office the day after the official declaration is publicly notified, approximately five days after the release of provisional votes. Elected members cannot act until they are sworn in at the first council meeting after the elections.

Most council elections are conducted using the 'First Past the Post' system (FPP). This means the candidate with the highest number of votes wins. This year, 11 councils, in addition to all 21 district health boards, will use the Single Transferable Voting system (STV). (An explanation of STV, follows). These councils are:

- > Kaipara District Council;
- > Tauranga City Council (first time);
- > Ruapehu District Council (first time);
- > New Plymouth District Council (1st time);
- > Palmerston North City Council;
- > Kapiti Coast District Council;
- > Porirua City Council;
- > Wellington City Council;
- > Greater Wellington Regional Council;
- > Marlborough District Council; and
- > Dunedin City Council.

Local body elections are conducted under the provisions of the:

- > Local Electoral Act 2001;
- > Local Electoral Regulations 2001;
- > Local Government Act 2002;
- > New Zealand Public Health & Disability Act 2000; and their amendments.

Table 1: Timeline for the 2019 local authority elections

Date	Activity
1 July	Enrolment update campaign starts – Electoral Commission
15 July	Electoral roll open for inspection
19 July	Candidate nominations open
16 August	Candidate nominations close and electoral roll closes
21 August	Public notice of candidates' names by Electoral Officers
20 - 25 September	Voting documents delivered
20 Sept – 12 October	Special voting period
20 Sept – 12 October	Scrutiny and early processing
12 October	Voting closes 12 noon
12 October	Preliminary results
12 October	Collation and analysis of results - LGNZ
17 - 23 October	Declaration of results
November	Councillor swearing-in ceremonies
Mid December	Return of election expenses forms – Electoral Officer

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About the voting systems

About the voting systems

Councils have the choice of two voting systems; First Past the Post (FPP) or Single Transferable Voting (STV). Citizens can also require, through a petition, that their councils hold a poll on changing the voting system, to either FPP or STV.

Single transferable vote

Under STV, voters rank candidates in order of preference. Candidates must reach a quota of votes in order to be elected. If a candidate gets more votes than the allocated quota, part of that vote is then transferred to a voter's second choice until enough candidates have passed the quota to fill all vacancies.

The number of vacancies and votes determines the quota a candidate must reach to be elected. The formula for deciding the quota is the total number of valid votes, divided by the number of vacancies plus one.

See www.stv.govt.nz/stv/index.htm for more information.

First Past the Post

FPP gives voters three votes for up to three candidates. The candidate with the most votes wins. A criticism of FPP is that while a candidate may receive more votes than other individuals, they still receive fewer votes than other candidates put together. This can lead to a winner having a minority of the votes.

Election spending

There are limits to the amount of money candidates can spend on their election campaigns, which includes donations and joint campaigning. The maximum amount spent must not exceed the limits set out below.

Table 2: Election expenditure limits

Council population	Expenditure limit
Up to 4,999	\$3,500
5,000 – 9,999	\$7,000
10,000 – 19,999	\$14,000
20,000 – 39,999	\$20,000
40,000 – 59,999	\$30,000
60,000 – 79,999	\$40,000
80,000 – 99,999	\$50,000
100,000 – 149,000	\$55,000
150,000 – 249,999	\$60,000
250,000 – 1,000,000	\$70,000
1,000,000 or more	\$100,000*

**Plus 50 cents for each elector (these figures are GST inclusive).*

If a candidate is standing for more than one position, such as mayor and councillor, the higher limit applies (not both combined.)

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**About the
legislation**

About the legislation

The Local Government Act 2002

The Local Government Act 2002 (LGA) sets out the purpose, powers and principles that councils must use when making decisions. It also includes the power to make certain kinds of by-laws.

The LGA extended consultation into a process of engagement which requires councils to work with affected communities at the beginning and end of a process. There are six consultation principles councils must consider when making decisions:

- > Councils should provide those who will, or may, be affected by a decision with enough information to help them present their views.
- > Councils should seek out and welcome the views of those interested in a decision.
- > Potential submitters should be told the purpose and focus of the consultation.
- > Anyone who wishes to put views before the council should be given a reasonable opportunity to present them in a way appropriate to the needs of the submitter.
- > While councils may have working plans in mind, they must be prepared to listen to all submissions with an open mind.
- > Councils should provide information to submitters on the reasons for decisions.

Councils must also manage their revenues, expenses, assets, liabilities, investments and general financial dealings prudently, and in a way which promotes the community's current and future interests.

Operating revenue must be set at a level sufficient to meet that year's projected operating expenses. This includes maintaining the service capability and integrity of assets throughout their useful life, and the funding of depreciation. There can be exceptions where it's demonstrably prudent – for example, a facility that is not meant to be replaced – if various procedural and consultative requirements are met.

The Local Government (Rating) Act 2002

The purpose of this Act is to:

- > provide local authorities with flexible powers to set, assess, and collect rates to fund local government activities;

- > ensure rates are set in accordance with decisions made in a transparent and consultative manner; and
- > provide processes and information enabling ratepayers to identify and understand their liability for rates.

Local Government Official Information and Meetings Act 1987

The Local Government Official Information and Meetings Act 1987 (LGOIMA) makes official information available, unless there is a valid reason for withholding it. There are conditions under which requested information may be withheld: Under Sections 6, 7, 8, and 17 of LGOIMA, acceptable reasons for not providing requested information include:

- > avoiding prejudicing the maintenance of the law;
- > protecting the health and safety of individuals;
- > protecting the privacy of individuals;
- > protecting information involving a trade secret, or commercially sensitive information (including relevant negotiations) or where disclosure would offend tikanga Māori or reveal waahi tapu;
- > protecting information which could prejudice or damage the public interest;
- > avoiding prejudice to measures that protect public health or safety, and that prevent or mitigate material loss to the public;
- > maintaining the effective conduct of public affairs by way of free and frank discussion among members and/or officers of the council, and by protecting them from improper pressure or harassment;
- > maintaining legal professional privilege; and
- > preventing disclosure or use of official information for improper gain or advantage.

The Resource Management Act 1991

The Resource Management Act 1991 (RMA) replaced more than fifty former statutes. It requires councils to provide for integrated management of natural and physical resources. This devolution to local authorities is based on the premise that decisions on environmental matters are best made by the communities directly affected.

The Act gives councils the means to manage the environmental effects of using and developing resources, and codifies many good practice requirements. This includes consultation in planning and decision-making, and the use of analytical and evaluation techniques, including assessments of environmental effects of alternatives.

The RMA sets out the resource management functions of each type of local authority and what each needs to do in performing these functions. It provides councils with the powers needed to administer their plans, and establishes a resource consent process for activities not (either explicitly or implicitly) permitted as of right, by a plan, or the RMA. In preparing RMA plans, councils are required to consult with iwi and recognise and provide for Māori values in resource management matters important to Māori.

The RMA has undergone a number of amendments since 1991. Most recent changes have introduced several administrative process improvements for notification and hearings; requirements to consider effects related to energy efficiency, renewable energy and climate change; and increased powers for ministerial intervention. The role of regional councils was also strengthened in the integration of land use and infrastructure.

The RMA focuses on the effects of activities rather than the activities themselves. Its underlying assumption is that a use, development or subdivision should proceed if there are no adverse environmental effects, or if effects can be avoided, remedied or mitigated.

RMA consultation

Community participation in resource management is a key principle of the RMA. Councils must prepare a proposed version of the policy statement or plan. Many choose to issue a draft plan prior to this step, to solicit early views and input. In this process councils must consult certain parties such as the responsible ministers of the Crown, other councils affected, and tangata whenua.

The council then publicly notifies the proposed policy statement or plan and makes it available to anyone who is interested. Anyone can make a submission supporting or objecting to proposed policies or plans. Councils must hold a meeting or hearing in response to submissions so those who made a submission can voice their views if they wish. The local authority decisions are then publicly notified and provided to everybody who made a submission. Those who made a submission have the right of appeal to the Environment Court against a council decision.

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About the democratic process

About the democratic process

Local government is primarily an expression of local representative democracy. As such, it must operate in accordance with a number of rules to ensure decision-making is transparent, accountable and open to citizens and the public. For example, councils must adopt standing orders which regulate how business at council and committee meetings is conducted.

Meetings

There are two kinds of meetings; ordinary meetings and extraordinary meetings. Ordinary meetings are regular meetings of the council. Councillors must be given notice of the time and place of the meeting not less than 10 working days before. Councils may adopt advance schedules of ordinary meetings, and notice to members must be given not less than 10 working days prior to the first meeting in the schedule. Most councils will provide a period at the beginning of their ordinary meetings for public presentations.

Extraordinary meetings, normally in response to matters which are urgent, can be called by:

- > a resolution of the local authority;
- > the mayor or chairperson making a request in writing to the chief executive officer;
- > not less than one third of the councillors making a request in writing to the chief executive officer.

Every councillor must be given notice of the extraordinary meeting at least three working days before, or not less than 24 hours if there is a council resolution to this effect. An extraordinary meeting can be called by the mayor, chair, or the chief executive (if the mayor/chair is absent) if there are matters which must be dealt with that require shorter notice.

Councils must publish monthly schedules of meetings, giving the time and place. The monthly schedule must include all committee and sub-committee meetings. Alternatively, meetings held after the 21st of any month can be publicly notified not more than 10, or less than five, working days before the day of the meeting. There are exceptions to these rules for extraordinary meetings. There is no actual requirement to meet monthly.

Standing orders

Councils must adopt standing orders as a requirement of the LGA. Standing orders apply to full council meetings and committee meetings. They provide the basis for the orderly conduct of meetings and contain rules defining the rights of chairs and members to address meetings. Councils also use

standing orders to deal with the many matters they manage that are not covered by legislation. Councils can amend or suspend any part of their standing orders on the vote of three quarters of the members present. A copy of a council's standing orders can usually be found on its website.

Order papers

Apart from the first meeting following an election, legislation allows councils to determine their own order of business. The chief executive prepares an agenda for each meeting, listing the items of business and attaching relevant information. The order paper is distributed to members before the meeting. Business is dealt with in the order set out in the agenda, unless the chair gives precedence to a particular item of business. If there is business from which the public is excluded, this is usually dealt with at the end of the meeting.

Minutes

Minutes are the official record of a meeting. They are approved at the following meeting and signed by the chair, after which they become the legal evidence of the proceedings.

Voting

The chair calls for an expression of opinion or takes a show of hands. Once the council's opinion has been ascertained, the chair announces whether a motion has been carried or defeated. A member can request their vote against a motion be recorded in the minutes. All present at the meeting must be able to see (or hear) how individual councillors vote. Some councils use electronic voting systems. Secret ballot voting is not allowed.

Casting vote

The default position in the LGA is that there is no casting vote for the mayor or chair of meetings. Councils can, however, use a casting vote if they include it in their standing orders, either when adopting their standing orders immediately after an election, or through an amendment to their standing orders at a later date. Most councils have amended their standing orders to include casting vote.

Workshops

Many councils hold workshops or informal meetings to brief elected members on emerging issues, or get an indication of councillor preference before initiating a policy project. Meeting procedures and LGOIMA do not apply to workshops, and it is common for them to exclude media and the public. Workshops cannot be used to make decisions.

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About plans and statements

About plans and statements

Much of a council's work involves planning for the future, whether it is determining where a city or town will grow, or making provision for the ongoing maintenance and renewal of a community's infrastructure.

The Long Term Plan (LTP)

The LTP is a council's primary strategic planning document. It is also the main opportunity for the public to participate in local decision-making. The LTP sets out the council's priorities over the medium to long-term, outlining how the council intends to achieve its purpose. Some decisions and actions can only be undertaken if they are included in an LTP, or amendment to an LTP, such as transferring ownership or control of a strategic asset to or from the local authority.

Councils must produce an LTP once every three years and it must cover a period of at least 10 years. This means councils will undertake a major consultative process at least one year in three, and a smaller consultative exercise in the second and third years focusing on amendments to the LTP, or on the annual plan. Once adopted, an LTP can be amended but not revoked.

Councils must also adopt a range of funding and financial policies, many of which are to be included in the LTP, such as their policy on development contributions.

Financial strategies

A financial strategy is a strategy that sets the overall direction of the financial aspects of the LTP and provides elected members with the opportunity to set financial parameters for their council. It should contain a summary of the financial issues facing the council as well as the financial implications of any capital and operational decisions. The purpose of the financial strategy is to facilitate:

- > prudent financial management, and provide a guide against which to consider proposals for funding and expenditure; and
- > consultation on council proposals for funding and expenditure by making the implications of a council's financial choices clear and transparent (see S.101A).

The information to be included in a financial strategy includes planned rate increases, borrowing limits, and an assessment of the ability of a council to meet planned service levels within those limits. Should expected limits not be met, councils must publicly

explain the reasons for non-compliance. When preparing and analysing financial strategies the unique circumstances of each council need to be taken into account.

Councils are required to publish prudent financial benchmarks in their annual reports. These cover the degree to which councils have balanced their budgets, debt levels, and affordability measures.

Infrastructure strategies

Since 2014 councils have been required to develop 30 year infrastructure strategies. The purpose of an infrastructure strategy is to identify significant infrastructure issues facing the council over the period covered by the strategy, the principal options for managing those issues, and the implications of those options.

A council's infrastructure strategy should outline how each local authority intends to manage its infrastructure assets, taking into account the need to ensure the following:

- > Renew or replace existing assets;
- > Respond to growth or decline in the demand for services reliant on those assets;
- > Allow for planned increases or decreases in levels of service provided through those assets; and
- > Maintain or improve public health and environmental outcomes or mitigate adverse effects on them.

Infrastructure strategies promote the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks. They can be found on councils' websites. They are underpinned by Asset Management Plans (AMPs).

Pre-election reports

Pre-election reports are a more recent addition to the accountability provisions applying to councils and were used prior to the 2013 elections for the first time. The reports must be prepared and signed off by each chief executive no later than two weeks before nomination day.

The purpose of the pre-election report is to "provide information and promote discussion about the issues facing the local authority." The council has considerable discretion with regard to the manner in which this must be published. The pre-election report must contain, for the three years preceding the

election and the three years following the election, the following:

- > the funding impact statement;
- > a summary balance sheet;
- > a statement setting out the extent to which the authority has complied with limits in its financial strategy; and
- > information on planned major projects.

The annual plan

This contains the annual budget and is a link to the rate-setting process; in fact in the first year of an LTP, the financial and service level information in the LTP is, by law, the annual plan. Councils must still prepare an annual plan, although the main planning document is now the LTP. The annual plan will link the LTP to the annual budgeting process (including setting rates.) The annual plan must include:

- > a proposed annual budget including estimated costs and revenues;
- > a funding impact statement for the year;
- > forecast financial statements for the year;
- > statements setting out service levels and performance measures; and
- > details of any changes from the information in the LTP (including the reasons for change).

An important feature of the LGA is that councils cannot make significant changes to their work programme or budget through the annual plan; they can only do so through the LTP or an amendment to the LTP.

Annual plans must be adopted by 30 June each year. There is no penalty for councils that fail to meet the 30 June deadline.

The annual report

Annual reports close the “feedback” loop with citizens and the local community. The annual report must include:

- > the amount spent on capital expenditure for the previous year and whether it was allocated to meet additional demand, improve the level of performance, or replace existing assets;

- > a statement of service performance detailing financial and non-financial performance of the local authority (which must be audited);
- > reports on the performance of council-controlled organisations;
- > information on remuneration received by each elected member and the chief executive; and
- > total annual remuneration and employee levels, including the number of employees of the local authority and the number by specified remuneration bands.

Councils are also required to produce an annual report summary. The summary of the annual report is important for accountability as simplified financial and performance information should be more understandable and accessible than the more detailed annual report. Annual reports must be audited and adopted by 31 October each year. Councils must also publish a summary of the annual report which must be audited and publicly released within one month of the annual report being adopted.

Significance and engagement policy

Local authorities must have a significance and engagement policy setting out their general approach to determining the significance of proposals and decisions in relation to issues, assets, and other matters.

The purpose of the policy is to enable the local authority and its communities to identify the degree of significance of particular matters, provide clarity about how and when communities can expect to be engaged in decisions about such matters, and inform the local authority about the extent of any public engagement expected before a particular decision is made and the form or type of engagement required. Significance and engagement policies must include:

- > criteria or procedures used by the local authority to assess whether matters are significant or not;
- > the form of consultation to be undertaken in light of community preferences about engagement on specific matters;
- > how the local authority will engage with communities on other matters; and
- > a description of any assets considered by the local authority to be strategic assets.

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About council funding

About council funding

Local authorities have two sorts of general rating powers:

- > General rates: These are determined by the land, capital or rental value of a property; and
- > Uniform annual general charge: This is a fixed dollar charge for each rating unit or 'separately used' part of a rating unit.

'Separately used' refers to a property or building used by a person other than the owner, who has the right to use that portion through a tenancy, lease, licence, or other agreement. Councils must include a definition of 'separately used or inhabited' in their LTP.

General rates can be set at the same rate in the dollar for all rating units. They can also be set differentially. This means some properties might pay more, or less, than the average rate, even though they have the same value. The rural differential is an example. This is where rural properties are charged a lower rate because they use fewer council services. Some councils have a business differential where businesses might be charged at a higher rate in the dollar because they use a greater range of services.

Targeted rates

These are set to fund a specific function or group of functions. If a council sets a targeted rate it cannot use the revenue for any other purpose. An irrigation scheme would be a typical activity. Targeted rates ensure that only those properties benefiting from the scheme pay the rates to fund it.

Councils can set a targeted rate on all rating units in their area, or exclude particular groups of rating units. Examples include a targeted rate for security, street cleaning or beautification in the central business district.

The Local Government Rating Act also places a 30 per cent cap on the portion of council's total revenue which comes from uniform charges and targeted rates (except those made for water supply and sewage disposal).

Non-rateable land

Councils are unable, by law, to rate certain classes of land. These include:

- > national parks;
- > heritage;
- > local authority land;
- > education land;
- > DHB land; and
- > institutions used as a place of religious worship.

Other non-rateable land includes cemeteries and crematoria, Māori customary land, roads, airports, wharves, machinery, railways and land for charitable institutions.

Development contributions

Many territorial authorities in New Zealand face pressures on services they provide as a consequence of growth. The LGA 2002 provides territorial authorities with a tool – development contributions – for collecting revenue from those who cause the need for additional infrastructure, including community infrastructure, to mitigate the cost effects of growth. Without development contributions, the cost of putting in new infrastructure would be spread across existing ratepayers.

Glossary

Glossary

Community boards: Carry out functions and powers delegated by their councils, representing and advocating on behalf of their communities. There are approximately 109 community boards in New Zealand. Community boards can have between four and 12 members, at least four of whom, or more than half, must be elected. Some members may be appointed by the territorial authority.

Community outcomes: Adopted by councils in their LTPs. These are the outcomes councils seek to achieve through the services and infrastructure priorities set out in their long term plans.

Consultation: A process by which councils seek the views of citizens about a proposal. When considering submissions, as part of a consultation exercise, elected members must keep an open mind.

Council-Controlled Organisation (CCO): An organisation in which one, or more, local authority owns or controls 50 per cent, or more, of the voting rights or has the right to appoint 50 per cent, or more, of the directors of the organisation.

Council-Controlled Trading Organisation (CCTO): A CCO that has been established to make a profit.

District plans: City and district councils and unitary authorities must prepare a district plan for the sustainable management of the district's resources, to enable them to manage their significant resource management issues. District plans must give effect to any national policy statement, the New Zealand Coastal Policy Statement, and regional policy statements. District plans must also be consistent with regional plans.

Funding Impact Statement (FIS): Sets out the funding council requires, the mechanisms required to raise the funding, and how much each mechanism or funding tool will raise. This must be provided in LTPs and annual plans.

Local boards: Established as part of the reorganisation of Auckland governance, local boards are part of the co-governance structure with the governing body. Similar to community boards, but with greater decision-making authority, local boards in Auckland have responsibility for libraries, local facilities and local parks.

Local governance statement: Contains information about the way in which each council works, makes decisions and organises itself. Governance statements can be found on council websites.

Local Government Commission: Appointed by the Government, the Commission is responsible for considering re-organisation proposals, boundary adjustments and considering appeals and objections to councils' representation reviews.

Local Government New Zealand (LGNZ): An incorporated society which represents all local authorities in New Zealand. Membership is voluntary and activities are funded through an annual subscription. The organisation's primary focus is advocacy, providing value added services and policy development.

National Environmental Standards (NES): A tool to set mandatory bottom line standards for specified activities under the RMA, for example, standards for air quality and electricity transmission.

National policy statement (NPS): National policy statements are statutory documents in which the Minister for the Environment can state policies of national resource management significance, for example, the New Zealand Coastal Policy Statement (NZCPS).

Society of Local Government Managers (SOLGM): The professional development body representing senior managers within the local government sector.

Special Consultative Procedure (SCP): A formal process that sets out the steps a local authority must follow when consulting on major issues.

Statement of Intent (SOI): Sets out objectives, expected activities, and forecasts CCO performance for the coming year. It is negotiated between councils and each of their CCOs.

Statement of proposal: A document that provides the basis for consultation under the SCP, by setting out a local authority's proposals.

Strategic asset: An asset or group of assets held by the local authority to maintain its capacity to promote outcomes it considers important.

Regional plans: Regional plans deal with specific resource management issues such as air, water, or land management. Regional plans must give effect to any national policy statements, the NZCPS and regional policy statements.

Regional Policy Statements: The RMA requires regional councils and unitary authorities to prepare a regional policy statement for the sustainable management of the region's resources.

Triennial agreement: An agreement, negotiated after each election, which sets the basis for communication and co-ordination between territorial councils and their regional authorities.

Useful websites

www.lgnz.co.nz – for information about Local Government New Zealand.

www.localcouncils.govt.nz – for information about local government, councils and useful links (maintained by the Department of Internal Affairs).

www.vote2019@lgnz.co.nz – for information on the 2019 local authority elections.

www.legislation.govt.nz – for information about the legislation.

www.stv.govt.nz – for information about single transferable voting.

Contact details

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We are. LGNZ.

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We are.

Ashburton.

Auckland.

Bay of Plenty.

Buller.

Canterbury.

Carterton.

Central

Hawke's Bay.

Central Otago.

Chatham Islands.

Christchurch.

Clutha.

Dunedin.

Far North.

Gisborne.

Gore.

Greater Wellington.

Grey.

Hamilton.

Hastings.

Hauraki.

Hawke's Bay

Region.

Horizons.

Horowhenua.

Hurunui.

Hutt City.

Invercargill.

Kaikōura.

Kaipara.

Kāpiti Coast.

Kawerau.

Mackenzie.

Manawatu.

Marlborough.

Masterton.

Matamata-Piako.

Napier.

Nelson.

New Plymouth.

Northland.

Ōpōtiki.

Otago.

Otorohanga.

Palmerston North.

Porirua.

Queenstown-

Lakes.

Rangitikei.

Rotorua Lakes.

Ruapehu.

Selwyn.

South Taranaki.

South Waikato.

South Wairarapa.

Southland District.

Southland Region.

Stratford.

Taranaki.

Tararua.

Tasman.

Taupō.

Tauranga.

Thames-

Coromandel.

Timaru.

Upper Hutt.

Waikato District.

Waikato Region.

Waimakariri.

Waimate.

Waipa.

Wairoa.

Waitaki.

Waitomo.

Wellington.

West Coast.

Western Bay

of Plenty.

Westland.

Whakatāne.

Whanganui.

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