Q: How do the provisions in this Act affect council consultation and engagement?
A: The 2014 Act makes changes to the processes that councils use to consult their communities, by:
  • repealing most requirements to use a prescribed, formal process (the special consultative procedure) when consulting under the Local Government Act 2002; and
  • amending the special consultative procedure, so when it is used it can accommodate new ways of communicating and consulting with the public.

In circumstances where councils do not use the special consultative procedure, they are required to use a process that gives effect to the principles of consultation already contained in the Local Government Act 2002, and to make certain information publicly available during that process.

In addition, the 2014 Act provides for a new significance and engagement policy. This builds on existing significance policies, but with more detail about the purpose and contents. The purpose of the policy is to provide clarity about how and when communities can expect to be engaged in decisions about different matters, depending on the degree of significance the council and its communities attach to those matters. Councils must adopt this new policy by 1 December 2014.

Q: Why have these changes been made?
A: The intention is to provide councils with more flexibility about how they undertake consultation. This will enable them to design decision-making and engagement processes that are appropriate in different circumstances, and meet the needs and expectations of different communities.

Q: Does this mean councils do not need to consult their communities?
A: No. The intention is that consultation is more effective and suited to the issue. Councils are still required to consult.

Q: When would council use the special consultative procedure?
A: Councils are only required to use the special consultative procedure in relation to:
  • adopting or amending a long-term plan; and
  • making, amending or revoking a bylaw under the Local Government Act 2002 if:
In addition, there are several pieces of legislation, other than the Local Government Act 2002, which require councils to use the special consultative procedure. Those requirements will remain, but how they are met are affected by the changes to the procedure made by the 2014 Act.

Q: How does this Act affect consultation on long-term plans?

A: Under the changes made by this Act, councils are now required to publish a single consultation document instead of a draft long-term plan and summary of that plan.

The new consultation document will be the basis of discussions between councils and communities about the issues facing the district/region, and how councils are proposing to address those issues.

To encourage public participation, and facilitate efficient and effective consultation, the new documents are to be concise and tightly focused, and presented in a way that can be readily understood by interested and affected people. They are to concentrate on identifying important matters and explaining what these mean, including how rates, debt and service levels might be affected by proposals. They must not include detailed technical material or full drafts of any policies or strategies.

Q: What sorts of things will be in a long-term plan consultation document?

A: It will be largely up to councils to decide what to include, based around the issues that are of interest and importance to their own communities.

However, the Act provides that certain things must be described in a consultation document, such as:

- the main options for addressing each issue identified (including the council’s proposal and the likely consequences of proceeding with the proposal);
- other matters of public interest relating to the proposed content of the council’s financial and infrastructure strategies (but not the full strategies);
- any significant changes proposed to the way the council funds its operating and capital expenditure; and
- the direction and scale of changes to rates, debt and levels of service that will result from the proposed content of the long-term plan.

Q: Does this mean councils do not have to publish a draft long-term plan?

A: To ensure consultation documents are presented in an accessible and user-friendly form, the Act specifies that a draft of the proposed long-term plan is not to be attached.

However, the consultation document must state where members of the public may obtain the information about the proposed long-term plan on which the document is based, and include
links to relevant documents on the council’s website. This means people who are interested in reading the technical material that sits behind the consultation document can do so. Councils are not required to make this information publicly available in the form of a draft plan, though.

**Q: Are long-term plans still going to be audited?**

A: Yes. The Act requires consultation documents to include an audit report from the Auditor-General. This report will cover whether the consultation document gives effect to its statutory purpose, and the quality of the information and assumptions underlying the information provided in the document. Councils will need to prepare and adopt all the information about the proposed contents of the long-term plan to enable this report to be prepared (prior to adopting the consultation document).

The long-term plan adopted by each council will continue to contain an audit report. This report will be on whether the plan gives effect to the statutory purpose of the long-term plan, and the quality of the information and assumptions underlying the forecast information provided in the plan.

**Q: Are there new consultation documents for annual plans as well?**

A: Yes, although the Act sets out different purpose and content requirements for the annual plan consultation document.

The focus of this document is on identifying significant or material differences between the proposed annual plan and what is in the long-term plan for that financial year. This means councils only have to consult if changes are proposed.

Where differences are identified, these must be explained in a way that can be readily understood, and must include matters like:

- significant or material variations/departures from financial statements or the funding impact statement (i.e. changes affecting rates);
- significant new spending proposals, and how associated costs will be met; and
- proposals to delay or cancel significant projects, and associated financial and service delivery implications.

**Q: What happens if there are no significant differences between the proposed annual plan and the long-term plan? Would there be no consultation?**

A: The Act specifies that consultation is not required if the proposed annual plan does not include significant or material differences from the content of the long-term plan for the financial year to which the annual plan relates.

Long-term plans should set each council’s strategic direction for the next three years, and most of the important decisions will have been made, and consulted on, in that context. If no new spending proposals or significant changes are proposed to be included in the annual plan, consultation relating to that plan is unnecessary.

Annual plans still need to be prepared and adopted by every council. Wherever practicable, these should refer to, not duplicate, relevant material in long-term plans.
Q: What is a “significant or material” difference?

A: This is for councils to decide on a case by case basis. Essentially, though, the differences would need to be important and potentially influential, rather than relatively minor in their effect.

Significance is a concept that runs through the Local Government Act 2002, and is defined in section 5 of the Act. To provide further guidance to councils, the 2014 Act includes a definition of “material” for the purposes of the annual plan consultation document.

“Material” a standard accounting term and is used here for that reason. Under the definition in the Act, a difference or variation is material if it could, itself or in conjunction with other differences, influence the decisions or assessments of those reading or responding to the consultation document.

Q: The Act includes provisions that enable elected members, and other people, to participate in council meetings without being present. What does this mean?

A: The Act enables councils that wish to do so to conduct meetings without every member being present in the same room. This means some elected members may be able to attend and participate in the meeting by audio link or audiovisual link. Other people may also be able to participate in the meeting in this way.

However, certain requirements must be met for this arrangement to occur. These include that:

• the arrangement must be permitted by the council’s standing orders;
• at least the number of members who are required for a quorum will be physically present;
• attendance by link does not reduce the accessibility or accountability of the elected member in relation to the meeting;
• technology is available and of suitable quality;
• all those participating can hear and be heard by each other; and
• relevant requirements in the Local Government Official Information and Meetings Act 1987 are met.

It is up to each council to decide if it wishes to conduct any meetings in this way, and to include any specific caveats in its standing orders. There are no requirements to do this or to make technology for an audio link or audiovisual link available. However, it may be considered desirable in some circumstances, such as where a council has a geographically large district/region and there are long travelling distances to the main office, or where an elected member is away on council business and wishes to attend a meeting.