

Local Government Legislation

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Local Government New Zealand
le pūtake mātakōkiri

Background

New Government and new Minister:

- new direction?

Ambitious programme of change signalled:

- Auckland
- council functions
- council decision-making
- council funding

What is it likely to mean and how do we feel about it?

Auckland

Royal Commission established by Labour

Report completed in March 2009

Key points:

- one very large unitary council
- six “local councils” with operational responsibilities
- new “joined-up government” (JUG) ideas eg social issues board
- statutory corporatisation of transport and roading; water and waste water
- minister for Auckland

Gradual process of transition

Presentation to the *Local Government New Zealand 2009 Conference*

The Government's response

Replace 6 local councils with 20-30 “local boards”
(details to be determined)

Dismiss most of the JUG proposals

The BIG questions:

- power and role of the boards
- role of the mayor
- Maori seats
- number of councillors and wards

Possible implications (1)

A unitary model for metros:

- amalgamation and boundary alignment
- transferred responsibility for environmental management
- an expanded role in economic development?

Other councils may want to use this opportunity to initiate change - Government signalling the initiative rests with councils and their communities

Possible implications (2)

Consultation on change outside Auckland impossible in time for 2010

Our advice - *see if Auckland works first!*

Conclusion

- the call for change must remain with councils and their communities, based on sound problem definition and robust and transparent consultation of the full range of solutions

Some caveats (1)

Statutory corporatisation of the major networks could hinder integration

Unitary models exist elsewhere in New Zealand, but:

- currently environmentally-focused
- separate cooperative regional models for transport, economic development and tourism

...caveats (2)

Democratic and citizen-based models exist for initiating amalgamation

The case for centrally initiated amalgamation is yet to be made

The LGA 2002 - the Minister's concerns:

Local authority elections rarely focus on spending issues

Media scrutiny of local government is weak compared to central government

Local government financial information is incomprehensible

The Minister's concerns (2)

No mandatory requirements for councils to seek ratepayers authorisation of major projects or rates increases

The cost of preparing and auditing LTCCPs

Limited comparative information

Over consultation and “submission fatigue”

The Minister's concerns (3)

Community outcome processes extending councils' roles beyond core services (eg cinemas, businesses and lotto shops)

Consultation processes unduly increasing the influence of pressure groups.

The Minister's objectives

To improve the transparency, accountability and fiscal management of local government

It ensures ratepayers have better tools for controlling council costs and activities, by:

- requiring councils to operate within a defined fiscal envelope
- focusing on core services
- introducing clear, transparent and accountable decision-making

*The Minister has asked
the Department of Internal Affairs
to investigate: (1)*

- simplifying LTCCPs and giving them a more strategic focus
- a local pre-election fiscal update and fiscal strategy
- plain English disclosures
- a local government cost-index for benchmarking

and to investigate: (2)

- reviewing community outcomes processes
- introducing a less costly performance reporting system
- better disclosure of asset management information
- use of polls and referenda in some situations
- mechanisms for developing comparisons between councils

The Department is also considering core services

The Minister believes it is generally agreed that core services are:

- transport services (roads, footpaths, public transport)
- water services (three waters and flood protection)
- public health (refuse collection and nuisance regulations)

Use of polls to go beyond what ever the core list states.

Timeframe

LGA 2002 amendment and 3rd Auckland Bill:

- Parliament in December 2009
- enacted March 2010

New Auckland Council operative in October 2010

Future work:

- LGA (Rating) 2002
- Minister wants a better fit between beneficiaries of services and those who pay

Conclusion

Lack of an integrated approach, eg internal tensions between polls and fiscal envelopes

No clear vision of where local government sits in relation to central government

Change to our tradition of local representative democracy with no community debate

Processes recommended for councils that central government would not adopt for itself