The Future of Local Government in New Zealand

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Local government – delivery of services

- Local government provides essential services to our communities
- We deliver the services the community care about
- Waste disposal, recycling, treatment of our water supplies
- Roads, cycleways and footpaths
- Providing recreational facilities and local services
The Better Local Government reforms stated that:

> The current purpose statement is “unrealistic” and “creates false expectations about what the sector can achieve”

> The purpose changed to “(b) to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses

> Our communities need to know how well we are delivering our services
Local government needs to be better at selling the value of our services to the wider public – an array of services for much less than other household expenditures.
The challenge of growth

> Auckland facing major growth challenge
> 50% faster than rest of NZ
> 1 million more people by 2040
> 38% of GDP, 44% of exports and imports, 1/3rd of the population
Challenge of population changes

Whether we are a small community or a larger community changes in the population and demographics will drive investment decisions.

It is about demographic change and the pressures caused by these changes.
Levels of service – the big debate

What can councils afford to deliver?

> Demographic changes in NZ- some areas will shrink while others grow.

> Local government needs to be realistic about what we can achieve with the rating base we have.

> Decisions will have to be made on a priority basis but also reflect the needs of the community.

> Local government needs to be exploring alternative funding sources for the future.
Levels of service – the big debate

Bulk Purchasing

Collaborative arrangements

Shared Services

Who’s keeping our water in the tap?
Levels of service – the big debate

Local

Bespoke

Effective

Who’s looking after our communities’ future?
Local Government Act – Amendments

- Reforms
- Scrutiny $
- Assets
Delivery of services – shared services

Options to consider

> Efficiency – will it be more efficient service delivery?
> Effectiveness – will it be easier to achieve better outcomes?
> Better value – can we achieve savings?
> Does the community see it as a sensible option?
Changes to the way we deliver services

- Roads
- Environment
- Regulation
- Water
- Refuse collection
- Community services

No matter what, change in the delivery of services in local government is inevitable
Changes to legislation

Local Government Act 2002 Amendment Bill (3)

- Amendments to principles
- Establishment of local boards
- Decision making amendments
- Significance and Engagement Policies
- Development contributions policies
- Development agreements
- Schedule 7 Local authorities, local boards
- Audio link or audio-visual link
- Joint committees
Changes to legislation

Local Boards

- Easier to establish local boards
- Give local boards allocations in terms of budgets
- Allow local boards to propose bylaws
- Establish the relationship between the governing body and the local boards as a partnership
The Auckland Plan

30 Year vision – ‘To become the world’s most liveable city’

6 transformational shifts:

1. children and young people
2. environment
3. public transport
4. urban environment
5. Living standards
6. Maori social and economic wellbeing

Key deliverables: Unitary Plan, Integrated transport, revitalised city centre, southern initiative

We are. LGNZ.
Changes to legislation

Decision making

- Less use of the Special Consultative Procedure
- Not mandatory to consult on the Annual Plan
- Decision making processes need to be compliant with LGA and the amendments to the purpose

Consultation and engagement policies

- Policy to set out what you will consult on and the process for consultation
- Policy to set out what engagement with the community means
- New consultation document for Long Term Plans
Changes to legislation

Development Contributions

- New purpose of development contributions
- Development contribution principles
- Restriction on power to require contributions
- Right to object – DC Commissioners - hearings

Local authorities, local boards, community boards, and their members

- Attendance at meetings by audio link or audio visual link
- Helpful to rural councils
Changes in regulation

Financial Prudence Benchmarks

- Rates income complies with limits in FIS
- Debt complies with limits set in the financial strategy
- Rates per rating unit
- Net debt per rating unit
- Balanced budget
- Capex ratio
- Borrowing costs
- Net cash flow
- Net debt
Delivery of services

Principles relating to local authorities

A local authority must, from time to time, review the cost effectiveness of current arrangements for meeting the needs of communities within the district or region for good-quality local infrastructure, local public services and performance of regulatory functions.
Good quality local infrastructure
Infrastructure

Future infrastructure investment

> Infrastructure strategy in the next LTP
> Strategy for the major infrastructure investments (30 years)

> Roads
> Wastewater
> Water Supplies
> Stormwater
> Flood banks

> More scrutiny of asset management planning systems
Collaboration

- More emphasis on collaborative solutions to gain efficiencies
- Joint delivery across areas – roading control authorities
- Building Control Authorities – shared services
- Other opportunities for shared service delivery within the sector
Collaboration

> Innovation from Wasteminz
> Best practice sharing
> Connected to the community at a local level
> Contributing to our safety and our environment
> Being a leader in the sector
> Saving the environment for future generations
Questions

Who’s looking after our communities’ future?

We are. LGNZ.