

Strengthening communities

A briefing for the new Government

December 2008



Local Government New Zealand

te pūtahi matakokiri

Introduction

Every day we are affected by decisions our city, district or regional council has made. The work of councils is essential to the social, economic, environmental and cultural well-being of our communities.

Parliament is elected to deal with issues relevant to New Zealand and its people as a nation. Local government enables democratic local decision-making about local issues and services, having regard to local needs and priorities. This recognises that not all communities are the same, nor do they have the same issues.

We represent the national interests of local government. We influence central government thinking to provide an effective approach to solving national problems with implications for local government. We understand local government and what works for communities.

The current economic situation sets a climate of considered restraint for councils, central government and citizens. For councils, this has to be balanced with continuing to deliver high quality services and ensuring that major projects that will make a difference to New Zealanders continue. The National-led Government has recognised that infrastructure spending is a key priority for maintaining our competitiveness. We want to work with your Government to ensure that councils are in a position to support this without imposing additional burdens on rates.

We share your need to be efficient with funding and ensuring funding allocated to local government is spent wisely. The allocation of resources is not about achieving single aims of Government, but achieving all of the well-beings for a better outcome.

The following document sets out our preferred way for an incoming Government and details the key priority areas requiring policy and legislative attention.

Our main priorities for the next six months are in the following areas:

Strategic engagement

- continue to promote early and meaningful engagement with *Local Government New Zealand* and the local government sector so we can achieve good and sensible regulation that can be implemented effectively
- continue the six-monthly Central Local Government Forum, with planning underway for the first Forum in March 2009
- recognise our local government principles as the basis of local governance and our partnership with central governance
- recognise the cumulative impacts of regulation on councils and that the requirement to implement legislation places heavy demands and costs on councils and takes resources away from achieving local needs and priorities
- recognise that funding should come from national funding sources when central government requires councils to implement regulation to achieve national outcomes or when requirements are imposed from a national level.

Strategic policy development

- work with local government on the debate about transport and infrastructure funding to ensure funding is being spent in the most effective areas
- work with the local government sector on resource management and consenting legislation and implementation, particularly on water management, infrastructure development, national policy and streamlining
- agree to work with local government to respond to the recommendations of the Independent Inquiry into Local Government Rates
- establish a meeting with *Local Government New Zealand* to reach an agreement on a proposed resolution for New Zealand's leaky homes issue
- consider the recent trends in Treaty settlements with the Crown and the implications of these settlements on community governance and local environmental management.

Part 1 has further detail on strategic engagement. Part 2 provides background information, by each specific portfolio, on the policy areas that we are currently working with the Government on. In Part 3 we explain more about *Local Government New Zealand* and our National Council.

On behalf of the local government sector, I look forward to working with you.



Lawrence Yule, President, *Local Government New Zealand*

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Part 1: Strategic engagement

Working effectively with local government means effective consultation, understanding the funding challenges facing local government, and working together on implementation issues.

Effective consultation

One of the highest priorities is ensuring government officials acknowledge and fully assess the impacts on local government when legislation is developed. We want to be consulted early, have all costs identified that central government is creating for local government, and have appropriate assistance towards meeting those costs.

Understanding our needs

To build an effective partnership central and local government must have an understanding of each other's roles, responsibilities and objectives.

The Government needs to understand and respect the rights under which local government works and to appreciate the major challenges facing local government and communities. In practice, this means officials and Ministers understanding the legislation affecting local government and the environment in which councils make decisions and serve their communities.

We are the key partner with central government in local government policy development. The spirit of this partnership is captured in the published Regulatory Framework which analyses any new policy for its impacts on local government, and the six-monthly Central Local Government Forum. Longer-term we support the development of a formal agreed collaboration protocol between central and local government, with the Framework and Forum as tools underpinning that protocol.

Using the Regulatory Framework

The partnership is working properly when Government agencies are observing the Regulatory Framework's¹ requirements of early and full collaboration and a greater accounting of the circumstances and preferences of local government.

The Regulatory Framework is a joint central government and local government tool to assist central government to assess and plan for any implications of new policy or legislation for local government. The Framework has been developed jointly by the Department of Internal Affairs and local government representatives to identify and plan for any impacts of legislation on local government.

Our concern has been that this Framework has not been applied consistently to proposed local government policy or legislation. The Regulatory Framework needs to be clarified and processes introduced to ensure that it is more widely applied so local government is involved in developing robust and efficient policies in all applicable cases.

¹ Note the words "Regulatory Framework" refer to the document: *Policy Development Guidelines for Regulatory Functions Involving Local Government*, Department of Internal Affairs, December 2006.

Understanding funding issues

Local government faces significant financial pressures and escalating costs in meeting the needs of the people it serves. We have advocated strongly for more funding tools or more funding for local government and local communities.

As observed by the Local Government Rates Inquiry, the current dependence on rates as the main funding tool for councils to maintain and develop infrastructure is not sustainable. To ensure our financial sustainability the Government needs to:

- increase the contribution from central government in the form of additional funding or the provision of new funding tools
- recognise that network infrastructure requires national investment reflecting national benefit
- recognise that regulation affecting local government must identify and, wherever possible, compensate for the costs to councils of implementation.

Infrastructure demands

The most easily achieved and effective way for councils to improve their financial sustainability is for central government to increase its contribution towards the cost of upgrading, maintaining and growing infrastructure networks in response to community requirements.

Network infrastructure maintained by local government makes a significant contribution to national well-being and the Government must make greater financial recognition of this contribution.

We ask the Government to recognise that our preferred solution is an across-the-board contribution to councils, with some differentiation of need and resources. Just as central government creates costs for all councils and all councils have shared costs in sustaining communities, the most workable solution is to deliver some assistance to all councils, while delivering greater assistance to those councils least able to pay. However, we also acknowledge that in some case targeted assistance may be appropriate.

The cost of national standards

Another key area for financial sustainability is a contribution towards the implementation of regulation designed to achieve national consistency and outcomes. Local government's role is to provide solutions on the basis of local needs, expectations and decision-making processes.

If central government wishes to impose a national standard and implement it through local government, it needs to meet the costs of achieving the national standard rather than local communities bearing these costs. Examples where government introduced national standards that have or will impose additional costs on local government include the Building Act, the Waste Minimisation Act, and National Policy Statements and National Environmental Standards under the Resource Management Act.

Implementation issues

Local government needs to be involved in all stages of policy or legislation affecting it. This collaborative work should continue after the legislation has been through Parliament and extend to joint discussion of the issues that the legislation is designed to address. Implementation of major change requires collaboration with local

government on funding, planning, communications, roll out, monitoring and any review processes.

An example of a successful collaboration is the Mayors' Taskforce for Jobs, This approach involves an effective engagement/consultation model in which both local and central government sign up to agreed goals; collectively design programmes; influence funding at a regional level; have a working officials' group aligned to the relevant Ministers and undertake regular discussions with those Ministers.

Local government principles

To work effectively in partnership the following principles need to be recognised:

- ***Local autonomy and decision-making***
Communities should be free to make decisions about matters that directly affect them, and councils should have autonomy to respond to community needs and preferences
- ***Accountability to local communities***
Councils should be accountable to communities, and not to Government, for the decisions they make on behalf of communities
- ***Reduced compliance costs***
Legislation and regulation should be designed to minimize cost and compliance effort for councils, consistent with local autonomy and accountability. More recognition needs to be given to the cumulative impacts of regulation on the role, functions and funding of local government
- ***Equity***
Regulatory requirements should be applied fairly and equitably across communities and regions. This may mean that there is a need for consistency from Government in its treatment and approach to councils, and differing treatment of councils to recognise differences in resources and circumstances
- ***Collaboration and partnership***
Wherever possible, policy and legislation should be developed collaboratively between Government and local government, from the earliest possible stages, and should result in decision-making and service delivery structures that are practical, avoid duplication and enhance collaboration
- ***Cost-sharing for national benefit***
Where local activities produce benefits at the national level, these benefits should be recognised through contributions of national revenues. Further, where legislation and regulation are introduced specifically for national benefit, the Government should share in the costs of implementation and administration.

Part 2: Policy developments

This part of the briefing details by portfolio our policy priorities for the Government. Each policy area is presented with background information, local government objectives and our requested action from Government.

Agriculture

Walking access

We support the principle of enhancing public access to New Zealand's waterbodies and public lands. Some unformed legal roads have public access values. In considering the potential public access value of unformed legal roads, the wider values of the land contained in the legal roads must be considered.

The provisions for unformed legal roads were not reviewed at the time of the legislative reform leading to the Local Government Act 2002, so the provisions remain in the Local Government Act 1974. A review of the provisions has been signalled since 2004 but progress has been slow.

Local government objectives

Local government needs regulatory powers to manage access on unformed legal roads. Currently there is no differentiation between the types of use permitted on formed and unformed roads. People can take vehicles, firearms and dogs, ride bikes or walk on unformed roads, whether the road is along the banks of an ecologically important river, contains archaeological or heritage sites, is in a National Park or part of a productive farm. There are currently 57,000 km of unformed roads compared to the 99,000 km of formed roads. The implications for councils of managing access to these roads are significant and potentially very expensive.

We are concerned current proposals to enhance walking access may hinder consideration of the broader policy responses required to manage unformed legal roads. For example, the proposal to identify unformed legal roads on recreational maps will encourage the public to access the roads, before councils have the tools to manage that access. We request that policy work on Walking Access is co-ordinated with the review of the provisions relating to unformed legal roads.

Requested action from Government

We seek a broad review of the regulation relating to unformed legal roads. This will enable councils to have the powers and tools to manage land use on unformed roads in a way that maximises the potential values of the land, while being practical and efficient to implement.

Clean Streams Accord

Local Government New Zealand is a signatory to the Clean Streams Accord which is due for review. The views about the success or effectiveness of the Accord are mixed and vary amongst regional councils. The outcomes have differed regionally, depending on the commitment of the individuals on the ground locally - both the individual farmers and the Fonterra local support.

Local government objectives

Local government retains its regulatory responsibilities to mitigate the adverse effects of land use on water quality, and to monitor and enforce that regulation. Second generation regional policy statements, regional plans and the proposed Freshwater Management National Policy Statement will potentially supersede the possible environmental benefit from the Clean Streams Accord as a tool to improve water quality.

The Accord does provide an example of a voluntary industry sector document and demonstrates a collaborative approach between the public and private sectors. This voluntary and collaborative approach will continue to have benefit in developing land owners' response to environmental issues.

Requested action from Government

In reviewing and/or continuing the Accord, the Government must acknowledge the place and purpose of the Accord alongside the regulatory regime. To be effective, the auditing and reporting requirements of the Accord must be credible, and further work is required by Government and Fonterra to improve the rigor of the monitoring and reporting standards and results.

Arts, culture and heritage

Cultural well-being

From its inception local government has played an important role in promoting the unique cultures and identities of communities around New Zealand. As the democratic champion of localities and regions, councils are an important means by which citizens are able to shape the environment in which they live. Council services which contribute to this include the cultural infrastructure, like museums, galleries and performance venues, as well as festivals and public art which contribute to the expression of local identity, inclusion and social cohesion.

Local government objectives

Councils seek to promote well-being by developing and maintaining vibrant communities where people want to live, work and play. Lively arts, culture and heritage contribute to the quality of life of both residents and visitors. Leisure and arts activities are an important part of local identity, sense of place, and community building. They can also be an important factor in attracting workers and residents, and thus contributing to the local economy. New Zealand's international and domestic tourism markets also rely on the unique cultural identity, facilities, and activities of our local communities.

Local government supports arts, culture and heritage as a contribution to building strong communities and economies. In order to do this, local government requires freedom to innovate and act, and access resources, as necessary and mandated by its communities.

Requested action from Government

Local government's role in promoting arts, culture and heritage needs to be recognised by central government as an important aspect of the overall national cultural investment. We were disappointed by the recent decision of Creative New Zealand to end the Creative Places Award. These awards were presented each year at the *Local Government New Zealand* Conference and recognised outstanding achievement in the arts by local government.

Although the Creative Places Awards are no longer in existence a unique partnership between Creative New Zealand and councils continues for the purpose of promoting local art and cultural activities.

The Creative Communities Scheme provides small grants to local groups involved in cultural activities. Allocation committees are then established and supported by councils, utilising lottery funds allocated by Creative New Zealand and topped up by some councils. The partnership brings together national resources with local knowledge and accountability. Local knowledge is assured through the use of representative committees and accountability is based on the strength of councils' administrative experience. With more than 10 years' experience, the Creative Communities Scheme represents one of the most successful central local government partnerships in practice. We support the continuation of the Scheme.

We also suggest that there is a need to consider the nature and level of assistance currently provided to regional museums.

Biosecurity

Biosecurity is both a national and local issue. Regional councils are responsible for the development and implementation of regional pest management strategies. Central government is responsible for national incursion and is a significant land owner with expectations for pest management on its own land.

We require better co-ordination between central and local government on national incursion response. There is also national benefit in central government contributing to councils' regional pest management strategies and benefits from the Crown improving pest control on its own land.

There is a close link between biosecurity and biodiversity. Biosecurity achievements often lead to biodiversity outcomes. There is some evidence of this in the biodiversity gains from the national Tb Vector Control programme.

A recent report from regional councils analysed existing pest management and biosecurity regimes. The report² identified significant challenges to the current pest management regime and recommended important improvements if New Zealand is to successfully meet these challenges.

Local government objectives

Local government is committed to an efficient and effective pest management system. To achieve this, the Crown should be bound, as is the case with other land owners, to act as a good neighbour. The Crown is currently exempt from the requirements of regional strategies. Pests and pest management responses do not recognise land boundaries or different categories of land ownership.

We also ask for greater clarity in terms of roles, responsibilities and jurisdictions over terrestrial, freshwater and marine environments. Better co-ordination, more collaboration and more clearly defined accountabilities will improve our pest management.

Requested action from Government

We are seeking clear mandates, roles, and accountabilities for biosecurity. The Government needs to review the current exemption on Crown land to ensure that pest management strategies apply. It also needs to better define roles, responsibilities and jurisdictions, particularly over the freshwater and marine environment.

The Government needs to fund adequate pest management on Crown land. This is not about trying to control the Crown's core conservation activities, but obliging the Crown to control pests that could spread to neighbours.

Crown funding previously made available through the Tb Vector Control programme needs to continue to be invested in regional pest control efforts. This will ensure continuing gains for biodiversity, including gains on the Department of Conservation estate. It will also ensure that regional animal and plant pest control promotes national objectives, such as those in the National Biodiversity Strategy.

² *The Future of Pest Management in New Zealand: A think piece* (September 2008) can be accessed at www.lgnz.co.nz.

Building and Construction

Weathertightness

The implications of non-weathertight homes are of significant concern to local government. The cause is building fault. This is leading to critical cost issues for homeowners and councils. This issue is affecting our community's social sustainability in terms of both the financial costs and the health and stress impacts.

Councils' contribution to the cost of repairs plus the process costs to 30 June 2008 amount to approximately \$82 million. This is a huge burden on ratepayers when neither they, nor their council, are directly responsible for any shortcomings in the regulations, the product assessment process, or in building design or construction. The Government has also spent considerable sums in the administration of the Weathertight Homes Resolution Service. The financial contribution to date from both central and local government has been spent on establishing blame and paying compensation rather than getting leaky homes fixed.

We have proposed a new solution that will see the parties agreeing to a formula to see leaky home problems addressed. This proposal would enable homeowners to borrow money to fix their homes, with councils and Government contributing over 40 percent of the costs of estimated repair. Each party would agree to its share of fixing leaky homes, by way of formula, so that homeowners do not have to experience the weight of proof about who actually caused their home to leak.

We estimate under the current system, owners are likely to spend almost \$1 billion towards resolving claims and fixing homes. Councils are likely to be subject to at least another \$526 million, but probably much higher if other defendants have reduced ability to pay their share. More than \$450 million spent by councils, other defendants and owners will be in process costs alone. The Government's spending on process and administration costs is additional to that.

The Government has reviewed the changes introduced to the Weathertight Homes Resolution Service in 2006. This report, released in October 2008, identifies significant barriers to the current system operating effectively and a significant disconnect between the current system and getting homes fixed.

Local government objectives

Local government's objective is a response to weathertightness problems that is adequate, cost-effective, and targeted at the key issues. We seek a sustainable solution that is clear, practical and fair - one where funds are contributed by owners, central government and local government in a clearly understood formula.

We have developed an alternative resolution method which is focused on homeowners getting homes repaired, rather than on apportioning blame. Both central and local government have a role in finding a solution to minimize the ongoing social and economic costs of weathertightness problems.

Requested action from Government

We seek urgent discussions with the Government to resume work with local government representatives on reviewing the current resolution service and developing an alternative effective solution.

Building Act implementation

Under the Building Act 2004, councils have until 31 March 2009 to either become accredited by International Accreditation New Zealand and registered by the Chief Executive of the Department of Building and Housing as Building Consent Authorities, or to make alternative building control arrangements such as transferring their building control functions to another accredited and registered council.

Councils not accredited and registered or those that have not made alternative arrangements will not be able to legally undertake building control work beyond 31 March 2009. These councils will not be able to process and approve building consents, undertake building inspections, or issue code compliance certificates.

The extension of the statutory deadline from 30 June 2008 to 31 March 2009 allowed a small number of non-accredited councils to continue to provide building control services while working towards accreditation or completing transfer arrangements. We supported the extension of the deadline to provide adequate time for all parties to work through the process.

There are two further stages of accreditation to come yet, with additional requirements to be achieved by 2010 and 2013.

Councils have committed considerable funds and staff time towards achieving accreditation and are committed to ongoing increases in this area.

The Department of Building and Housing has commissioned an independent review of phase one of the scheme to identify what aspects went well, what didn't, and what lessons can be learnt and applied to the next phase of the scheme.

Local government objectives

Local government is implementing the Building Act on behalf of central government. We seek support and leadership from central government with the objective of an effective and workable building control system for all parties.

We support the independent review of phase one of accreditation. This will provide a record of learnings and an opportunity to review the process so the next phase runs smoothly. We believe the best process can be achieved by Department of Building and Housing and International Accreditation New Zealand working closely with each council in managing progress towards the accreditation milestones. As we move towards the March 2009 and November 2010 deadlines, it is critical that all parties work together to achieve reasonableness, consistency and clear understanding of expectations throughout the process. Strong case management is necessary and leadership must be provided by central government.

While councils, the Department of Building and Housing and International Accreditation New Zealand, continue to implement and review the processes in place, it is also necessary to consider the broader costs and benefits of accreditation in order to fully assess the future role and focus of an accreditation system.

Research undertaken in 2008 for *Local Government New Zealand* by Price Waterhouse Coopers investigated the cost burden of legislation. Based on information collated from a sample of councils, it was estimated that the Building Act 2004 imposed costs of \$3 million to \$4 million per council. While some of this is recoverable through user charges, a significant amount is funded through general rates. Whether the cost is met by the council or the community via user charges, the objective must be to achieve low administrative costs. We believe the administrative

expectations under the new Building Act have exceeded that necessary for an efficient system focused on achieving the outcomes sought by the Building Act.

A key factor in the ability of building consent authorities to implement the Building Act for their communities is access to expertise necessary to assess and inspect building projects. There are critical staff shortages in the building control area with many examples of prolonged and high numbers of vacancies. This is an industry-wide issue which needs a strategic response.

Requested action from Government

Central government must provide support and leadership for councils to implement the Building Act on its behalf. Central government leadership is essential in responding to issues such as staff shortages, minimizing costs and streamlining processes. Central government must consider the broader costs and benefits of the administrative requirements of the Building Act (including accreditation) in order to fully assess the future role and focus of an accreditation system and the broader regulatory requirements under the Act.

The future focus should build on the value of the accreditation system to date without adding unreasonable or unjustified process/cost. We seek a partnership with central government to consider possible streamlining initiatives under the Building Act and in supporting the ongoing implementation of the Act.

In order to respond to these issues, the Government must monitor the Building Act. This is not to monitor the performance of councils (which is the easiest aspect) but to monitor the performance of the Act in achieving its stated objectives and intended outcomes. There has been no comprehensive monitoring of the Act to date and a monitoring programme must be put in place.

Fencing of Swimming Pools

The Department of Building and Housing sought feedback on a review of the Fencing of Swimming Pools Act in June 2008. We fully support a review of the Act. We have consistently and strongly endorsed the need for review to achieve linkage between the New Zealand Standard, the Building Code/ Compliance documents and the Fencing of Swimming Pools Act. The lack of statutory link is a particular problem with the current regime and creates considerable uncertainty. The need to clarify the current inconsistencies was also identified by Randerson J in a 2004 High Court decision. The review of the Act underway does not anticipate amendments being made until 2010.

Local government objectives

While territorial authorities have an administrative role under the Act, the objectives of pool safety can only be met with the understanding and co-operation of pool owners and others with responsibilities for pool safety such as retailers and installers. The roles of all parties must be considered in the review of the Act. This Act, more than many, requires significant implementation support aimed at homeowners meeting their own obligations.

Local government seeks clarity and certainty in the application of pool safety standards. Updating is required to reflect design and living arrangements which were not foreseen when the current Act was passed. This includes moving to a regime that is not reliant on fencing only. Considerable effort went into the recent development of NZS 8500. This provides an excellent basis for a relevant response

to modern day pool safety, and is the product of the cross-sector Standards New Zealand approach. The legislative purpose and processes should be established around this new standard. The requirement to obtain building consent for a swimming pool also needs to be reviewed and clarified.

Requested action from Government

We seek completion of the current review of the Fencing of Swimming Pools Act to amend the current Act as soon as possible. This review is likely to highlight the need for NZS 8500 and the building regulations to also be amended. The Government must consider how to support pool owners in their role in pool safety, for example, through appropriate public information and education.

Unit Titles Amendment Bill

The Unit Titles Amendment Bill, which has been in the development process for some years, was introduced on 29 May 2008 and awaits its first reading. The current Act and the review has significant implications for some councils and is an important opportunity to address aspects of current housing, tenure and service issues, particularly in facilitating more medium-high density urban development.

Local government objectives

Councils have responsibilities in implementing this legislation. However, the interests of local government in the review are broader, which is reflective of the varied functions of councils that may be influenced by the Act including; strategic planning; subdivision implementation; building control; heritage protection; rating; service provision (e.g. water); social housing and property owner relationships. There are significant interface issues to consider with the Bill in respect to the interface of the Act with other legislation such as the Resource Management Act, Local Government Act and Building Act.

Requested action from Government

We ask for completion of the review of the Unit Titles Act and that full consideration is given to the importance of workable legislation suited to today's urban environment with clear links to other relevant legislation.

Civil defence and emergency management

Review of fire and rescue services

A review of the Fire and Rescue Services has been underway for some time through a review of the fire legislation. The most recent fire services consultation document was "New Fire Legislation - a framework for New Zealand's fire and rescue services and their funding" (April 2007). A fundamental part of that document's proposals involved a new service (the Fire and Rescue Service) which would replace the existing NZ Fire Service Commission and the National Rural Fire Authority. The proposals would significantly alter the responsibility for Fire Authorities to only preventing and responding to vegetation fires in their area.

Currently there is no mandate for any firefighter to attend non-fire rescue and emergency incidents. Rural firefighters often attend non-fire rescue situations as a first responder, particularly in isolated rural communities.

Major change to the existing structures, functions and systems of fire organisations' is not necessary. The current system is working but there needs to be legislative change to resolve outstanding issues.

Local government objectives

There is a need to review current legislation to effectively address matters of mandate (including liability), equity and funding, and to ensure comprehensive, integrated regional fire risk management and rescue planning. Development of regional strategies and linkages with civil defence and emergency management groups can provide a regional collaborative model.

Requested action from Government

The Government needs to continue with the parallel review of both the Forest and Rural Fires Act 1977 and the Fire Service Act 1975. This needs to include consideration of funding issues, mandate, regional models, and maintenance of the present dual system.

Civil defence and emergency management (CDEM)

The 2002 legislation encouraged greater interagency engagement in planning for and responding to hazards in regions. To this end Regional CDEM groups have been largely effective. Fundamental to achieving resilient communities, however, is community awareness and preparedness. Currently only 10 percent of the population is prepared for an emergency event.

Current funding assistance of \$889,000 (excluding GST) per annum is available to contribute to the vision of the National CDEM Strategy i.e. a resilient New Zealand.

Local government objectives

A number of hazards pose risk to most, if not all regions, and much can be gained from aligning research, including the potential to minimize cost and avoid inconsistency. For example, the coastal environment risks in terms of flooding, tsunami and erosion apply to every CDEM Group. There seems little sense in assessing such risk on a region by region basis and we recommend co-ordinating efforts to assess risk on a national basis.

The same opportunity exists with the systems that support information capture and dissemination. At present, the market is populated with an array of information systems that are designed to assist Groups in their CDEM functions. Having a degree of consistency or alignment of these systems may also have advantages.

We are also keen to see further work on a stock-take of the resources available for national management of civil defence emergency management, along with an assessment of the critical gaps.

Cabinet acknowledged in 1998 that criteria for distribution of funding was inadequate and directed MCDEM to review the policy with a view to ensuring better targeting of the funding to financially weak and/or high risk communities. Payouts are based on the expenditure of territorial, regional and unitary authorities' CDEM activities. In recent years this has equated to seven to ten percent of council's expenditure.

Requested action from Government

We ask the Government to engage with local government to seek an enhanced funding model and to consider increasing the amount of the fund. Co-ordination from central government, particularly in relation to information and research, and a stock-take of resources available for national management of civil defence, would increase effective delivery of CDEM and reduce the risk to government in the event of a significant emergency event.

Climate Change Issues

We need to identify and distinguish between the concepts of mitigation and adaptation in addressing climate change. Mitigation is constraining or requiring change to reduce harmful influences on the environment through policy and regulation, for example, the Emissions Trading Scheme (ETS).

Adaptation involves changes to practices and approaches in response to environmental changes such as climate change. For example, adaptation at a community level may respond to the practical implications of sea level rise, changing land use or changing rainfall events by programmes to manage natural hazards (e.g. flood risk) or manage water demand. Mitigation policy such as the ETS can lead to changes on the ground that communities and councils must respond to. For example, land use change or changes in demand for public transport can introduce new socio-economic impacts for communities and new issues for a council to plan for. Mitigation and adaptation must be considered jointly. While the ETS is reviewed, it is important that communities must continue to consider options for adaptation.

Local government objectives

Councils have a key role in protecting communities from the impacts and risks of climate change through adaptation. Potential risks to large parts of infrastructure, including roads, stormwater systems, flood protection assets, and water supply systems, must also be addressed through adaptation. We consider adaptation has been a poor cousin to mitigation in central government policy and funding of climate change initiatives, and that this needs to be redressed.

Councils already consider climate change to some extent in their management of risk in planning and service provision. Their ability to fully incorporate climate change considerations is hindered by the poor availability of robust information and data.

Some councils undertake corporate carbon monitoring and some have extended this to consider the community carbon footprint. The Communities for Climate Protection Programme (CCP), made possible through central government funding, provides a framework for councils to undertake this exercise collaboratively. As a business, councils will also be impacted by the changes introduced in the ETS and will need to consider these impacts in determining expenditure and rates income requirements.

Requested action from Government

We are working closely with the Ministry of Agriculture and Forestry (MAF) on the Sustainable Land Management Plan of Action. We want to extend this collaborative approach to other areas of climate change, particularly in achieving support for adapting to climate change. As a priority, robust information and data on climate change projections must be available at local levels for local planning and risk management. We also seek a national environmental standard on sea level rise to provide the certainty of scientific methodology for planning for coastal areas and continuing support from the Government for the CCP programme.

Many central government agencies are contributing to the government's climate change work programme. Co-ordination across central government and with local government must be managed and monitored to ensure clear priorities, linkages and effective implementation. In reviewing the ETS, we seek continued consideration of adaptation approaches and the need for a regulatory environment which supports the implementation of both mitigation and adaptation practices.

Communications and information technology

Efficient, effective and affordable communications technologies are required to increase productivity and people's incomes. Taking a wider, holistic view, we also recognise these technologies can make a positive contribution to the social, cultural and environmental well-beings of communities.

The current focus is on the availability, speed and affordability of broadband services. However, the needs of communities differ, and for some communities a reliable voice communication link is a higher priority than other network issues.

The key issue with broadband is a perceived market failure in addressing the so-called "last mile", where copper networks may be incapable of delivering high-speed services to mainly residential customers. Within the telecommunications industry, there is no agreement on the nature of the problem or on the required solutions.

Local government objectives

Councils are being encouraged to invest in technologies. In considering their involvement, particularly when the business case does not justify council intervention, councils have extended their evaluation to include non-economic benefits. As long as the debate concerning the availability and provision of ubiquitous high-speed broadband remains unresolved, councils' involvement will remain sporadic. Industry issues such as open access definitions, lack of any national infrastructure plan and an uncertain regulatory and/or investment environment, remain unresolved.

Requested action from Government

Just as previous governments contributed substantially to the development of the road and transport networks, the Government must now continue contributing in a significant way to the development of efficient, effective and affordable broadband and communications networks.

Councils also recognise the opportunities for the sharing of information through geospatial inter-operability. This has benefits for government and implications for local government. The Government needs to adequately resource this work to ensure councils are able to contribute to the outcomes in a positive and meaningful manner.

Broadband policy

Councils have a role in responding to their communities' needs for using new communication technologies for environmental, economic, social and cultural benefit. We have developed best practice information for councils and guided councils to determine the role they wish to play with broadband in their community.

There has been a concerted effort by local government to work with the telecommunications sector in addressing real and perceived constraints to broadband deployment. This has resulted in agreement on a Broadband Friendly Protocol. Any significant change to broadband policy does risk unravelling the goodwill demonstrated by all parties over the last year.

Local government objectives

Councils require a national plan and national funding for broadband projects which set a strategic direction, but at the same time allow councils the flexibility to develop solutions for the needs of their communities.

Requested action from Government

We are seeking the following policy outcomes:

- a commitment to central government funding for broadband infrastructure, particularly to meet the uneconomic component for the private sector
- the ability of regions to develop their own broadband solutions, but within a national plan that reduces the risk of infrastructure over-build
- a principled approach to dealing with relationships between councils and telecommunications carriers e.g. Broadband Friendly Protocol
- national telecommunications standards that reflect the diverse interests of affected parties
- determination on key matters such as open access definitions
- the development of national policies for government agencies (especially education, health, social) with a local infrastructure - to promote the aggregation of their telecommunication requirements in support of local network development.

Geospatial Strategy

Councils are fully involved in developing geospatial information and tools. These are becoming increasingly important for planning functions and sources of data for government agencies. We require greater traction removing known constraints so the Geospatial Strategy can be implemented and core datasets can be achieved.

Local government objectives

We require the New Zealand Geospatial work programme to be appropriately funded to develop cost-effective tools and information. Policy settings relating to licensing, funding models and IP also need to be addressed.

Requested action from Government

We ask the Government to support and fund the New Zealand Geospatial Office work programme to a level that reflects the growing importance of geospatial information and datasets as planning tools and to increasing productivity. This work programme would include standards and local government engagement that reflect the national and local benefit components of geospatial information.

We ask the Government to acknowledge that the cost of collecting and maintaining information (particularly property-related) at a council level is a constraint to freely sharing such information across multiple jurisdictions and with government agencies.

Digital Strategy

Whilst much of the Digital Strategy for local government relates to broadband infrastructure, many councils are leading community initiatives to improve access, content and capability in a digital environment. The Digital Strategy acknowledges councils' role in promoting digital development through a range of activities from broadband deployment to e-government initiatives.

As a government partner in the Digital Strategy there are opportunities to jointly build on activities already underway. Local government has been an active participant on national advisory groups and structures related to implementation of the Digital Strategy e.g. Digital Strategy Steering Group, Digital Development Council, Geospatial Advisory Group.

Local government objectives

Local government would like the continuation of the current digital initiatives which promote collaboration on activities.

Requested action from Government

We ask the Government to:

- continue funding for community digital initiatives that promote content development, skills development, small business access and capability, and community access to digital technologies
- continue to support the concept of the Digital Development Council as a mechanism for ICT partners to collaborate on activities and inform Government's policy programme
- ensure direct involvement in e-govt programmes that impact at a local level
- develop programmes that provide support through regional champions and digital expertise.

Conservation

Local government's primary interface with the conservation portfolio relates to biodiversity protection, pest control, implementation of the New Zealand Coastal Policy Statement (NZCPS) and the Reserves Act.

Councils collaborate with private landowners in biodiversity protection on private land. Achievements have been variable and yet the review of the New Zealand Biodiversity Strategy identified the critical importance of private land in achieving biodiversity protection in New Zealand.

There is a close link between biosecurity and biodiversity. Biosecurity achievements often lead to biodiversity outcomes. This year a report commissioned by regional councils analysed existing pest management and biosecurity regimes and make recommendations for improvements. The report³ recognised the broader mandate of regional councils to address biodiversity outcomes, identified significant challenges to the current pest management regime and recommended important improvements if New Zealand is to successfully meet future challenges.

The NZCPS is currently under review. We are very concerned about the highly prescriptive nature of the proposed NZCPS and the significant cost for councils in implementing the proposals, particularly through reviews of their regional policy statements, regional plans and district plans. We have made a submission on the proposed NZCPS and have appeared before the Board of Inquiry. We are also assisting the Board with further information about implementation issues.

The Reserves Act 1977 is well overdue for review. The Act is prescriptive, outdated and becoming unworkable. This has been a low priority on the government's work programme for some time.

Local government objectives

Biodiversity and pest management

We want to work with the Government to accelerate land owner engagement and collaboration in achieving biodiversity outcomes. The use of non-regulatory instruments and incentives is considered to be the best approach. We believe that mechanisms other than a National Policy Statement (NPS) are appropriate and the statement of national priorities on biodiversity provided a starting point for this approach. Unfortunately this has not been adequately supported to date. Neither a statement of priorities nor an NPS on its own will achieve results.

Pest management is both a national and local issue and we are seeking better co-ordination between central and local government. Effective national and regional pest management strategies need to apply to all land. At present, the Crown is exempt from the requirements of regional strategies. It is essential that the Crown is bound, as now occurs with other land owners, to act as a good neighbour. Pests and associated pest management do not recognise land boundaries or different categories of land ownership.

³ *The Future of Pest Management in New Zealand: A think piece* (September 2008) can be accessed at www.lgnz.co.nz.

New Zealand Coastal Policy Statement

We are seeking a NZCPS that provides appropriate guidance and support to councils, while not creating unjustified or excessive implementation costs. Many of the proposed policies are inappropriate, not within the scope of a NPS, too prescriptive, unjustified in the cost/benefit analysis and create significant implementation costs for councils in relation to information, research and plan changes. We would like to see a full review of restricted coastal activities so that if they are found necessary, they are not set at an unreasonably low threshold. We support the principle behind coastal occupation charging. However, there are fundamental problems with the existing legislation which need resolving and this cannot be achieved via the NZCPS.

Requested action from Government

Biodiversity and pest management

The statement of national priorities on biodiversity must be supported with central government leadership, support and collaboration with councils and landowners to achieve results.

The Government needs to fund adequate pest management to ensure continuing gains for biodiversity, including gains on the Department of Conservation estate. It will also ensure that regional animal and plant pest control promotes national objectives, such as those in the National Biodiversity Strategy, and that pest management is co-ordinated between central and local government. The Government needs to review the current exemption that applies to Crown land to ensure that pest management strategies and requirements are tenure neutral.

New Zealand Coastal Policy Statement

The final NZCPS must contain appropriate guidance without being overly prescriptive or creating unjustified compliance costs. An implementation package must stipulate:

- priorities for implementation of the NZCPS
- further guidance on responsibilities for regional councils, territorial authorities, central government agencies and other parties
- the Government's intention to provide further guidance on climate change, sea levels and methodologies for identification of hazard risks
- the Government's commitment to resourcing and funding to help councils implement some of the policies, in particular the policies on coastal hazards
- any further clarification or explanation required on the interpretation of policies
- a policy by policy consideration of how councils could "give effect to" each policy.

Legislative reviews

The Government also needs to amend the Resource Management Act (or Local Government Act) to facilitate coastal occupation charging being implemented. A review of the Reserves Act is also required along with the development of up-to-date guidelines to enhance the workability of the Act.

Economic development

Local government has to promote the economic well-being of communities. It does this in a number of ways, including the provision of enabling infrastructure, the funding of economic development agencies and direct advocacy and facilitation.

Where communities are competing with each other for existing business, there may be no additional national benefit. Where interventions result in an increase in business activity, there is a case for national investment based upon national benefit.

There is a range of government activity that impacts on local government's ability to implement and monitor national strategies at a regional/local level. Understanding the impacts of regional development policy and programmes at a local level is not always appreciated.

Local government objectives

Infrastructure is a key economic enabler. This includes traditional network infrastructures and emerging communications infrastructures. However, the Government's focus at a national level on economic development needs to move from concentrating only on "business enablement" towards a greater accounting for community well-being. The Government needs to recognise more the inter-relationship and inter-dependency between the four well-beings (social, cultural, environmental and economic well-beings) in its policy and programme design.

Requested action from Government

We ask the Government to recognise the four well-beings in economic development planning, have adequate resourcing to ensure all communities have the ability to access broadband services, and implement the extension of the Tourism Demand Subsidy Scheme.

Rugby World Cup 2011

Local Government New Zealand and councils individually are working on preparations for the Rugby World Cup (RWC) 2011. Our role is to facilitate the resolution of any national issues from the preparations and communications for the Rugby World Cup 2011.

Local government objectives

We want to ensure the Government leadership in charge of planning works with councils on local and national issues relating to the hosting of the Rugby World Cup.

Requested action from Government

We ask the Government to:

- recognise the essential role of councils and local communities in delivering a successful RWC event, by ensuring *Local Government New Zealand* is a partner in relevant decision-making processes
- recognise the significant financial investment and risks that host councils have committed to, by supporting and partnering external activities such as volunteer programmes, environmental care, public transportation, national co-ordination and the provision of promotional material
- work collaboratively to leverage business and tourism opportunities from RWC events and activities.

Statistics New Zealand

Councils rely heavily on statistical information and products produced by Statistics New Zealand for planning and reporting purposes, in particular, census information.

Over the last five years there has been a significant increase in the quality of regional growth planning. This planning is very reliant on the good quality and availability of Statistics New Zealand products and information, for example, local population estimates. Councils also conduct their own surveys and data collection.

There is a good relationship between Statistics New Zealand and local government users of statistics. We recognise the good work of the department in their communications and involvement of the local government sector in developing their products. However, we are disappointed that the previous Government decided to cease funding for the Regional Quarterly Review and to charge for this information. In our view this is a step backward, particularly as the Regional Quarterly Review was to be re-launched as a web-based “Local Insight”, which was welcomed by local government users. We are very disappointed this will now not be available.

Councils have been working together to develop sets of indicators that are consistent across regions, often with input and expertise from central government departments. It is evident that some different government agencies develop indicator and measuring projects that are neither collaborative in nature nor pay due regard for the greater facilitation and expertise role that Statistics New Zealand might play.

Local government objectives

We would like to ensure that Statistics New Zealand continues to provide readily accessible data and products across the four well-beings, and is adequately funded to support government department monitoring projects that impact at a local level.

Requested action from Government

Quality policy analysis and policy development requires timely, accurate and available information. We support continued recognition of the increasingly important role of Statistics New Zealand in the collation and dissemination of detailed data to support planning and monitoring processes at a national and local level. We ask that the decision to cut the funding for the “Local Insight” tool be reviewed.

Energy and resources

New Zealand Energy Strategy

The New Zealand Energy Strategy provides the context, objectives and high level direction for many activities that relate to, or rely on, energy. Local government is a significant party in implementing the Strategy as it is reliant on many programmes and activities at a local level. Flexibility in meeting the objectives of the Strategy means that councils can align the intent of the Strategy with local community preferences and priorities.

Local government objectives

We support the intent and approach of the New Zealand Energy Strategy. We want to ensure the Strategy can be effectively implemented by appropriate acknowledgement and support for the role that councils play in its implementation.

Requested action from Government

We are seeking recognition of local government's role in implementing the Energy Strategy and asking for the Government's support to assist councils in the local programmes and activities that will contribute to meeting the Strategy.

National Policy Statement - Renewable Electricity Generation

We have made a submission on the Government proposed National Policy Statement (NPS) on Renewable Electricity Generation.

Local government objectives

We support the intent of the proposed NPS. However, providing for the matter of national significance expressed in the proposed NPS as a need to "develop, upgrade, maintain and operate renewable electricity generation activities throughout New Zealand" is not specific and clear enough to meet this need. The policies within an NPS must be clear and unambiguous, if the proposed NPS is to serve its purpose under the Resource Management Act (RMA).

The proposed NPS must provide clear guidance and assist local planning and decision-making. This should be over and above what is already provided within Part 2, and in terms of what can be achieved via non-regulatory means. We also seek an NPS that does not create significant resourcing issues and financial costs for councils, where there might be very limited overall value.

Requested action from Government

We request a review of the proposed NPS to ensure it provides specific, clear and appropriate guidance to assist in decision-making for renewable energy generation projects. The NPS must provide benefit over and above the planning for renewable energy already taking place at council level around the country. The costs and benefits must be fully considered and the proposed NPS re-evaluated to confirm if a NPS or other options will best meet the policy intent. We have made specific suggestions in our submission on the proposed NPS.

Environment

Environmental sustainability within the four well-beings

The Local Government Act 2002 requires local government to promote the four well-beings of their communities - social, environmental, economic and cultural. Actions to enhance any of the four well-beings will often have consequences for one or more of the other well-beings. Environmental sustainability will have social and economic implications, which will often manifest themselves at the community level.

Local government objectives

Acknowledging the holistic nature of “sustainability”, environmental issues have a particular profile with all New Zealanders. All New Zealanders and both central and local government have key roles to play in the use of resources and environmental management.

Councils have particular interests and functions in the matters outlined below under the Environment portfolio. However, the broader role in community well-being and governance must be acknowledged and supported through collaboration and engagement.

Requested action from Government

We ask the Government to recognise that while environmental sustainability has particular profile, sustainability requires holistic consideration of the four well-beings. We seek co-ordinated effort across central government to work with local government on sustainability initiatives.

Aquaculture

We recognise the importance of the aquaculture industry in New Zealand and the economic development opportunities that aquaculture presents for the future.

Aquaculture is regulated principally by the Resource Management Act (RMA)1991, following the aquaculture reforms of 2001-2005. Regional councils (and unitary authorities) are tasked with administering aquaculture permissions and the implementation of the process to authorise aquaculture. The legislative reforms have now been in place for over three years; however, there has been no creation of new space for aquaculture.

Developing new aquaculture space under the RMA is incredibly complex and there are limited incentives for councils to allocate new space, or for industry to apply for new space through plan change processes.

Councils are often reluctant to develop plan changes to create new aquaculture space due to the perception that they are promoting one particular industry, community opposition to aquaculture and general funding constraints. The costs to councils of undertaking plan changes to develop new Aquaculture Management Areas cannot be underestimated.

The Aquaculture Legislation Amendment Bill (No 2) will address some of the issues around the creation of new aquaculture management areas and the Invited Private

Plan Change process. However, local government is of the view that even wider legislative reform will be required in the long-term.

We acknowledge the good work of the Ministry for the Environment (MfE) through initiating and undertaking specific projects to progress aquaculture in a number of locations in the short-term.

Local government objectives

There are two *Local Government New Zealand* representatives on the Aquaculture Forum which is made up of central government, industry and local government leaders. We also work at the officer level as a member of the Aquaculture Implementation Team.

The Aquaculture Forum has initiated an independent review of current legislation relating to aquaculture. While we support the MfE led project work and encourage the urgent progress of the Aquaculture Legislation Amendment Bill (No 2), for the long-term there needs to be further legislative reform, and we await the recommendations of the independent review with interest.

Requested action from Government

We want to progress the Aquaculture Legislation Amendment Bill (No 2) urgently. We would also like to resolve the legislative issues in relation to Coastal Occupation Charging and continue with the Ministry for the Environment led projects. Finally, we would like the Government to work with local government through the Aquaculture Forum to investigate and progress the recommendations of the independent review of current legislation.

Water management

Councils recognise the importance of effective management of freshwater resources in New Zealand. Improvements in water quality and effective and efficient management of the allocation of water is critical, not only for the associated environmental costs and benefits, but also for economic, recreational, health and cultural values of communities.

Local government objectives

We have worked with the Ministry for the Environment on the development of the National Policy Statement (NPS) and National Environmental Standards (NES). Regionally, water resources, water quality issues and allocation demands vary significantly across the country. A one-size-fits-all approach will not deliver efficient and effective outcomes. To add value, an NPS must provide a mandate to address issues in the national interest, while retaining flexibility to respond to local issues.

In response to the proposed Freshwater Management NPS, we are consulting with councils about the current issues, options and future direction. We expect our position and submission will be finalised by the end of 2008.

Requested action from Government

We seek a non-prescriptive NPS that allows councils to manage water to meet local circumstances, needs and preferences, but provides clear guidance where there are specific matters of national significance. We seek consideration of our submission in finalising the Freshwater Management NPS. The development of NESs must be co-ordinated with the NPS. Both NPS and NES must be able to be implemented effectively and with minimal compliance costs on councils and communities. We

seek commitment from central government to assist with the implementation of the NPS and NESSs.

Flood and catchment management

Councils are aware of the need to improve flood risk management and catchment management practices. We have worked with the Ministry for the Environment on the review of flood risk management and are currently working on the National Policy Statement (NPS) on flood risk management. In a similar way to the water management approach, the management of flood risk needs to be flexible to respond to both varying flood risk and to local circumstances, needs and preferences.

We have also worked with government agencies on the development of a New Zealand Standard for flood risk management. The Standard is a process standard designed to guide decision-making. It is not a technical, prescriptive or performance based standard. It does, however, provide for consideration of all aspects of flood risk, so that in the longer term the risk of flood damage decreases.

The Standard recognises communities should determine the level of risk they are willing to accept and consider all options for reducing risk, including avoidance and managed retreat, while recognising and explicitly managing residual risk.

Local government objectives

We require a non-prescriptive NPS that does not impose a one-size-fits-all approach, but provides guidance and value in responding locally. There is a close connection between the New Zealand Standard and the direction that could be provided through a NPS so we have suggested the Standard is formally linked to the NPS.

While the draft NPS is generally in line with a range of matters raised by local government in 2007, a number of substantive issues remain outstanding. They include clarity around roles and functions of central and local government, individual responsibility, and funding and affordability.

Effective implementation with minimal compliance costs on councils and their communities will require assistance from central government. There is a particular need for support in relation to timely information and research as the incidence and costs of flood hazard increases.

Requested action from Government

We ask the Government to ensure the National Policy Statement for flood risk management is completed with strong local government involvement.

We seek support from the Government for councils to implement both the NPS and the New Zealand Standard. As a priority, robust information and data must be available at local levels to enable consistent and appropriate local planning and risk management.

Resource Management Act Review

Local government holds a pivotal position in the management of New Zealand's natural and physical resources. Councils are only too aware of the responsibility this entails - both for New Zealand's environment and for the nation's economic growth and prosperity.

The Resource Management Act (RMA) is a sophisticated statute requiring investment of high levels of management and technical skills and the devotion of significant resources in every local authority as well as in central government. The RMA delivers good environmental outcomes and it does so with less cost and hassle than is popularly recognised. While the RMA is fundamentally good statute in its field of public policy, there is room for improvement.

Local government objectives

Need for consultative review in two phases

After seventeen years, it is timely to review whether the RMA still achieves the public policy objectives in the most effective way for today's regulatory, social and economic setting. This is a big question and not one that can be addressed in 100 days. However, there are many process and technical details of the Act that frustrate local government as much as they frustrate other parties. We endorse a two phase approach, where phase one addresses these process and technical matters.

Local government offers a unique and comprehensive appreciation of the RMA, its context and its operation. Local government has an important contribution to make to the RMA review and we would strongly endorse an inclusive and consultative process to the review.

Relevance of work contributing to the 2004 RMA review

The last significant amendment of the RMA came into effect in 2005. The review process during 2004 involved significant local government thought and input. *Local Government New Zealand* endorses its 2004 report "Enhancing New Zealand's Resource Management Performance". Many of the issues, principles, and proposals outlined in that document are just as valid for a 2008 review to improve the RMA as they were four years ago. Some of the proposals in that document were enacted through the 2005 amendments, but many remain absolutely relevant and worthy of reconsideration today. The 2005 amendments have given rise to new additional issues and the need for additional (largely technical) responses, for example in relation to call-in process and NES process.

Our suggestions from the previous review, which remain relevant for the perceptions, issues and technical problems of today, include: proposals for central government input to decisions on major projects (an alternative model - different tracks for different levels of consents); changes to the presumption for de novo appeals; reducing the Environment Court involvement in matters of policy; introduce security for costs; more inquisitorial first instance hearings; improvements to the first schedule plan making process; restrictions on further submissions; better integration of RMA and LGA; and improvements to the allocation mechanisms.

Additional suggestions emerging

Other possible improvements following the 2005 amendments and more recent practice include: clarification or less onerous requirements for decision reports; improvements to the further information process; resolving coastal occupation charging; monitoring/enforcement charges; role of local authorities in called-in

applications; improvements for private plan changes and a review of the purpose and role of Restricted Coastal Activities (RCAs).

Implementing the Resource Management Act

The RMA sets the legislative framework and it is noble to strive for the perfect legislative basis. However, legislative perfection will deliver perfect failure if the means of implementation are inadequate or inconsistent. One of the key roles for central government under the RMA is to ensure capacity of the key implementation sector - local government. While more significant effort has been made in recent years, through joint initiatives with local government such as the Quality Planning website and the Making Good Decisions Programme, concerted and ongoing effort must be dedicated to supporting implementation of the Act. Implementation at a central government level must also be supported if the role of the Minister and central government under the Act is to be appropriately carried out.

A role for National Policy Statements

We agree that there is a role for National Policy Statements in implementing the Act. Local government's objective is not necessarily about greater central government direction, but for NPS to guide the reconciliation of competing Part II matters, particularly matters of environmental protection and matters of socio-economic priorities. On a similar note, if the definition of "environment" is narrowed, we have concerns about the potential consequences of this for the ability of councils to plan under RMA, and the ability to consider all Part II matters including social/economic aspects. For example, how would the economic and social benefit of infrastructure proposals be incorporated into consideration of environmental effects if the scope of considerations was limited by a narrower definition?

It is timely to reconsider the strategy, purpose, context and drafting framework of NPS and how they can most effectively contribute alongside NES, and non-RMA national policy. Local government has views on priorities for NPS and NES, and critical linkages to other policy documents.

Implementation of National Environmental Standards

There are now three national environmental standards (NES) in effect and several others in the scoping or development phase. While NES can provide consistency or national benchmarks for technical issues, they can also challenge the principles of local autonomy, reducing compliance costs, and cost sharing for national benefit.

The Government relies on local government to implement NES to achieve national benefit. In relation to the NES developed, or being developed to date, there has been a very poor appreciation of the importance of supporting the implementation phase. The Government's role does not stop once a NES is gazetted. An implementation and monitoring plan must be developed and resourced for every NES.

The cost benefit analysis carried out for proposed NES has been weak to date. NES already in place must be monitored and key information captured to assist in the ongoing assessment of the outcomes, costs and benefits of NES and to ensure future cost/benefit assessments are full and robust.

New institutions

The principles of local government set out in Part 1 of this document are critical in the resource management context. A central principle of the RMA which must be upheld is that environmental governance reflects the community of interest in resource management decisions. Resource management decision-making must be undertaken by persons most competent (and least compromised) to make technical and value judgments on behalf of communities. In values-based jurisprudence, it is

most appropriate that judgments be made by elected representatives (or their delegates) unless there are matters of conflict of interest.

While there is a role for central government in improving RMA implementation, the establishment of an Environment Protection Agency (EPA) may be unnecessary to achieve this, and has the potential to significantly compromise the principles of local government and the RMA.

Similarly, a new independent complaints mechanism for issues of performance in RMA implementation is considered unnecessary given the number of agencies already involved in complaints about RMA performance. If perceptions about performance are real (and we do not subscribe to this), then performance must be positively supported. Veto powers for a new complaints body would most likely result in perverse outcomes that do the opposite of improving the consent process.

Requested action from Government

We strongly endorse an inclusive and consultative process to both phases of the RMA review. The principles for the review must be clearly articulated to guide the review process. We seek a partnership with central government in the review of the RMA, consideration of possible NPS/NES, and in the ongoing implementation of the RMA.

We seek consideration of our initial views in response to the policy proposals that have been indicated by the National Party, as well as our suggestions for additional amendments that have been raised by local government as necessary components of a review to improve the RMA. We stress the need for a consultative process to further develop our proposals and responses.

Treaty Settlements and local government role under the RMA

Recent trends in Treaty Settlements indicate a shift in the focus and potential implications of settlements on the role of local authorities, decision-making, and governance under the Local Government Act and the Resource Management Act.

There are also implications for local government more broadly in relation to representation, co-management and democratic decision-making. The Waikato-Tainui Settlement raises particular issues in this regard. The Crown's first agreement under the Foreshore and Seabed Act has now been signed with Ngati Porou and this raises similar issues.

There are examples where councils have become involved in discussions very late, but are expected to play a significant role in implementing local arrangements to put the settlement into practice. This is often beyond the council's existing functions and resourcing.

Local government objectives

It is important for claimants, communities and the nation that Treaty settlements are just, durable and workable. Treaty settlements need to meet the needs of claimants, be able to be effectively implemented by local government, and uphold the principles of local democracy and decision-making created by the LGA and RMA.

Councils have expressed concerns that the implications for local authorities and local democracy have not been fully and robustly considered in the final form of some

recent settlements. We suggest that the cumulative impact of Treaty settlement mechanisms on local government has not been comprehensively considered by central government, and needs to be.

We recognise that settlement negotiations are between claimants and the Crown. We respectfully suggest that the Crown could consider how it might work with councils to ensure that models, tools and management arrangements developed as part of Treaty settlements will work as envisaged, and that any challenges or issues can be identified and remedied prior to the settlement legislation being enacted .

Requested action from Government

We ask Government to give comprehensive consideration to the cumulative issues arising for local authorities and community governance as a consequence of Treaty settlements, not just on a case-by-case basis.

We request the Crown to consider how it might work with and support councils to ensure that models, tools and management arrangements developed as part of Treaty settlements will work as envisaged, and that any challenges or issues can be identified and remedied prior to settlement legislation being enacted.

Waste Minimisation

The new Waste Minimisation Act is now in effect. The legislation review has been a slow but thorough process providing the opportunity for New Zealanders to consider our goals and methods for managing waste. The focus on waste minimisation rather than waste management is welcomed by local government, as it acknowledges that waste management is not just a role for councils, but also for producers and consumers. However, the new legislation is significant for councils in establishing their statutory role in waste management.

The legislative process is complete but there is still significant work to do to put the new approach into action - for both the government and councils. Councils will be reviewing waste management plans with their communities, including reviewing services, programmes, funding and charging. Councils will also have a particular interest in the development of regulations for priority products for product stewardship schemes and criteria for the contestable waste levy fund.

The place of recycling in the new legislation remains unclear after late changes to the Bill in how it defines “waste”. We hope this will not hinder good waste minimisation initiatives being run by councils in local areas, but fear this may be the case. It is likely to have particular implications for the way councils regulate and collect information.

The New Zealand Waste Strategy was developed in 2002 as a joint initiative between central government and *Local Government New Zealand* on behalf of the local government sector. The Strategy has been under review in response to monitoring of the targets and the need for the targets to be appropriate under the new legislation.

We are a signatory to the Packaging Accord. The recovery (recycling) targets set in the Accord have already been met or exceeded by all packaging sectors. The principle of product stewardship is about far more than recycling. It is about all parts of the product lifecycle and the appropriate sharing of responsibilities through that lifecycle. Where the Packaging Accord fits in the new regulatory environment is a

topic that local government will need to fully consider in this fifth and final year of the Accord and we are consulting with councils about this.

Local government objectives

We have considered the implementation issues for councils arising from the new regulatory environment. The focus of the government to date has been on the development of the legislation without, in our view, adequate consideration of implementation. We are now in the implementation phase and we require the Government's commitment to put all the necessary resources and focus into this task to ensure that necessary regulations are in place, guidance available, monitoring and reporting systems set up, and councils are appropriately supported in their implementation roles.

In particular, we seek an integrated and appropriate monitoring and reporting system for waste information. Keeping track of information about waste is a critical part of planning and service delivery. If councils cannot carry out this task due to the final wording of the Act, there are real expectations that central government will pick up the task.

Given the significant role of councils in waste management and minimisation and the reliance on councils to achieve the intentions of this Act, we believe the absence of any legitimate local government expertise on the new Waste Advisory Board is a significant omission that must be rectified.

We want to ensure that a revised New Zealand Waste Strategy sets targets for both central and local government that are appropriate, measurable, and relevant under the new legislation.

The local government sector is fully supportive of the principle of product stewardship. There is high expectation that the Government will quickly move to implement these provisions in the Act for products that are known to be difficult in waste management. The requirement to do so quickly has been significantly elevated due to the changing economic climate, the impact of market prices on recovery incentives and uncertainty around future recovery services for some products.

Requested action from Government

We are seeking:

- a fully developed and resourced implementation plan for the new Waste Minimisation Act, including full and timely support for councils in their roles
- involvement in developing a full and appropriate monitoring and reporting system for all aspects of the Act
- the appointment of an additional member to the Waste Advisory Board to contribute local government expertise
- involvement in the revision of the New Zealand Waste Strategy to ensure targets for both central and local government are appropriate, measurable and relevant under the new Act
- timely implementation of the product stewardship opportunities in the Act.

Food safety

The Food Safety regime, including the underlying legislation, has been under review for some years. We support the review and its intentions. *Local Government New Zealand* and local authorities have had a collaborative relationship with the New Zealand Food Safety Authority (NZFSA) in the development of the new legislation and we appreciate the opportunities to be involved. We have prepared submissions on numerous NZFSA discussion documents.

A draft Food Bill has been prepared but was not introduced prior to the election. Given the delays in finalising and introducing new approaches to food control via the new Bill, the NZFSA has developed a system where territorial authorities can elect to become part of a “voluntary implementation programme” (VIP) to implement certain aspects prior to the law change. Almost all territorial authorities have joined the VIP. The VIP provides councils with an opportunity to test the new approaches with a selected number of premises/ businesses in their district before the legislation and processes are finalised. However, if there are lengthy delays in progressing the legislation, the VIP is at risk of stalling.

Local government objectives

Local government seeks new legislation which is appropriate and practical to implement. We seek clarity in the role and mandate of territorial authorities as well as NZFSA, public health units and any independent parties.

We have outstanding concerns about some roles and responsibilities in the draft Bill and with the complexity and additional costs for local authorities.

The VIP “testing” has also raised concerns about the complexity, costs and expectations for business in complying with some of the new requirements, particularly smaller food premises. We endorse a considered review of the proposed approach being tested through VIP to ensure the development of a regulatory system which is appropriate to the risk it seeks to manage.

Requested action from Government

We ask the Government to work with us to ensure that the new legislation addresses the concerns raised by the local government sector to achieve clear and appropriate legislation which minimizes compliance costs for all parties.

Foreign Affairs

Local Government New Zealand and the New Zealand Government are members of the Commonwealth Local Government Forum (CLGF). CLGF was established in 1995 as the voice of local government in the Commonwealth with a focus on greater decentralisation and enhanced local democracy. It has 170 members in 40 countries.

The Commonwealth Local Government Forum (CLGF) Pacific project works with local government and other stakeholders in the Pacific region to strengthen local democracy and improve service delivery. We have a close working relationship with the CLGF Pacific Project Office in Suva, Fiji. We support the Project by disseminating information about opportunities for New Zealand councils to get involved in international local government development projects through the Good Practice Scheme. This Scheme is a capacity building project involving practitioner to practitioner exchange of technical skills and experience.

NZAID commissioned an external review of the project, mid-way through its original project life. The report concludes that the project has been very effective in supporting and enhancing local government in the Pacific and should continue, and, in fact, be expanded and enhanced. The review recommended, *inter alia*, that consideration be given to assisting *Local Government New Zealand* and Local Government Managers Australia, to provide additional staff support for promoting and administering the technical exchange/twinning component of the project. The recommendations are currently being considered by NZAID.

Local government objectives

We share the objectives of the new Government of supporting Pacific nations to address the significant challenges facing them. Local government can make a unique contribution in terms of sharing expertise in practical areas such as waste management, water supplies and financial management that will make a difference to the lives of Pacific people on a day-to-to day basis.

Requested action from government

We ask the Government to continue support for the CLGF Pacific Project.

Health

Implementation of the Health (Drinking Water) Amendment Act 2007

The legislation was designed to form part of an overall drinking-water quality regime based on risk management, but using the drinking water standards as the yardstick of performance.

We retain our principled opposition to the legislation for the following reasons. There is no benefit/cost analysis to support the investment of funds in this activity. There is no robust science demonstrating a casual link between drinking water quality and gastro-intestinal disease. The Act is an infringement on local government and community decision-making processes, and finally it does nothing to address higher risk "self" supplies.

Local government objectives

The implementation is seen largely as a transfer of cost from central to local government. The "standard" has been set by Government and local government must now raise its performance to meet these nationally imposed criteria. Ultimately the cost of doing this falls back on local communities.

The primary objective is to get full government funding for the gap between needs, as determined by levels of service between communities and councils through the Long Term Council Community Plan (LTCCP) process, and demand - as set by externally imposed standards.

The unfunded cost to local government (based upon disaggregation of 2006-16 LTCCP forecasts) is approximately \$600 million. Current government funding through the Drinking Water Assistance Programme is \$150 million over 10 years. Some of this funding is being channelled into community owned and not local government owned schemes.

Requested action from Government

We ask the Government to acknowledge the burden of cost shifted to local government through the imposition of the Health (Drinking Water) Amendment Act 2007 and agree to fund this cost.

Sanitary Wastewater Subsidy Scheme

In 2003, the Ministry of Health published criteria for the Sanitary Works Subsidy Scheme. These criteria were, in effect, the rules for the Sanitary Works Technical Advisory Committee (SAWTAC) to allocate the \$150 million (less GST) subsidy for the improvement of community sanitary waste treatment and disposal facilities.

The scheme was targeted at populations of between 100 and 10,000 with populations of less than 100 not being eligible. Though other eligibility criteria around the subsidy have since been amended, the baseline population was retained. The subsidy was increased from 50 percent to 90 percent dependant upon community size and deprivation.

Subsequently the initial funding, although targeted at \$15 million per annum spread over 10 years, was all allocated within the first four years of the scheme. A significant unfulfilled demand exists through unfunded applications and an additional \$40 million

was allocated in the 2007/2008 Budget to ensure continuity of progress. The scheme has been oversubscribed and a number of communities with the highest need have received no funding. Expectations have been raised and will not be fulfilled. Whilst the scheme primarily provides capital assistance, it still requires local funding and ongoing operational funding. These issues are insurmountable for most of the smaller, more deprived communities. A report by GHD Consultants has indicated a scheme funding deficit of between \$300 million and \$900 million dependant upon how the eligibility criteria are adjusted.

Local government objectives

We want to ensure there is sufficient funding to meet the unfulfilled demand and to address the inability of communities to meet the ongoing operational costs of sanitary waste treatment. This will ensure the benefits from improved public health accrue not just individually and locally, but also nationally. We also want to adjust the minimum population threshold downward and, through sufficiency of funding, ensure that criteria remain consistent throughout the application, evaluation and approval phases of the scheme.

Requested action from Government

We request the Government funds the Sanitary Works Subsidy Scheme to a level which meets unfulfilled demand and that funding for operational costs, unable to be met by deprived communities, be subsidized on an ongoing basis.

Public Health Act Review

Local Government New Zealand and many councils have made submissions on the Public Health Bill, currently awaiting its second reading.

The process of developing the Bill was disappointing. Local government has a significant role under the Bill and yet we had minimal involvement in developing the detailed provisions. We are particularly disappointed at the poor justification or cost/benefit analysis for many aspects of the Bill, which we believe will create significant costs for councils and businesses. Achieving public health objectives requires a partnership approach. The Bill does not endorse or support a partnership approach and, in fact, potentially undermines existing relationships.

While the role for councils will be similar to the existing function, the context for that role, and the details of the regulatory framework, will involve many changes. The Bill makes improvements on matters of detail. However, it has not addressed significant matters of principle, particularly in the power of direction of the Minister, the poor link to the Local Government Act 2002 and the broader role and processes of local government. The regulatory processes in the Bill remain very complex, open ended, high risk and high cost.

Local government objectives

We support the review of the Health Act 1956. We would like new legislation which supports the role of councils, in collaboration with others, to contribute to public health, and sets up a regulatory regime that is clear, efficient and in scale with the types of activities and risks it seeks to manage. The impact of new proposals in terms of role, function and funding, need to be fully considered.

Requested action from Government

We ask the Government to reconsider the Public Health Bill to ensure it sets out appropriate roles, relationships, processes, minimizes compliance costs and provides new legislation that is fit for purpose.

Housing

Local government has roles and responsibilities relevant to housing within its wider purpose of taking a sustainable development approach to community well-being now and in the future. Many councils have a significant role in providing social housing in their communities and the social and economic impacts of housing are of concern to all communities.

Councils are involved in a range of housing related activity and have broader roles and responsibilities of particular relevance to affordable housing including:

- direct provision of social housing
- facilitation of other parties who provide housing (for example Housing New Zealand, community housing trusts, retirement housing providers)
- joint arrangements with other parties to provide housing
- advocacy
- financial assistance and incentives (e.g. grants)
- long to medium term urban growth planning and regulatory planning under Local Government Act and Resource Management Act (RMA) processes
- infrastructure management (water, wastewater, roads, public transport)
- regulatory consenting functions including building consents and resource consents.

The respective roles of central and local government in the provision of social housing have been in a state of flux in recent decades. In the early 1990s there was a major shift in government policy to the treatment of housing and funding for council housing. These changes impacted significantly on local government. Councils began to question if they should continue to be involved in housing and on what basis. There were a range of responses to these changes - some councils sold all housing stock, while others sold part or all general rental housing, retaining only older people's housing. Other councils continued to make a commitment to housing as a core activity and saw their continuing involvement as part of the process of building a strong community. There is no singular local government view, or action, in relation to social housing, but a complete spectrum.

Local government is the second largest provider of social housing in New Zealand after Housing New Zealand Corporation. The size of council stocks vary considerably, however most stock is bed-sits or one-bedroom units and is targeted to older people. The changing demand of users' needs and the ability to meet it is one of the challenges faced by central and local government, both in terms of housing stock and the support services available. The Housing Innovation Fund has been an important part of central government support for council involvement in social and affordable housing. This fund is currently under review, and local government seeks to be actively involved in this process.

Recent years have seen an increase in community and political concern around housing affordability. Local and central government, and the NGO sector, have collectively been looking at feasible and effective ways to enhance the provision of affordable housing and undertake sustainable urban development.

There is a strong view within the local government sector that the development of the housing third sector is critical to the future of affordable housing in New Zealand in the long term. The third sector plays a major role in other countries that have achieved much in this area. Our third sector is still emergent and requiring support. We consider it imperative that central government provides immediate and ongoing

support to build the capacity and capability in New Zealand to help develop this sector in the long term.

The housing affordability issue is a complex one based on a broad range of drivers. Local government considers that the New Zealand housing development market does not offer the range, types or choice of housing that the country needs for the future. This is recognised in the Department of Internal Affairs discussion document on place-based approaches to sustainable urban development, “Building Sustainable Urban Communities”.

Local government acknowledges that it has a role to play in responding to housing affordability. In considering responses, there must be sufficient versatility retained to reflect the different drivers (both demand and supply side) that are at play in local contexts. No single national policy will address all circumstances where “affordability” has become a critical constraint for a community.

Risk and cost associated with the processes in the Affordable Housing Enabling Territorial Authorities Act and inadequate links to means of implementation are the main reason why councils have told *Local Government New Zealand* that they are unlikely to implement the provisions of the Act. Adequate funding to initiate and implement affordable housing projects is a major barrier for councils to lead affordable housing projects. We consider joint central/local government pilot projects with appropriate funding as the best way in the short-term to undertake affordable housing and address sustainable urban development issues. These projects will need to have involvement of the private sector to build the adequate capability and capacity needed for better urban development.

Councils in urban areas have to consider growth issues and demand for additional urban land for residential development, either through RMA planning processes or strategic planning exercises. Those urban areas with particular growth pressures and/or affordability issues have recently been through (or are in the process of) extensive and detailed urban growth analysis and provision. For example, Auckland region, Western Bay of Plenty, Wellington region, Nelson/Tasman, and Canterbury region have all planned for 15-30 years capacity for growth through integrated planning for sustainable development.

A common theme amongst councils is the desire to accommodate population growth within existing boundaries. The reasoning for increasing density and limiting urban sprawl include:

- protecting productive land and soils for general food production
- reducing traffic congestion associated with urban sprawl
- reducing carbon emissions associated with car travel
- less reliance on cars as the only means of transport
- reducing the environmental footprint
- reducing the increased cost of providing infrastructure and services as an urban area sprawls.

Currently the market and urban development practices are not delivering the type of urban development that communities and individuals need in the long-term and this needs to change.

Local government objectives

To contribute to the provision of sustainable and affordable housing in New Zealand, central government and local government need to work together and take leadership

in resolving the issues around poor urban development and housing. Responses need to be innovative, at the local level, and with national support in the form of expertise, funding and an effective regulatory framework where appropriate. This applies equally to social housing. A clear framework for central government support of local government social housing would help councils and communities who wish to plan for social housing that is of good quality, affordable (to tenants and the community) and able to be maintained and upgraded as necessary over time.

Local government supports the development of the Building Sustainable Urban Communities discussion document and some of the solutions offered in that document to achieve better housing choice and options for New Zealanders. We welcome continued dialogue with central government on some of the proposals.

Requested action from Government

We ask the Government for:

- a commitment to continue to work with *Local Government New Zealand* and councils to find solutions to affordable housing and urban development issues
- the ongoing partnership to support local housing developments through the Housing Innovation Fund - to enable local government to meet community needs, and the demands of changing populations
- national support in the form of expertise, funding and an effective regulatory framework where appropriate
- progression of related legislative reform where there are currently constraints in housing options (such as the Residential Tenancies Act and Unit Titles Act reviews)
- support for the developing capability and capacity in the housing sector - public, private and third sector
- consideration by central government of the impacts of new legislation and regulation on development and housing costs.

Infrastructure

Local government is a major owner and deliverer of community infrastructure and services. Many of these services are vital to the economic, social, cultural and environmental well-beings of local communities. At the same time they make significant contributions to the national good.

Because there is a “public good” element attached to this infrastructure, much of it is funded through rates and often supplemented through an element of direct user charges. Some of this infrastructure has in the past benefited from government subsidy in its development phase. However, other than for roads and transport there is no systemic support for ongoing operational costs.

A number of options exist for the funding of capital related to infrastructure development. What is more problematic is the limited range of options for funding operational costs. It is increasingly this portion of infrastructure need that is challenging local government and community abilities to fund.

Local government objectives

The key objective is to secure funding support to assist councils to meet the cost of maintaining and operating core infrastructural services. The funding model would need to provide some relief for all but be configured to ensure those who needed more help benefited accordingly.

Such a funding scheme could be based upon the proportion of national benefit derived from the provision of the core infrastructural service. This benefit could be assessed relative to the four well-beings (social, environmental, cultural and economic) where they are equally or differentially weighted dependant upon outcomes sought.

Requested action from Government

The Government establishes a fund to support/subsidise the maintenance and operational costs of providing core infrastructural services.

Justice

Community safety

The *Local Government Act 2002* formalised local government's role in promoting the well-being of communities. It introduced a range of statutory processes that involve working collaboratively with communities, local agencies, and government departments, in identifying community outcomes and developing strategies to achieve them. Safety is identified as a community outcome right across the country. Communities and local authorities share the Government's sense of priority in this area, and are keen to work together.

Local government objectives

All communities want to feel safe from crime. Councils have a strong interest in community safety and undertake a range of activities to contribute to this. These range from very extensive community safety strategies through to more discrete initiatives. Community safety is a key priority for local government as a whole, but particularly for metropolitan councils in our larger cities. The diversity of responses is significant as this reflects the level and nature of issues in different communities, community priorities, and community capacity.

Neither central government, local government, nor the community alone can address community safety - we need to work together to make a difference. The roles, contribution, knowledge, and different perspectives of players such as the Police, Maori wardens, council, and community groups, are all important in finding solutions that will work to make our communities safer. Councils do take a lead role in many communities, for example, in bringing parties together, taking an overview of issues and opportunities, and grounding strategies within the local community context.

On behalf of their communities, councils undertake a wide range of roles including:

- leadership for community well-being - i.e. bringing together local players, facilitating local partnerships and responses such as crime prevention strategies and safer city initiatives, community development, advocacy and education
- regulation through the Resource Management Act, Local Government Act 2002, Sale of Liquor Act, and a range of other legislation
- operational activities including community initiatives, neighbourhood projects, programmes for youth, managing public events or undertaking Crime Prevention Through Environmental Design (CPTED) projects.

Councils work with a range of central government agencies in this area including the Police, Crime Prevention Unit (CPU), Alcohol Advisory Council of New Zealand (ALAC) and others.

The Crime Prevention Unit is a significant agency for local government in this regard. The CPU has good working relationships with councils and is effective because it provides expertise and support through advisors who work directly with councils to develop comprehensive approaches to local issues, and it allocates resources to councils to enable them to take action. One without the other would not work, but both together make a significant impact.

The Police Act 2008 represented a well-needed modernisation of governing legislation for our Police force. Councils and the Police work closely, alongside

various community groups, to contribute to community safety throughout the country. We recognise that community safety is a shared undertaking. Councils have a strong interest in working with Police to identify local priorities, develop strategies to achieve community safety, and report to the community on outcomes. Such engagement can contribute to greater responsiveness to local priorities, efficiencies in resource use, more effective service delivery, and greater community safety.

We also note the importance of alcohol in relation to community safety. Alcohol related harm is a significant issue in terms of community safety and public health. Local government supports consideration of the legislative framework, policies and practices impacting in this area, so that we can reduce the negative impacts of alcohol consumption and maintain the vibrancy of our communities and social environments.

Requested action from Government

We encourage the Government to:

- recognise the important leadership role and practical activities that local government undertakes to contribute to the safety of our communities
- continue to support the Crime Prevention Unit to work with councils by providing expertise, advice and resources
- encourage government agencies to continue to collaborate with one another, local government and community players to enhance community safety
- address the implications of alcohol for community safety by responding to local government requests around alcohol (see Alcohol in the Community section).

Alcohol in the community

Local government has a number of roles in relation to managing alcohol and its effects: from statutory roles under the Sale of Liquor Act to wider community initiatives to improve community safety.

Councils and communities are concerned about alcohol-related harm and want a number of improvements to the relevant legislation. Local government supports consideration of the legislative framework, policies and practices impacting in this area, so that we can reduce the negative impacts of alcohol consumption and maintain the vibrancy of our communities and social environments.

Local government objectives

We would like enhanced opportunities for community input to licensing decisions, greater weight given to local alcohol plans, expanding the factors that can be taken into account when considering licence applications, and enhanced penalties and enforcement tools. Local discretion needs to be retained as local circumstances differ significantly across the country.

The current Act was intended to make liquor licences hard to get and easy to lose, however, there is concern in our sector that, in fact, the opposite is the case. The local government sector considers that improvements in the legislation are required in a range of areas to address this balance.

The Law Commission has been tasked with undertaking a comprehensive review of the Sale of Liquor Act 1989, the first major review of the legislation since it was enacted. Our members have had concerns about ad hoc amendments to the Act,

and the potential unintended consequences, so we welcome this comprehensive and first principles review.

The previous government drafted a Sale and Supply of Liquor and Liquor Enforcement Bill which did not progress to a first reading in the previous Parliamentary term. We believe this Bill could go some way towards addressing local government objectives by providing for local alcohol policies with statutory effect. Such plans could provide for community input and for criteria such as outlet density and location to be considered. We therefore encourage the new Government to support the passage of this Bill and its consideration by Select Committee.

Local government is keen to work with central agencies to ensure that New Zealand has the most appropriate and effective legislation and practice for managing alcohol. Local government is also active in developing and sharing best practice in order to operate as effectively as possible within the current legislative frameworks.

Requested action from Government

We encourage the Government to:

- support the progression of the Sale and Supply of Liquor and Liquor Enforcement Bill and its consideration by Select Committee
- support the Law Commission's review of the Sale of Liquor Act
- provide for appropriate local discretion in relation to liquor licensing decisions
- support local government in developing robust local alcohol plans.

Local government

Partnership with central government

Building strong and resilient communities cannot be undertaken by any sphere of government working in isolation. If New Zealand is to continue to provide its citizens with a high quality of life, governments need to work together to ensure public resources are used effectively and efficiently. We believe this collaboration needs to be modelled at the top, between central government and *Local Government New Zealand*. We have established a constructive relationship with the Government over the last two terms and want to build on this relationship.

Local government objectives

Ensuring communities are well-governed and that councils have the capacity and the tools to plan for and meet the future needs of citizens is a critical responsibility of the Government, and a responsibility shared by *Local Government New Zealand*.

Requested action from Government

To establish effective partnerships “on the ground” councils need the policy tools to enable them to respond to community needs and preferences as well as the removal of legislative and regulatory obstacles. Departments also need to consult with local government when considering policy initiatives that might impact on the sector.

Over the next term we wish to strengthen our legislative framework and assist our members to move from compliance to good practice. Particular actions include a commitment to continue the Central Local Government Forum meetings and the promotion of the Regulatory Framework within government departments and agencies.

Improving financial sustainability

The Local Government Rates Inquiry found that local government works well in meeting the diverse needs of New Zealanders. However, it identified pressures on the funding system of local government because of significant growth in expenditures and growing affordability problems. Among the solutions the Inquiry recommended was the provision of new funding sources to councils to hold rates at sustainable levels and to reduce rates as a proportion of council income.

Local government objectives

New Zealand local government has access to a single tax base, which is property tax. This over-reliance on property values seriously limits the ability of councils to invest in developing local and regional public services due to their citizens’ varying ability to pay. A sustainable funding arrangement would provide councils with supplementary funding tools which better reflect ability to pay and respond more directly to overall economic activity.

Requested action from Government

We ask the Government to work with the local government sector in responding to the Inquiry’s recommendations to strengthen the financial sustainability of councils.

We ask the Government to:

- recognise that there are significant pressures on the funding system of local government
- agree that central government and local government will work together to respond to the recommendations of the Independent Inquiry into Local Government Rates.

Encouraging local democracy

Local government is first and foremost the expression of local democracy. Councils are the mechanism through which citizens make collective decisions about the nature of towns, cities and regions. The opportunity to stand and be elected to a local authority and the process of participating in local decision-making processes builds an ethic of citizenship, which not only strengthens communities, but also the country.

The strength of local democracy depends on the ability of citizens to make policy and operational choices about the nature of communities. Government policies that force councils to meet national standards diminish local autonomy and undermine a basic principle of local democracy. Local participation is strongly correlated with citizens' perceived ability to influence political choices.

Local government objectives

We desire a policy environment that is best described as “managed difference” - enabling councils and communities to be innovative and set standards appropriate to local circumstances while ensuring a minimum level of service. This concept is embraced within the philosophy of the Local Government Act (2002) and must not be eroded by subsequent government decisions.

Requested action from Government

We urge the Government to recognise that involvement in democracy (at all levels) is not just a local government issue, but a national issue. All councils are active in encouraging participation from local communities. However, what is required is a broader role from central government - one which encompasses leadership, resourcing and support from government agencies.

To strengthen local government's democratic mandate and standing we ask that the Local Government Act 2002 is “entrenched” to provide councils with greater certainty of their role and powers.

Review of local government legislation

In response to the requirement introduced when the Local Government Act 2002 was enacted, the Local Government Commission has recently completed its review of aspects of the Local Government Act 2002 and the Local Electoral Act 2001. The Report highlights a number of issues that need to be addressed to ensure the local government legislative framework functions as was intended.

Local government objectives

The Commission's report proposes a number of measures that have the local government sector's full support as well as some that require more analysis. We

would like to see Government refer the Report to officials for further consideration and preparation of a draft bill.

Local government has had a long standing problem with the rigid application of the +/-10% population formula for setting ward and constituency boundaries. We are pleased with the Commission's recommended changes which would allow some discretion and would like to see these changes implemented in time to have effect for the 2010 local authority elections.

Requested action from Government

We ask the Government to introduce a local government amendment bill to advance the recommendations of the Local Government Commission's review of the Local Government Act 2002 and the Local Electoral Act 2001. We ask the Government to give this bill high priority to enable changes to the Local Electoral Act 2001 to have effect in time for the 2010 elections.

Royal Commission on Auckland

The Royal Commission on Auckland was established to advance the Government's objective to facilitate its growth as a world class city. The Commission has undertaken a robust programme of public consultation and is aiming to complete its report by 31 March 2008.

Local government objectives

Local democracy exists to recognise the diversity of communities. One of the limitations of local government reform since, and including consolidation in 1988/89 was the assumption that one governance model would work in every community, regardless of local circumstances.

Local Government New Zealand supports any initiative that will provide the citizens of Auckland with a governance model that meets their aspirations. While we acknowledge that Auckland, as the city's only metropolitan region, has a series of unique governance challenges, we believe that key democratic principles, such as responsiveness, repetitiveness and local accountability must be maintained.

Requested action from Government

We ask the Government to give the recommendations of the Royal Commission its full and serious consideration.

Citizenship education in schools

Strong democracy - locally and nationally - requires informed and active citizens. In New Zealand, as in most developed democracies, voter turnout is falling and levels of political engagement are low among young people.

Local government objectives

In collaboration with a range of agencies, *Local Government New Zealand* has developed a long term project, Growing Active Citizens, which aims to increase active participation in decision-making locally, regionally and nationally. We are developing a range of resources to support citizenship education for young people and deliver these through schools. These resources are aimed at a range of age groups, are focused on experiential learning, and align with the curriculum.

Kids Voting is our flagship project to raise awareness among young people about New Zealand's electoral processes and engage the voters of the future. Students vote for real candidates, on a real ballot paper, and compare the results from the Kids election with the results of the real election. In October 2007, over 8,000 students took part in Kids Voting in conjunction with the local government elections. In November 2008, over 13,000 students took part in Kids Voting for the Parliamentary elections. Our evaluation of the programme shows that it has been successful in demystifying the electoral process and emphasising the importance of voting to make students' voices heard. Kids Voting will be run again in 2009, and intended to continue yearly.

Youth Citizens' Juries: A Guide to Setting up and Running a Youth Citizens' Jury is our second major project. Youth Juries provide a unique opportunity for young people to be included in decision-making and participate in the political processes of their community. A guide and associated DVD were developed by young people in Canterbury. It will support schools and councils to run this unique consultation and decision-making process for young people in their area.

Requested action from Government

The aims and interests of our work align very strongly with those of central government. We would appreciate ongoing support from Government for this important work through the participation of relevant government agencies and promotion of the programme through the many departmental and Ministerial channels.

Support Maori engagement

The Local Government Act 2002 (LGA) requires councils to consider and promote the current and future well-being of communities. It also introduced new responsibilities and opportunities for engagement and co-operation between councils and Maori. While much has been achieved since the Act was introduced, feedback from councils and Maori suggests that more can be done. Many councils have found the provisions regarding Maori input and capacity building challenging and have asked for further support and advice, while Iwi, Hapu and Maori groups have asked for greater support around participation and engagement with local government. We are keen to respond to these requests, providing support and guidance in this area.

Local government objectives

We are working on a long-term project to help build stronger relationships between councils and Iwi, Hapu and Maori groups to support community well-being. We have developed some initial resources to support councils in their engagement with Maori including fact sheets, frequently asked questions, and case studies. We are also offering tailored training for councils to support their local engagement with Maori.

Resourcing is one of the key barriers to effective participation by Iwi, Hapu and Maori groups in local government processes. In its review of the Local Government Act 2002, the Local Government Commission noted the range of demands arising for Maori input into local and central government planning, and recommended the development of a whole-of government funding strategy to support Maori participation in iwi management planning, service delivery and related strategic planning.

We encourage the Government to consider developing a co-ordinated funding mechanism to provide opportunities for Maori groups to access resources to build capacity and participate effectively in both local and central government

processes. This will be valuable in assisting to develop local partnerships further and meeting the objectives of the Local Government Act 2002 to strengthen Maori capacity to engage with local government.

The development of Iwi Management Plans and early involvement of Māori in local government processes is likely to reduce the impacts of consultation and improve the efficiency and effectiveness of the system for all involved.

Requested action from Government

We ask the Government for a whole-of-government approach to support the development of iwi management plans and similar planning documents. This approach should provide opportunities for Maori groups to access resources to build capacity and participate effectively in both local and central government processes. This will improve the efficiency and effectiveness of local government and resource management processes.

Treaty settlements and local government role

Recent trends in Treaty settlements indicate a shift in the focus and potential implications of settlements on the role of local authorities, decision-making, and governance under the Local Government Act 2002 and the Resource Management Act.

There are also implications for local government more broadly in relation to representation, co-management and democratic decision-making. The Waikato-Tainui Settlement raises particular issues in this regard. The Crown's first agreement under the Foreshore and Seabed Act has now been signed with Ngati Porou and this raises similar issues.

There are examples where local authorities have become involved in discussions very late, but are expected to play a significant role in implementing local arrangements to put the settlement into practice. This is often beyond the council's existing functions and resourcing.

Local government objectives

It is important for claimants, communities and the nation that Treaty settlements are just, durable and workable. As such, Treaty settlements need to meet the needs of claimants, be able to be effectively implemented by local government, and uphold the principles of local democracy and decision-making created by the LGA and RMA.

Councils have expressed concerns that the implications for local authorities and local democracy have not been fully and robustly considered in the final form of some recent settlements. Local government suggests that the cumulative impact of Treaty settlement mechanisms on local government has not been comprehensively considered by central government, and needs to be.

We recognise that settlement negotiations are between claimants and the Crown. We respectfully suggest that the Crown could consider how it might work with councils to ensure that models, tools and management arrangements developed as part of Treaty settlements will work as envisaged, and that any challenges or issues can be identified and remedied prior to the settlement legislation being enacted.

Requested action from Government

We ask Government to give comprehensive consideration to the cumulative issues arising for local authorities and community governance as a consequence of Treaty settlements, not just on a case-by-case basis.

We request the Crown to consider how it might work with and support councils to ensure that models, tools and management arrangements developed as part of Treaty settlements will work as envisaged, and that any challenges or issues can be identified and remedied prior to settlement legislation being enacted.

Remuneration Authority

Responsibility for setting the remuneration of elected members was transferred to the Remuneration Authority in 2001 (formerly known as the Higher Salaries Commission). The transfer was supported by the local government sector as we sought to remove decisions about remuneration from its former political environment.

The sector was concerned that remuneration levels had fallen behind historic relativities and failed to compensate elected members for the demands of their responsibilities.

The new model for remuneration established by the Authority set relativities based on a formula involving councils' population, expenditure, area and rate of change. Issues have arisen with the way in which remuneration of community boards is assessed and whether or not levels have changed in accordance with new responsibilities, particularly the Local Government Act 2002 and new regulatory demands.

Local government objectives

The decision to transfer elected members' remuneration to the Remuneration Authority has improved the process for the local government sector, but on regular intervals the levels of remuneration need to be assessed to ensure they continue to reflect the demands of the job.

Requested action from Government

We ask the Government to ensure the remuneration formula continues to be sensitive to the demands and specific circumstances of local government. We recommend that when appointing future members to the Remuneration Authority one member should be selected on the basis of local government experience.

Professional development opportunities for elected members

The strength of local government is the opportunity it provides for citizens of all circumstances to contribute to the governance of their communities. Good government is representative of its citizens and consequently citizens must be supported to take part, whether as community board members, councillors or Mayors/Chairs.

Since the 2001 local authority elections, *Local Government New Zealand* has offered regionally-based training programmes for new elected members to prepare them for their new roles. Many experienced elected members also attend to refresh their knowledge. There are frequent requests for such opportunities to be provided during

the triennium. The small size of the market (there are fewer than 1500 elected members) works to discourage private and tertiary sector providers.

The Government made provision in the 2008/09 budget for a two-year contribution to a programme of elected member development to be undertaken.

Local government objectives

We are committed to ensuring elected members have the support, information and knowledge to exercise good governance in their communities and meet their objectives for standing.

A training programme built around financial and general governance skills is being developed and scheduled for delivery throughout New Zealand. The programme is overseen by a steering committee representing *Local Government New Zealand*, the Society of Local Government Managers and the Department of Internal Affairs.

Requested action from Government

We ask the Government to commit to the undertaking given in the 2008 budget to financially support this professional development programme for two years.

Walking access and unformed legal roads

We support the principle of enhancing public access to New Zealand's waterbodies and public lands. Unformed legal roads are part of a solution. In considering unformed legal roads as a solution, the wider values (environmental, heritage, access and productive capacity) of the land contained in the legal roads must be considered. The provisions for unformed legal roads were not reviewed at the time of the significant legislative reform leading to the Local Government Act 2002, so the provisions remain in the Local Government Act 1974. A review of the provisions has been signalled since 2004 but progress has been slow.

Local government objectives

Local government needs regulation and tools to implement and manage access on unformed legal roads within a legislative framework. Under the current regime, there is no differentiation between the types of use permitted on formed and unformed roads. People can take vehicles, firearms and dogs, ride bikes or walk on unformed roads, whether the unformed road is along the banks of an ecologically important river, contains archaeological or heritage sites, is in the middle of a National Park or part of a productive farm. There are currently 57,000 km of unformed roads compared to the 99,000 km of formed roads. The implications for councils of managing public access to these roads are huge and potentially very expensive.

We are concerned that proposals to enhance walking access may hinder the broader policy responses required to manage unformed legal roads. For example, a proposal to identify unformed legal roads on recreational maps may encourage the public to access the roads, before councils have the ability to manage that access. We request that policy work on Walking Access is co-ordinated with the review of the provisions relating to unformed legal roads.

Requested action from Government

We seek a broad review of the regulation relating to unformed legal roads. This should provide the necessary powers and tools to manage the use of the land in unformed roads in a way that maximises the potential values of the land, while being practical and efficient to implement.

Sustainable Urban Development

The Department of Internal Affairs has released a discussion document exploring place-based approaches to sustainable urban development called “Building Sustainable Urban Communities”. The discussion document presents a range of options to resolve some of the identified barriers to achieving quality urban development.

This document accurately raised many of the barriers faced when attempting to deliver the types of development and the types of cities that New Zealand needs for the future. In particular, we see the difficulties in funding urban development projects, the length and nature of planning and development control processes and public resistance to urban intensification as main barriers to achieve better urban development.

We support some of the suggested options in the discussion document to resolve urban development issues. However, given financial constraints, capability and capacity issues, we consider the best gains and opportunities lie in joint local and central government development of specific urban development “pilot projects” in key locations. These projects could change the public perception of medium density development and will be an opportunity to test new ideas before jumping to legislative change.

We are aware that there are already some pilot projects underway in Manukau, Hobsonville, Waitakere and Wellington. We strongly urge that the focus must be on existing “brown-field” locations not “green-field” sites to avoid urban sprawl.

A number of councils are very willing to work directly with Government on these projects if some seed funding was made available. We are aware that no councils in New Zealand will be introducing the Affordable Enabling Territorial Authorities Act due to risk and funding issues.

If the Government wishes to move towards more effective and efficient cities and towns, then the continued dialogue between local and central government on urban development, with involvement of the private sector, must continue. We see gains for all parties through working together on specific projects and through joint learning. We believe that a focus on narrow regulatory options (for example a National Policy Statement on urban design) would not provide the broad considerations and responses needed.

Local government objectives

Essentially current urban development practices are not delivering the type of development, housing and cities that this country needs for the future. The financial gains for developers to produce quality, well designed and integrated urban re-development do not outweigh the gains from traditional poorly designed “green-field” subdivisions on the outskirts.

Continued urban sprawl and the development of subdivisions that use up valuable and productive soils require a range of new infrastructure and result in increased traffic on roads. The affect on the economic efficiency of our cities is not a pattern that this country can sustain.

Increased density of development is needed in strategic urban locations. Undertaking and providing this type of development is very difficult, hence the need for local and central government to work together and lead by example to initiate change. We consider that there is a huge opportunity presented by the current economic situation to initiate some urban re-development projects as a way of investing in the future growth of our towns and cities.

Requested action from Government

We welcome continued dialogue with *Local Government New Zealand* and individual councils on urban development issues and options. In particular, funding issues (for all parties including private developers), options for streamlining planning and development control processes, and ways to incentivise “good” development. We consider that some central and local government joint pilot projects would be the best way to approach these issues in the short-term, with lessons learnt to be incorporated into any required legislative change in the long-term.

National Library

Local Government New Zealand works with the National Library on any policies affecting any future development of libraries. The Aotearoa People's Network (APN), a project to implement internet access in libraries, has been very successful.

The APN work also highlights the emerging issue of how people access information, how it is increasingly stored digitally and what skills library staff may require in the near future.

Local government objectives

Local Government New Zealand supports the continuation of projects like APN and further work to develop library services that meet the future needs of communities.

Because written material will also be sourced in digital form, the need for a centralised ICT system is evident as opposed to duplicating resources across all libraries. We would like to explore shared services models and integrated ICT systems.

Requested action from Government

We ask the Government to:

- continue to promote and support the Aotearoa People's Network and access to technology through libraries
- explore shared services and integrated ICT systems models for accessing information and material digitally
- assist with developing and implementing training programmes for library staff in parallel with trends from books in a written form, to internet access, to information and entertainment material.

Police

Implementation of the Police Act

All communities want to feel safe from crime. Councils have a strong interest in community safety and undertake a range of activities to contribute to this. The Local Government Act 2002 formalised local government's role in promoting the well-being of communities. It introduced a range of statutory processes that involve working collaboratively with communities, local agencies, and government departments, in identifying community outcomes and developing strategies to achieve them. This includes a requirement to report back to communities on the state of those outcomes in their district or region.

The Police Act 2008 represented a well-needed modernisation of governing legislation for our Police force. We recognise that community safety is a shared undertaking. The local government sector strongly supports effective engagement between councils and Police, and the recognition of the importance of such relationships in the new legislation. Councils and the Police work closely alongside various community groups, to contribute to community safety. Councils have a strong interest in working with Police to identify local priorities, develop strategies to achieve community safety, and report to the community on outcomes. Such engagement can contribute to greater responsiveness to local priorities, efficiencies in resource use, more effective service delivery, and greater community safety.

Local government objectives

With new legislation, and increases in community policing numbers, local government and local communities look forward to enhanced partnerships with Police. As the new legislation is implemented, we believe there are a number of areas where councils and the Police can work together effectively at the local level. These include:

- Information Exchange
 - ⇒ facilitating information exchange between the Police and councils
 - ⇒ reporting of Police data and statistics at regional and city or district level
- Community Outcomes
 - ⇒ the contribution of Police in working with councils to progress and monitor Community Outcomes under the Local Government Act 2002; and
- Local responsiveness
 - ⇒ community input into key performance indicators and priority setting.

Requested action from Government

We ask the Government to ensure:

- the Police and local government continue to maintain and develop their relationship at a national level to support relationships at a local level
- the Police continue to consult with local government on the development and implementation of the community policing strategy
- local government and the Police continue to work together on opportunities and mechanisms that enable greater responsiveness of the Police to local needs and local communities.

Social development and employment

Addressing social and community issues

We have a range of diverse communities, each with their own unique identities and issues. Addressing the social issues facing our communities requires more than a “one-size-fits-all” approach. It involves multiple agencies working in partnership under the leadership of their local and regional democratically elected representatives.

The issues facing communities are growing in complexity and are impossible for any single agency or sector, including local or central government, to solve in isolation. Effective solutions require collaborative efforts involving local and central government, along with iwi/ Maori, business and the community sectors. We work with councils to ensure they have mechanisms in place to influence the way government agencies allocate resources to address social issues.

Local government objectives

The community outcomes, identified by communities through the Long Term Council Community Planning process, must be the drivers of public policy and investment in our towns, districts, cities and regions. We would like to see community outcomes reflected in the annual Statements of Intent prepared by government agencies.

These are the priority areas which require a collaborative government response:

- policing and the justice system
- the management of alcohol and its misuse
- graffiti
- street racing
- youth gangs and youth offending
- family violence
- housing.

Recent government initiatives have gone some way towards addressing graffiti and tagging issues and the funding of third sector agencies. Central government now has to work with local government in implementing these initiatives. There are also outstanding issues to tackle, such as the management of alcohol, street racing, youth gangs and youth offending. For example, in the management of alcohol, a priority is the amendment of legislative frameworks to provide councils and communities with greater ability to control the location and density of licensed premises.

Because of their close relationship to the community, councils can inform government policies and tailor government programmes so they effectively meet the needs and priorities of local people. A solid foundation exists for building central and local government partnerships on social issues and we must make the most of these partnership opportunities for the betterment of our communities.

Councils also have an important role in taking leadership on social issues. Councils often facilitate co-ordinated action on local issues amongst government departments and NGOs. For example, the Mayor of Rotorua has taken a strong role in leading community discussion and action on child abuse as a result of serious recent cases in the area. The Horowhenua District Council has put a lot of effort into ensuring that government departments provide a more co-ordinated service to the most “at risk”

families in their district. Their work has resulted in a programme which provides focused wrap around care to these families, reducing the duplication and impact of multiple government agency interactions, and leading to better outcomes for those involved.

Requested action from Government

We are seeking a collaborative approach in the priority areas for joint action and opportunities for input into policy and programme development around social issues at an early stage in the process.

Tourism

One of the objectives of the New Zealand Tourism Strategy 2015 is “to make sure that there is enough investment in the infrastructure needed to meet growing visitor demand. This includes roads, the availability of broadband, especially in rural and remote areas, water supplies, managing wastewater, public toilets, signage and car parks”. Unfulfilled demand across all infrastructures for tourism purposes is likely to exceed \$250 million.

The Tourism Demand Subsidy Scheme sought to address the costs created for communities in supporting tourism through ratepayer funded infrastructure and the impact of growing visitor numbers and activity. Under the mutually agreed criteria adopted for the scheme, targeted at only the sanitary and drinking water infrastructures, the net value of projects that fully met the criteria was \$63 million, against a fund of \$11 million.

Councils also provide direct funding to regional tourism bodies totalling over \$27 million, and a similar amount for events. Such funding is primarily for marketing purposes, however, local communities are increasingly being asked to fund a destination management role. The national economic benefits leveraged from local efforts and contributions are not necessarily recognised in the form of government investment in the infrastructure that supports the tourism sector.

The NZ Tourism Strategy 2015 is largely predicated on New Zealand’s environmental offering. Since environmental management is primarily a local authority responsibility, there needs to be improved consideration of council’s contribution and impact on the tourism industry when developing policy and programmes.

Local government objectives

Councils are a key player in the New Zealand Tourism Strategy 2015 and need to work in partnership with central government on the implementation of the strategy.

Requested action from Government

We are seeking:

- a review of the funding, criteria and allocation of the Tourism Demand Subsidy Scheme to ensure it meets growing visitor expectations
- increased funding for the Tourism Demand Subsidy Scheme
- support for new funding models for infrastructure investment and environmental management as agreed by the tourism sector and local government
- partnerships to address destination management issues such as recycling, waste management, access to public facilities, public safety and community engagement.

Transport

Transport and the provision of associated infrastructure and services is a high priority for councils. This is primarily because roads and transport are key enablers in the delivery of the social, economic, environmental and cultural well-beings for communities. While funding for existing and future levels of transport service is the dominant issue, the secondary issues of accountability for local share and the delivery of local and regional expectations are also high on the agenda.

Local government objectives

Local government, together with central government, is joint funder of transport infrastructure and services. Because of this councils expect to be treated as a full partner in the decisions affecting transportation futures, not just as another “stakeholder” to be consulted. If Government is to have any hope of achieving its long-term strategic transport objectives, councils must be engaged as full and equal partners, upon whose infrastructure a significant proportion of the Government’s roading and transport revenues are generated.

Requested action from Government

We expect ongoing engagement and consultation over:

- implementation of the Land Transport Management Amendment Act 2008 (including the Government Policy Statement)
- transport (not just land) strategic planning and targets
- funding - as transport moves towards a sustainable future, the current funding mechanisms will be inadequate, particularly if future expectations (including modal shift for freight and people) are to be achieved. The views of local government must be taken into account as new funding mechanisms are developed.

New Zealand Transport Strategy (NZTS)

This is a highly aspirational, non-statutory document, which sets long-term targets and signals significant changes for the transport sector. Principle drivers are around climate change through the reduction in carbon dioxide emissions and energy efficiency.

Local government objectives

We believe the focus of this document is too narrow and as such, it has missed the opportunity to encourage transition to sustainability and resiliency in a more holistic manner. The initial strategy had very limited opportunity for well considered input into its development and targets. There has also been limited opportunity for input into how it can be implemented. Local government would like to see a more inclusive process used in the refresh of this strategy so that consensus can be reached on its focus, its targets and how it will be implemented.

Requested action from Government

We ask the Government to take into account the views of local government in the refresh of the New Zealand Transport Strategy.

Government Policy Statement (GPS)

This is a statutory statement of intent owned by the government. It signals priorities, targets, funding and revenue streams for a three year period. The development of

the first Government Policy Statement was not as inclusive as it should have been and this has resulted in issues around how its national targets would be disaggregated to regional and local levels.

Local government objectives

The local government sector is consulted through *Local Government New Zealand* (as per the Land Transport Management Amendment Act 2008) in the development of the Government Policy Statement. In particular, that consultation shall include the setting of national and regional targets, activity funding indications, priority route determinations and the implications on levels of service of decisions made in relation to the above.

Requested action from Government

We ask that local government is consulted in the development of the Government Policy Statement and in particular, the setting of national and regional targets, activity funding indications, priority route determinations and the implications on levels of service of decisions made in relation to the above.

Funding

The current model for funding of transport services and infrastructure is becoming unsustainable as the demand for levels of service increases and modal shift opportunities need to be addressed.

Local government is a co-funder of a substantial part of the road and transport network. For some councils a substantial part of their budget is spent on roads and/or transport. Costs for the provision of these services (with service delivery mostly contracted out to the private sector) are increasing at a rate faster than the CPI. Much of the local government network consists of low volume roads with relatively low levels of service. While they may be fit for purpose, their maintenance costs are such that full road pricing will never be a viable funding solution.

It is clear that in addition to the current review of Road User Charges, Government will need to undertake a more substantive review of transport funding.

Local government objectives

The local government sector is consulted through *Local Government New Zealand* in current and future reviews of transport funding.

Any reviews of transport funding take into account the co-funder status of local government and recognise the limited range of funding tools available to local government. Also any reviews of the NZTS and GPS should take into account the issue of funding affordability.

Requested action from Government

That the views of local government are considered in any current or future transport funding review, recognising the sector's unique status as co-funder and partner in the provision of these services.

Land use and transport planning

For some time tensions have existed between the local government sector and crown agencies on their respective roles in balancing the relationships between land use and transport planning.

In making decisions local government must take into account the social, environmental, cultural and economic well-beings of its community. This means that councils can't just focus on transport related impacts. This view is sometimes at odds with agencies whose sole objective is to focus on transport outcomes and they have been known to apply considerable resources towards getting the outcome they seek.

We believe that transport is an enabler of a range of other activities and we acknowledge that it can sometimes drive development and land use. However, we reject the notion that all development having adverse traffic impacts is necessarily bad. Some of these impacts may have short and long-term financial implications, but there needs to be a mechanism to ensure that these costs are balanced against the benefits which could accrue locally, regionally and nationally.

Local government objectives

The ability of councils to make holistic decisions in relation to land use is not being compromised because of government agency behaviors protecting their network integrity. If practical, some form of memorandum of understanding is developed between transport agencies and the local government sector, which identifies trigger points to help identify issues that may arise in advance.

Requested action from Government

We ask that the legislated need for local government to take a more holistic and less transport focused perspective in land use planning and land use consent decision-making processes is recognised.

Ministry of Economic Development proposals for road corridor

Legislation governing electricity, gas and telecommunications utilities provide those utilities with a right to access road corridors (to maintain and install infrastructure) subject to "reasonable conditions" imposed by Road Controlling authorities. The Ministry for Economic Development (MED) propose legislation (a Utilities Act or similar) to provide for more consistency across the respective Acts and to mandate a national code of practice for utility access to the road corridor (the Code). A draft of the Code has been developed by representatives from utilities operators and road and rail corridor managers. Local Government is both a utility operator (water and wastewater) and Road Controlling Authority (local roads) and has been both instrumental and heavily involved in the development of the Code.

Local government objectives

Local government supports the development of the Code and more consistent processes for the utilities access. It is hoped that the code will encourage utility operators to overcome a reluctance to share information and thereby enable better co-ordination of utility and road networks and works. However, we remain concerned that costs of utilities access to the road corridor, in relation to damage to the road asset, are yet to be fully acknowledged by the industry and the Government.

If the legislation mandates the Code (which is voluntary) we have some concerns about who will manage the Code and how it will be managed. If a statutory body is established for this purpose then its membership and functions need to acknowledge the considerable interests of local government who are owners and managers of 80% of the corridor space in question.

Requested action from Government

We ask the Government to undertake research to identify the costs of installing and maintaining utility assets on the road assets. The Government should then develop a

charging regime that charges utility operators for the increased maintenance costs utility access created, rather than the existing arrangement that redistributes those costs to ratepayers.

Utility infrastructure

Government differs in its approach to funding transport infrastructure and utility infrastructure. It currently returns part of its revenues to all councils for both the operational and maintenance costs of transport and roads, but makes no systemic contribution for other infrastructure. Much of this infrastructure was built and is operated and maintained by councils, as well as being fully funded by communities through rates or user charges. Both roads and other infrastructures are essential to community well-being.

Local government objectives

We are concerned about the funding of utility infrastructure. The legally mandated ten-year plans of councils, the 2006-2016 Long Term Council Community Plans, collectively budget for capital investment of \$31.7 billion over the ten years. Utility infrastructure has a substantial national benefit component and is the single largest driver of current rates increases. To help meet this significant cost we are seeking cost-sharing arrangements with central government, which will reduce the reliance on the general rate to fund this infrastructure.

There are different drivers of infrastructure investment. There is the need to respond to growth of the economy and communities, in the form of new housing subdivisions, new retail facilities and new community facilities. There is an element of historical catch-up as some councils address past under-investment in infrastructure. The changing and increasingly stringent requirements on councils, as infrastructure owners, to accurately value assets and provide for maintenance and depreciation are driving catch-up investment.

Added to this, there is community demand for increasing levels of service. Within the community outcomes process, community demand is moderated to some extent by the ability of communities to pay. Problems arise when Government mandates standards or levels of service beyond the ability of communities to pay, or at levels which communities may feel are unwarranted or unjustified.

Requested action from Government

We ask the Government to:

- take local government views into account in decision-making on core infrastructural services
- meet the full incremental cost of providing infrastructural services to meet Government-imposed levels of service
- recognise the national benefit of local core infrastructural services through a central government contribution towards the annual operation cost of those infrastructures.

Part 3: About *Local Government New Zealand*

Our mission

Local Government New Zealand is the national voice of local government and the champion of best practice in the sector. Our mission is to represent and promote the national interests of local government.

We achieve national policies and legislation that support effective local government by:

- advocating on behalf of our sector
- seeking to work collaboratively and in partnership with central government to achieve our objectives
- identifying policy or legislative issues that need to be addressed
- developing a local government manifesto that spells out the key policy and legislative changes that local government needs to secure
- undertaking policy analysis and research to support our advocacy
- maintaining a highly visible and credible profile as the national voice of local government.

We provide services and support to councils to enhance effective local governance, including:

- the development of services and information
- the development and operation of a range of governance support and training programmes
- as a champion of best practice and continuous improvement across local government
- supporting the Local Government Industry Training Organisation (LGITO)
- providing opportunities for the sector to share information and experience and as a vehicle for collaboration where member councils see a need
- undertaking research, as required, to support council activities.

Our vision

We work to achieve effective governance across New Zealand, something which is vital for the well-being of all New Zealanders - now and in the future. We want to ensure communities enjoy sustained economic development, a healthy and safe environment, social cohesiveness, a vibrant and developing culture and identity, a stable political climate and access to quality infrastructure, resources and amenities.

As the national organisation of New Zealand's councils, we are committed to supporting local government perform to the best of its ability.

Our work programme is based on the following priorities:

- achieving a genuine partnership with Government
- achieving financial sustainability for the local government sector
- jointly developing sustainable transport and utility infrastructure solutions
- adapting to environmental sustainability
- addressing safer community issues.

Our partners

We maintain effective partnerships and strategic alliances with a range of central government, local government and private sector stakeholders.

Partnership with central government is focused on the Central Government/Local Government Forum and includes relationships with government Ministers, Ministries and Departments, chief executives, officials and Crown agencies. Our partnership with the Society of Local Government Managers (SOLGM) is both strategic and operational - recognising the respective roles and overlapping interests of the two organisations and the key role that SOLGM members (as council staff) play in all *Local Government New Zealand's* activities.

We also maintain links with a large number of non-government and private sector agencies who share our vision of effective local governance.

Our people

The National Council is the elected leadership of *Local Government New Zealand*. Its role is to guide the organisation on its annual work programme, priorities for the sector and the development of policies and legislation which promote and enhance local governance.

The members of National Council are:

Lawrence Yule	<i>President</i>	Mayor of Hastings District
Kerry Prendergast	<i>Vice-President</i>	
	<i>Metropolitan Sector</i>	Mayor, Wellington City
Dianne Hale	<i>Zone 1</i>	Councillor, North Shore City
Mark Farnsworth	<i>Zone 1</i>	Chair, Northern Regional
Phillippa Barriball	<i>Zone 2</i>	Mayor, Thames-Coromandel District
Ian McKelvie	<i>Zone 3</i>	Mayor, Manawatu District
Adrienne Staples	<i>Zone 4</i>	Mayor, South Wairarapa District
Bede O'Malley	<i>Zone 5</i>	Mayor, Ashburton District
Frana Cardno	<i>Zone 6</i>	Mayor, Southland District
John Forbes	<i>Rural Sector</i>	Mayor, Opotiki District
Peter Tennant	<i>Provincial Sector</i>	Mayor, New Plymouth District
Len Brown	<i>Metropolitan Sector</i>	Mayor, Manukau City
Peter Chin	<i>Metropolitan Sector</i>	Mayor, Dunedin City
John Cronin	<i>Regional Sector</i>	Chair, Environment Bay of Plenty
Stephen Cairns	<i>Regional Sector</i>	Chair, Otago Regional Council

Local Government New Zealand has a team of 22 staff. For more information please contact one of the management team listed below or visit www.lgnz.co.nz

Eugene Bowen	Chief Executive
Geoff Swainson	Manager, Development and Infrastructure
Irene Clarke	Manager, Environment and Regulation
Mike Reid	Manager, Governance
Kirsty Anderson	Manager, Communications