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Priority Urgent



Te Tari Taiwhenua

Local Government Briefing

Hon Rodney Hide
Minister of Local Government

Title: Westpac Local Authority Conference 2009

Date: 29 April 2009

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| Key issues |
| You are speaking at the Westpac Local Authority Conference on 4 May 2009. This aide memoire provides you with brief background notes and draft speech notes for the conference. |

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| Action sought | Timeframe |
| Note the contents of the attached aide memoire and draft speech notes. | 1 May 2009 |

Contact for telephone discussion (if required)

| Name | Position | Telephone | | Suggested first contact |
|---------------|-----------------------|-------------|-------------|-------------------------|
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DMS file reference: PLG-1779-10 Doc 1667898DA
Ministerial database reference: LGC200901350

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Proactively Released by the Minister of Internal Affairs

Aide memoire for the Westpac Local Authority Conference 2009

Purpose

- You are speaking at the Westpac Local Authority Conference on 4 May 2009. You are scheduled to speak for 30 minutes from 9.30am. This will be followed by a question and answer session, from 10.00am-10.30am.

Who will be attending?

- The Westpac Local Authority Conference is a national forum for first and second tier managers of local authorities. Other key industry figures are also invited.
- The purpose of the forum is to discuss the challenges and opportunities in the sector, particularly as they relate to finance and the economy.

Issue of most interest

- The issue of most interest will be Auckland governance. Attendees from the Auckland councils are meeting before the conference at 7.30am for a presentation about the Royal Commission of Inquiry's report on Auckland governance.

Potential questions

- Potential questions and answers are provided with the attached speech notes.

Noted

signed by the Hon Rodney Hide

Hon Rodney Hide
Minister of Local Government

/ /2009

Draft speech notes for Westpac Local Authority Conference 4 May 2009

Royal Commission of Inquiry - summary of the Government's decisions

Auckland governance structure

- There will be one Auckland Council as the first tier of Auckland governance.
- There will be one Mayor for Auckland with governance powers, elected 'at large' by the region's residents and ratepayers.
- There will be 20 Councillors. Eight will be elected at large. Twelve will be elected from wards – the boundaries of which will be determined by the Local Government Commission.

"At large" and "ward councillors"

- Having members elected 'at large' provides:
 - electors with a much wider choice of candidates;
 - more diverse representation (including representation for minority interests which might be spread across a district) and rural representation;
 - it accentuates that the elected councillor's role is to represent the interests of the entire Auckland region – not just to represent ward constituents; and
 - it means that half of the Auckland Councillors would be elected from the same people that elected the Mayor.
- The councillors elected 'at large' will be balanced by 12 councillors elected from wards. This will ensure that local community interests and needs are represented on the Council.
- All elected members of the Auckland Council would need to act in the interests of the region.

Local Boards

- There will be 20-30 second tier local boards, made up of between 125-150 local board members.
- Local board members will have more powers than the current community boards in Auckland, but will not be able to raise their own revenue or hire staff.
- The role of local boards will be to advocate for their communities and make purely local decisions.

- Details of the number of boards and their boundaries, as well as the boundaries of the Auckland Council and the wards within the Council, will be made by the Local Government Commission

Planning

- There will be an integrated approach to all Auckland Council planning.
- This will involve a single long-term council community plan (LTCCP) for the Auckland Council.
- This will save money and reduce duplication of roles.
- The LTCCP will be given effect to in a statutory Regional Infrastructure Investment Plan and an Auckland Spatial Plan.
- These plans will be given effect to in a transport plan, regional policy statement, and the district plan.

Transport and water

- There will be an improved and simplified transport approach and one water and wastewater provider.

Next steps

- Over the next few weeks the Prime Minister, John Carter and I will continue to actively engage with the people of Auckland, Mayors and businesses to ensure their voices are heard and to garner their thoughts and ideas.
- I will shortly introduce legislation to create an Establishment Board to manage the transition to the new structures
- I will also be making appointments to the Board soon.
- Ministers will continue to make decisions in the next few months and there will be further legislation introduced this year.
- The transition will largely be completed by October 2010

Other Local Government issues

Long-term council community plans

- Many councils have expressed concerns to me about the current long-term council community plan process. These include:
 - the cost of preparing and auditing LTCCPs;
 - that over-consultation is occurring causing “submission fatigue” for ratepayers;
 - that the community outcomes process is being used to extend councils’ roles beyond core services; and
 - that consultation processes are unduly increasing the influence of pressure groups.
- While the Local Government Act 2002 emphasises the need for transparency and accountability in local government, in practice few new mechanisms have been introduced to apply those principles.
- The transparency principle has resulted in much more information being disclosed, but arguably without sufficient attention being paid to its relevance and usefulness.
- The Department of Internal Affairs is monitoring the draft LTCCPs that are being released and I am expecting to receive a briefing shortly that identifies the major trends in the sector.

Transparency, accountability and financial management

- I am also focusing on council decision-making, transparency, accountability and financial management.
- The local government sector is co-operative by nature, rather than competitive.
- An important issue for the sector is to share ideas and methods to improve efficiency and service delivery.

- The Whangarei District Council has taken great initiative to cut roading costs
- The design and contract model that the Whangarei District Council has developed is a good example of achieving savings and reducing costs for ratepayers by thinking outside the square.
- Councils can also improve efficiency and outcomes using other methods, for example, by entering into shared service agreements. The shared service department of the Rangitikei District Council and Manawatu District Council is a good example of rural districts collaborating to provide core services to ratepayers where required.

Rates

- Since I became Minister of Local Government, I have received hundreds of letters from concerned ratepayers about the cost of rates and council services.
- I appreciate the challenges you face in providing services to ratepayers within the limited resources available to you.
- However, in my view there needs to be effective communication and clear information about the costs involved with projects. There needs to be clarity about the impact costs will have on ratepayers, for there to be a true mandate for councils' actions.
- In the current economic climate it is particularly important for councils to exercise financial prudence and spend ratepayers' money wisely.

Building Act and Resource Management Act reviews

- With respect to regulatory reform, I am pleased to advise that my colleagues are continuing to work on streamlining the Resource Management Act 1991 and the Building Act 2004.
- These changes will help to simplify consent processes and reduce costs and delays for councils and ratepayers.

Question and answer session

Potential questions and draft responses are listed below.

Question about representation

- The mechanisms in the Local Electoral Act 2001 allow for Māori representation.
- A poll to determine the level of support for Māori wards or constituencies could be run at the 2010 local elections.
- The local community board members and ward councillors will advocate for local residents and communities.

Will other councils in New Zealand be amalgamated?

- There are opportunities to gain efficiencies and improve outcomes in local government and this can be achieved in many different ways. Amalgamation is one possible way.
- However, this depends on the priorities of the council and its ratepayers and citizens.
- The focus at the moment is on implementing changes in the Auckland region. This will be a significant task.
- However, I am sure that there will be many lessons we can learn and apply to other parts of the country.
- You may be interested to know that formal proposals to form new councils or to amalgamate existing councils are considered by the Local Government Commission (which is independent of both central and local government)
- Any proposals to amalgamate existing councils can be put into effect when over 50 per cent of electors in each of the affected districts or cities vote endorsing the proposal.

How will the boundaries for the 1st and 2nd tiers be determined?

- Decisions on the boundaries of the Auckland region will be made by the Local Government Commission in time for the local elections in 2010.
- This would include the Auckland Council's boundaries, the wards within that and the boundaries and number of Local Boards.

- Twenty to 30 local boards would provide for a ratio between one local board for every 70,000 people (20 local boards), to one local board for every 47,000 people (for 30 local boards).

How would the relationship between the Auckland Council wards and the local boards work?

- The relationship between local boards and Auckland Council wards, will need careful consideration.
- The primary role of the local boards will be to advocate for their local communities.
- The primary role of the ward member would be to act in the interests of the region, however, in so doing, they will have the important role of being a conduit for information from the local boards to the Auckland Council's decision-making processes.
- This may mean that the Local Government Commission, in determining Local Board and ward boundaries, would seek to ensure, to the extent possible, that ward boundaries encompassed, or were co-terminus with, local board boundaries.

Why is the Government rushing the implementation of its decisions?

- Significant decisions for Auckland have to be made before next year's local authority elections. Doing nothing is not an option for this Government.
- The legislative process I have outlined today will get Auckland there. It will provide a strong platform for greater Auckland and New Zealand to thrive.