Q: What are the reforms in this Act aiming to achieve?

A: The reforms to the Local Government Act 2002 are designed to encourage and facilitate improvements in how local government operates. They contribute to the Government’s broader agenda of building a more competitive and productive economy, improving the delivery of public services, and improving housing affordability, by supporting councils to operate more efficiently and effectively.

Q: What does the 2014 Act cover?

A. The 2014 Act makes a number of related amendments to the Local Government Act 2002, which:

- encourage councils to explore different ways of working together, to reduce the costs of managing and delivering services;
- make the local boards governance model available to reorganisations that include a unitary authority, with flexibility that means the model can be adapted to different circumstances;
- change how consultation is undertaken, and enable councils to design decision-making and engagement processes that are appropriate to different circumstances;
- provide for concise and focused consultation documents relating to long-term and annual plans;
- require greater transparency about how councils are planning and managing local infrastructure over the long-term; and
- change development contributions provisions to make them fairer and more transparent, and to ensure they do not contribute unnecessarily to rising housing costs.

Q: The Local Government Act 2002 was amended in 2012 – why was there another Amendment Act so soon?

A: Both this Act, and the legislation enacted at the end of 2012, were developed as part of the Government’s Better Local Government reform programme. This was established as a two-phase programme, with each phase involving legislation.

In 2012, the Local Government Act 2002 was amended to provide for a new purpose of local government, make changes to council governance arrangements, enable financial prudence requirements to be set by regulation, and change the procedures for local government reorganisations.

The 2014 Act builds on and complements those amendments. It is informed by reviews undertaken during the first phase of the Better Local Government programme.
Q: When do the changes in this Act take effect?

A: Most of the provisions in the Act came into force on 8 August 2014.

However, the changes relating to development contributions come into effect at different times. This means that:

- from 8 August 2014, councils cannot collect development contributions for community infrastructure that is inconsistent with the new definition, or for reserves that are in non-residential developments;
- requirements for development contributions policies to incorporate a schedule of assets commence one month after 8 August 2014;
- by 1 December 2014, councils will need to have finalised the proposed changes to their development contributions policies, as a basis for consultation; and
- provisions for new principles came into force on 8 August 2014 but amendments to development contributions policies to reflect those principles must have been made by 30 June 2015.

In addition, some other changes do not apply immediately. For example:

- the new long-term plan consultation document, infrastructure strategy, and other changes affecting long-term plans will apply for the first time in 2015 (for the 2015-25 long-term plans); and
- changes affecting annual plans will apply for the first time in 2016.