



16 July

**Speech**

## **Speech to the Local Government New Zealand Conference "Investing in Our Future"**

### **Introduction**

*(Mihi)*

### **Opening Remarks**

Good morning and thank you for your warm southern welcome. It is a pleasure to be here today as Minister of Local Government, and in particular on behalf of the Prime Minister who sends her warm best wishes to delegates, to open your 2007 Conference. I would also like to compliment the conference organisers for their work in bringing an excellent programme together.

I want to begin by thanking all local government representatives for your endeavours in serving your communities over the last year. Your work is critical to ensuring that our system of local democracy functions effectively.

Our thoughts are with our many colleagues and communities seriously impacted by recent adverse weather events.

### **Overview**

The theme of this year's conference is "Investing in our Future," which is equally a key focus for the Government.

I see the conference programme outlines workshop sessions that, today alone, will cover key issues such as:

- Sustainability;
- Building heritage into our future; and
- Partnerships of the future.

This conference enables me, as Minister, to acknowledge the recent achievements that local authorities have made in their focus on sustainability. This is evident in the work that has been done to develop practical frameworks toward sustainable development.

The conference will also allow us to further explore collaborative partnerships between local and central government in achieving community outcomes.

### **Budget 2007 context**

The theme of “Investing in our Future” is very much in line with the theme of this year's Budget. Budget 2007 presented the next step in this Government's long-term approach toward building sustainable communities. Our message is simply this: that future local and national prosperity can only happen by committing to, and investing in, a sustainable development strategy.

To be sustainable is to be insightful about our future needs, it is to develop creative solutions, and address problems while minimising impacts on the environment.

The Government has identified the country's infrastructure as a critical factor in furthering New Zealand's economic transformation. Accordingly, the Budget allocated an additional \$650 million for major rail projects, which include Auckland electrification and improvements to the Wellington and national rail network. Another \$145 million in capital has been provided to guarantee the delivery of the five-year State Highway Construction Plan and protect against potential cost increases. This is in addition to the \$13.4 billion provided for the five-year programme last year.

We have already determined some of our milestones toward achieving sustainability, and a wide range of policy and operational work is under way.

But it is local leadership, in collaboration with central government that will achieve the best outcomes for social, environmental, economic and cultural wellbeing.

### **Central and local government working together**

Genuine cooperation and collaboration between central and local government benefits local priorities and communities. There are many good examples of this partnership.

A number of us here attended the 13<sup>th</sup> Central/Local Government Forum held last month. There we discussed ways in which the two arms of government can work in partnership to

achieve better outcomes in procurement, funding and regulation. We considered ways to encourage innovation when formulating policies for sustainability. And we examined how we can best engage with local communities to accomplish local, regional and national goals.

We are all well aware of the concerns of ratepayers in many parts of New Zealand about increases in rates. The fact is significant investment in infrastructure, some of it long overdue, is the key driver of these increases. Effectively conveying just how much in terms of the essential services we all take for granted is provided to residents through local government, is perhaps one of the greatest challenges confronting us.

The Government does recognise that in addition to the substantial, direct contributions it makes, it should, and indeed has, responded in a number of other ways.

An important example has been to work with local authorities to significantly upgrade the Rates Rebate Scheme.

To date the take up of the scheme has been extremely positive. The Scheme has assisted more than 106,000 households with their rates to the collective value of more than \$46 million this year alone. Our analysis does show that there are appreciable variations between councils in take up rates. While initial figures are very positive, I encourage all councils to continue actively publicising this Scheme to your residents.

With the roll-out of the expanded scheme, we've been able to define the number of issues that require further consideration and officials will report to me on these before the end of the year.

The Government has also been working collaboratively with the Local Government sector on the local government-funding project, which is awaiting the outcome of the Independent Rating Inquiry.

As you will know, the objective of the Inquiry is to consider issues relating to current local government rating, and to other revenue raising mechanisms, and provide recommendations to the Government for enhancing rating and other funding mechanisms for local authorities.

This is a very important initiative for our sector and I look forward to the Inquiry's final report. What no Inquiry can of itself resolve is the gulf between what we all want of infrastructure and services, and what we want to pay for it.

The Inquiry's panel is made up of three members whom many of you, I'm sure, will know – David Shand, Graeme Horsley and Dr Christine Cheyne. I am advised that the panel received around 1,000 submissions and consulted with local authorities and communities, hapū and iwi, and various interest groups.

By focussing collaboratively on local government funding, the two arms of government can better service community needs, and have a clearer picture on how to best invest in a sustainable future. We will be able to plan for future service delivery and infrastructure development, and will be better equipped to assess administrative and implementation costs to local authorities, while providing for the effective provision of crucial services to our communities: land and waste management, the administration of public facilities and amenities, the issuing of licenses and permits, civil defence and emergency co-ordination, and parking and property management.

There are also times where the two arms of government must work together to respond to unforeseen and sometimes tragic incidents.

All of you, I'm sure, will be aware of the recent death that resulted from a dog attack in Murupara earlier this year. While fatal attacks like this are rare, the Government is now taking a fresh look at dog control laws and enforcement.

My colleague, the Associate Minister of Local Government, Nanaia Mahuta asked officials to consider what could be done to further improve public safety and awareness around dogs. Officials are working closely with staff from local councils.

I know that the Associate Minister has also consulted with many of you directly on what can be done to improve mechanisms for dog control and public safety.

This collaboration will allow us to determine what may be the best intervention to ensure our communities are safe.

## **Assisting local authorities working together**

Since November 2005, I have observed increasing co-operation between local authorities. You are finding ways to work with *each other* to achieve common objectives. I am particularly encouraged by the increase in 'clustering initiatives', or groups of local authorities coming together to create their own development strategies.

Cluster arrangements set up enhanced systems for shared services and improve access to resources across regions. These arrangements advance the principles of cost-effective sustainable development and encourage long-term productive partnerships.

These initiatives include:

- nine lower North Island councils banding together to produce the Wellington Regional Strategy; a sustainable economic growth strategy for the region;
- three authorities in the Western Bay of Plenty forming 'Smart Growth'; an initiative that addresses the social, economic and environmental issues in their communities; and
- the Regional Sustainable Development Forum producing the 'One Plan' project in Auckland – a project to strengthen Auckland's regional strategy and promote social, economic, cultural and environmental wellbeing throughout the Auckland region.

The role of central government here is that of supporter or facilitator. Central government can help clear the path for the launch of these clusters, we can offer support through co-ordination and funding, and we can assist in agenda setting.

Various central government agencies already proactively support these initiatives. The Department of Building and Housing assists new clusters with technical assistance and funding, and help cluster members meet the requirements of building consent accreditation.

The Ministry for the Environment has helped local authority clusters meet their resource management responsibilities through technical help and information sharing. The Ministry also proposes further assistance through the funding and co-ordination of cluster meetings.

And I, as Minister of Local Government, have commissioned work due later this year, to identify how Government can even better support these cluster arrangements.

## **Sustainability**

Our nation's objective is to become truly sustainable. We are a small nation on the world stage, but we are a nation with the people, the expertise, and the vision to become, and remain, a leader in sustainable development.

Sustainability principles have been introduced across central government portfolios in legislation and in policy. In 2003, we launched the Sustainable Development Programme of Action in which we set down principles for our policy setting and decision-making.

These principles have been adopted across a range of Government projects, which include water and energy use, urban development, and child and youth development. And, of course, sustainable outcomes became a key driver in the Local Government Act 2002.

I want to acknowledge here that local government has responded strongly to this challenge. I am aware of numerous examples of councils taking the lead in developing long-term strategies – individually, with other councils, and in partnership with central government.

The Communities for Climate Protection project epitomises these efforts. This voluntary programme includes councils that represent 75 percent of the population. This collaboration is actively supported by central government and Local Government New Zealand. Members have addressed issues such as the processing of food waste and the reduction of gas consumption and greenhouse emissions. Members have also promoted different forms of recycling, and encouraged alternative forms of transport.

But we must acknowledge the challenges that remain. How we deal with our solid waste, for instance, is crucial. New Zealand sends 3.2 million tonnes of solid waste to landfills each year. This would fill a rugby field 30 stories high – each month. Some 65 percent of household waste could be recycled or composted. New Zealand businesses produce 5.1 million tonnes of solid waste every year, of which 3.2 million tonnes includes materials like concrete, rubble, steel, brick and glass.

There are of course many notable innovative and progressive council-led projects, such as:

- Otago Regional Council's new project 'Strategies for Sustainable Community Futures' to develop strategies to shape and provide sustainable futures for Otago communities. 'Strategies for Sustainable Community Futures' addresses issues such as water allocation, infrastructure planning, electricity distribution and climate change.

- Kaikoura District Council's 'Green Globe' community certification – this Council's highly successful sustainability policy has earned Kaikoura New Zealand's (and the world's) first Green Globe community certification; and
- the development of a Resource Recovery Centre on Stewart Island by the Southland Regional Council. This sustainable approach to waste management saw the Council awarded a Ministry for the Environment's 'Green Ribbon' award.

There are many more examples. So, I hope everyone attending this Conference will use the occasion to re-asses our progress toward the goal of true sustainability. What are we doing as individuals and as organisations, and how can we do it better? How can we contribute toward the spirit of collaboration? What will produce the best outcomes for our communities? What can we learn from and share with each other?

### **Closing**

Our future – the critical decisions that will determine our personal, local and global quality of life, are upon us – now.

This is our opportunity to build a secure society, a strong economy, a healthy environment, and a vibrant culture. Sustainable practices and our prosperity go hand in hand.

We can position New Zealand and our national identity at the forefront of the drive toward a sustainable world. The building blocks for such a future inevitably require a solid foundation of local initiatives and action – based on strong and committed local leadership.

That leadership comes in no small part from the people in this room and your colleagues. So I conclude as I began by thanking you all for your service to our communities and to New Zealand. I wish you well for the rest of your conference.