



Submission to the

Governance and Administration Committee on the

**Local Government (Community Well-being) Amendment  
Bill**

May 2018

# **Auckland Council Submission on the Local Government (Community Well-being) Amendment Bill**

## **Introduction**

1. This is Auckland Council's submission in response to the Local Government (Community Well-being) Amendment Bill (the Bill).
2. The address for service is Auckland Council, Private Bag 92300, Victoria Street West, Auckland 1142.
3. Please direct any enquiries to Jim Quinn, Chief of Strategy. Phone (027) 592-6002 or email [jim.quinn@aucklandcouncil.govt.nz](mailto:jim.quinn@aucklandcouncil.govt.nz)
4. Auckland Council wishes to appear before the Governance and Administration Committee to discuss this submission.
5. This submission has been approved by the governing body of Auckland Council. In addition, ten local boards have requested that their views on the Bill be included as appendices.
6. The submission is organised around the principal aspects of the Bill. The submission is set out as follows:
  - Summary
  - Recommendations
  - Purpose of local government
  - Development contributions
  - Community infrastructure definition – non-land-based infrastructure
  - Community infrastructure definition – partnership infrastructure
  - Minor proposed amendments:
    - Transitional funding arrangements
    - Minor modification of section 200, subsection (5)
    - Crown to pay development contributions

## **Summary**

7. Auckland Council welcomes the opportunity to submit on the Bill and largely supports the proposed amendments to the Local Government Act 2002 (LGA).
8. The council also recommends a few additional modifications to strengthen the Bill, primarily regarding the community infrastructure definition, transitional funding arrangements and minor modifications to the development contributions section.
9. Auckland Council supports restoring the purpose of local government “to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future” and broadening the ability of local authorities to collect development contributions.
10. Council agrees fully with clauses 1 through 10 and clause 12.
11. Auckland Council agrees with the principle in clause 11 of broadening the definition of community infrastructure in section 197 of the Act but proposes some further amendments

that take into consideration modern usage of community infrastructure. A slight broadening of the definition will create a resilient and enduring definition that will respond to the needs of our communities into the future.

12. There are five modifications that we suggest to strengthen the overall objectives of this Bill. These are outlined in the recommendations.

## **Recommendations**

13. Auckland Council makes these recommendations in relation to the proposed amendments to the LGA:
  - Expand the definition of community infrastructure to include community infrastructure (that can be capitalised) but is not land-based.
  - Expand the definition of community infrastructure to include community assets that are developed in partnership with a third party to deliver long-term public amenities.
  - Make a minor amendment to section 200, subsection (5) to include council-controlled organisations (CCOs), due to the governance structure in Auckland where CCOs may also enter into funding agreements with the New Zealand Transport Authority.
  - Remove the transitional funding arrangements in subclause 3 of schedule 1AA that was inserted to address the previous change in the community infrastructure definition over the period between 2014 and 2018.
  - Remove the Crown exemption from payment of development contributions.

## **Purpose of local government**

14. Auckland Council supports reinstating the promotion of social, cultural, economic and environmental well-being of communities into the statutory purpose of local authorities. The current description of the purpose of local government is too limited and does not accurately capture the entire role of local government in New Zealand.
15. The current purpose of local government frames local authorities as service delivery providers for a very limited range of services, specifically, 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.” This narrow interpretation does not acknowledge that, for local communities to thrive, local government needs to take a holistic planning and place-making approach that recognises the intertwined nature of physical infrastructure, public services and broader community wellbeing outcomes.
16. The proposed re-introduction of the four aspects of well-being and specifically the addition of the sustainable development approach is in line with several other acts where the council has a statutory responsibility for protecting and enhancing our natural environment (e.g. Resource Management Act (1991), the Biosecurity Act (1993) and the Hauraki Gulf Marine Park Act (2000)). These proposed changes to the purpose place emphasis on potential value in the future rather than the current focus on reducing cost in the present. This is important for achieving all aspects of well-being. Auckland Council supports the greater weight this revised wording places on the long-term benefits of local government’s decisions.

17. The LGA sets the framework, roles and powers for local governance. Within this framework, local authorities decide what activities they will undertake and how they will best meet the needs of their local communities. Implicitly this suggests the local authorities are best placed to advocate for and deliver services in response to the needs of their local communities. Restoring the purpose of local government to include the four well-beings acknowledges local government's larger responsibilities to residents' quality of life.
18. In Auckland, both the governing body and the twenty-one local boards play a significant role in planning for and delivering on their local community priorities. Restoring the four well-beings to local government's purpose will provide certainty to council and local boards that they are empowered to consider how their decisions will impact on all four aspects of wellbeing. This will create greater clarity for the parameters of decision making in Auckland.
19. Section 79 of the Local Government (Auckland Council) Act 2009 sets out the purpose of the spatial plan (the Auckland Plan) "to contribute to Auckland's social, economic, environmental and cultural well-being through a comprehensive and effective long term strategy for Auckland's growth and development." Furthermore, the spatial plan is also required to "set a strategic direction for Auckland and its communities that integrates social, economic, environmental and cultural objectives." Auckland Council fully supports the legislative framework underpinning the Auckland Plan. The draft Auckland Plan 2050 has six interlocking outcomes and a development strategy that seek to address the four aspects of well-beings. This reinstatement of the four well-beings will resolve the current discord between the purpose of the LGA and these key facets of the Local Government (Auckland Council) Act 2009.
20. In Auckland, Independent Māori Statutory Board's Māori Plan for Tāmaki Makaurau sets a long-term strategic vision for achieving Māori wellbeing in Tāmaki Makaurau. The five Māori values outlined in the Māori Plan are important for Māori wellbeing. These are: whanaungatanga – relationships, rangatiratanga – autonomy and leadership, manaakitanga – to protect and look after, wairuatanga – spirituality and identity, and kaitiakitanga – guardianship. To strengthen the application of the four well-beings by local authorities, the council supports the recognition of these five values in the Bill.
21. Council agrees with removing the "cost-effective" language from the purpose statement. There are many sections of the LGA, particularly section 14, that reinforce the importance of effectiveness, sound business practices and prudent stewardship. Therefore, the use of 'cost-effective' in the purpose statement unnecessarily restricts local authorities, to consider financial wellbeing above others. An overemphasis of "cost-effectiveness" as a 'purpose' of local government limits decision makers to consider activities that have strong financial benefits and disregard the wider social, environmental or cultural impact. For example, the council has agreements with a wide variety of community groups to provide access to council-owned land and facilities at peppercorn rental rates because they provide a valued service that enhances overall community well-being. The early childhood education sector is one important beneficiary of this approach.

### **Development contributions**

22. Auckland Council agrees with the second and third objectives of the Bill. These provide for the reintroduction of territorial authorities' powers to collect development contributions for any

public amenities needed as a consequence of development such as libraries, swimming pools and sports grounds; and technical changes that allow for development contributions to be collected on initiatives that receive New Zealand Transport Agency advanced financial assistance.

23. The return of a broader ability to collect development contributions is welcome. Auckland continues to grow rapidly. Council facilities and services can be costly to deliver in a quickly intensifying city and there is a need for a range of funding mechanisms. The ability to recover costs related to development for community infrastructure is essential to provide residents with quality infrastructure and liveable communities.
24. Restricting the range of chargeable infrastructure pushes costs onto other sources or creates unintended consequences. When development contributions do not accurately reflect the full cost of growth-related infrastructure, there are significant impacts, such as a need for higher rates, deferred maintenance of existing facilities, increased demands or lower levels of services on existing community infrastructure. All of these impacts lead to lower quality of life for current and new residents.
25. In order to ensure that development contributions-funded community infrastructure meets the needs of the community, council supports requiring a robust economic, social, cultural and environmental case be undertaken for proposed new community infrastructure. A more explicit requirement in the Bill for this analysis will ensure that development contributions are not being charged for projects that are a net cost to residents. This will minimise risk that may eventuate from leaving the analysis at the discretion of territorial authorities.
26. Growth-related development is about place-making, not simply about building houses and infrastructure. Prospective home purchasers are interested in their potential neighbourhood. Public services and amenities are part of what makes a home or a city attractive.
27. This Bill removes a key barrier to funding important infrastructure in Auckland. If this objective is not adopted there will be further pressure to increase rates to build these public amenities or restrict infrastructure development.

### **Community infrastructure definition – non-land-based infrastructure**

28. Auckland Council agrees with the principle of broadening the definition of community infrastructure in section 197 of the Act and considers this the appropriate time to reflect on the resilience of this definition for the future.
29. As Auckland grows and develops, the council is seriously considering the future facilities and services communities will require, and how people will access these resources. Already there are several cases of community infrastructure (that can be capitalised) but are not land-based that are growing in prominence and usage. Digital web-based library services and pop-up transportable facilities are two examples of community infrastructure that do not have one physical location and do not fit within the proposed definition. Thus, these innovative efficient types of community infrastructure are not able to be funded by development contributions.
30. To fully bring into effect the objective of widening the definition of community infrastructure, taking into consideration current and future community needs, the council recommends a refinement of the definition to remove the requirement that the asset be “on land.” We acknowledge that to implement this change, amendments would need to be made across the

entire development contribution regime, including for example section 197AB that sets out the development contributions principles. This would require further investigation to identify all the areas where change may be required. Auckland Council staff offer to meet with government officials to help to identify these changes.

### **Community infrastructure definition – partnership infrastructure**

31. Another concern about the proposed definition is that it disincentivises council to work collaboratively with third parties to develop community infrastructure. The proposed definition would constrain the ability to collect development contributions for community infrastructure projects located *on land owned or controlled by councils*.
32. There are several cases of proposed development partnerships with Crown agencies, community entities or private sector providers. For example, projects where the council co-funds a new swimming pool or community hall on Ministry of Education provided school grounds. In these cases, the council may not own the land or lease the land, but we would like to work in partnership to develop shared publicly available community infrastructure. In the future, partnerships will be a more cost-effective way to build public amenities and reduce duplication of infrastructure development.
33. In the case of these community facilities partnerships, the council's share of funding should be eligible for development contribution funding where the new community facility is directly linked to growth (subject to the other development contribution provisions of the LGA and appropriate provisions to ensure reasonable public access and long-term operation of the facility).
34. A suggested amendment to the proposed community infrastructure definition is set out below (deleted text is struck-through, added text is underlined):

“community infrastructure -

(a) means land, or development assets on land, which are either:

- i. owned or controlled by a territorial authority for the purpose of providing public amenities; and or
- ii. owned or controlled by another party in circumstances where a territorial authority has agreed to work in partnership with that party to deliver long-term public amenity

(b) includes land that the territorial authority or another party will acquire for that purpose.

### **Transitional funding arrangements**

35. As a result of the proposed reinstatement of the original definition of community infrastructure, a question arises around the funding of capital expenditure for community infrastructure undertaken by councils over the period between 2014 and 2018 when the more constraining definition of community infrastructure prevailed. That definition constrained development contribution funding specifically to:

- community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated
  - play equipment that is located on a neighbourhood reserve
  - toilets for use by the public.
36. Between 2014 and 2018 many councils have invested significant sums in public amenities like libraries and aquatic facilities utilising other funding sources, including debt. Auckland Council submits that where the costs of these facilities have been debt funded that the growth-related portion of this expenditure applicable to future growth may now be included into development contribution charges as if the proposed definition had always prevailed (and subject to the other relevant provisions of the LGA).
37. It should also be noted that separate transitional provisions already exist in Schedule 1AA of the LGA to deal with the previous change in the community infrastructure definition. In our view subclause 3 is no longer necessary and should be repealed due to the administrative burden that it places on councils.

#### **Minor modification of Section 200, subsection (5)**

38. Council agrees with the third objective of the Bill, the minor technical modification that allows for territorial authorities to collect development contributions for projects financed through financial advances from the New Zealand Transport Authority. However, we propose a minor amendment to add to Section 200, subsection (5), due to the governance structure in Auckland which includes Council-Controlled Organisations (CCOs).
39. Clause 13 does not appear to recognise the unique CCO situation in Auckland. In Auckland, both Auckland Council and Auckland Transport enter into funding agreements with the New Zealand Transport Authority (NZTA). To acknowledge the direct relationship Auckland Transport has with NZTA in entering into funding agreements, we propose this minor amendment to section 200, subsection (5) (added text is underlined):

“**Subsection (6)** applies if a territorial authority or a council-controlled organisation has entered a funding agreement with the New Zealand Transport Agency under which—”

#### **Crown payment of development contributions**

40. Currently the Crown is exempt from paying development contributions. Crown developments such as new schools, tertiary education facilities, prisons and housing requires council-provided infrastructure and places significant demand on this infrastructure.
41. There is particular concern around the area of housing where the government and its various agencies are becoming more involved in the consenting and delivery of large scale housing developments. If these developments were considered to be exempt from payment of development contributions, there would be significant impacts for development contribution revenue streams going forward.
42. Auckland Council proposes the removal of the Crown exemption from payment of development contributions.

43. In the case where the Crown and council would enter into a partnership development project together, council supports the allowance for a Private Developers Agreement that would involve the provision of infrastructure by both parties in accordance with the council's Contributions policy.

**Conclusion**

44. Auckland Council thanks the Committee for its time and effort in considering our submission. Please feel free to contact us to discuss our submission further.

## **Appendix one: Local Board views**

The views of the following local boards are attached:

- Franklin Local Board
- Hibiscus and Bays Local Board
- Māngere-Ōtāhuhu Local Board
- Manurewa Local Board
- Ōtara-Papatoetoe Local Board
- Papakura Local Board
- Rodney Local Board
- Upper Harbour Local Board
- Waitākere Ranges Local Board
- Waitemātā Local Board

## Franklin Local Board

### Summary

- The Franklin Local Board supports changes to the Local Government Act that will enable Council to develop new or enhanced local community amenity prompted by growth and that enables the procurement of local services locally.
- The Franklin Local Board are concerned that in amending the local government role to be to promote the social, economic, environmental, and cultural well-being of communities, the potential for duplication in the leadership and delivery of well-being initiatives is increased.

### Context/Background

1. The Franklin Local Board area, on Auckland's south and east extremity is currently experiencing significant increases in population. This growth is anticipated to continue over the next 10 years, dramatically increasing demand on existing and requiring development of new services and facilities.
2. The Franklin Local Board have anticipated this demand within the Franklin Local Board plan 2017-2020, prioritising the need to build a local economy/local jobs and respond to growth by advocating for and investing in new and justified quality of life amenity.
3. The amendments to the Local Government Act propose restoring the purpose of local government to be to promote the social, economic, environmental, and cultural well-being of communities.
4. The consequence of the amendment is intended to restore territorial authorities' power to collect development contributions for any public amenities needed as a consequence of development.
5. A further consequence of the amendment is that "buy local first" procurement policies can be pursued by Local Government i.e. that Local Government will no longer be restricted to procurement policies that prioritise price over social or local economic development or social outcome.

### Comment

6. The Franklin Local Board agrees;
  - i. with the reintroduction of territorial authorities' power to collect development contributions for any public amenities needed as a consequence of development such as libraries, swimming pools and sports grounds where these amenities are justified.
  - ii. with technical changes that allow for development contributions to be collected on initiatives that receive New Zealand Transport Agency advanced funding where this does not impede the delivery of transport enhancements.
  - iii. with the principle of broadening the definition of community infrastructure in section 197 of the Act and considers this the appropriate time to reflect on the resilience of this definition for the future. (e.g. community infrastructure definition to include)
    - a. community infrastructure (that can be capitalised) but are not land-based (i.e. digital web-based library services and pop-up transportable facilities)
    - b. to include community assets that are developed in partnership a third party to deliver long-term public amenities.

7. The Franklin Local Board does not agree that a wholesale change in purpose is required to affect these outcomes i.e. that in changing the approach from “are we allowed to do this” to “should be do this” the scope of Local Government responsibility becomes too broad and creates potential for inefficiency and duplication.
8. The Franklin Local Board is concerned that by assigning responsibility for the promotion of the four well-beings to Council, Local Boards will experience increased pressure from local social service agencies to support social well-being outcomes without commensurate budget.
9. The Franklin Local Board suggests that the flexibility to plan for and manage development and demand on local amenity could be achieved by requiring investment to be “justifiable”. In doing so, the “how we do this” can be developed according to local need and priority e.g. procurement policies that support local economic development or application of developer contributions to community facilities not otherwise available.

## **Hibiscus and Bays Local Board**

Resolution number HB/2018/86

MOVED by Chairperson J Parfitt, seconded by Member C Bettany:

That the Hibiscus and Bays Local Board:

a) provide formal feedback on the Local Government (Community Well-being) Amendment Bill as follows:

i) supports restoring the purpose of local government to be to promote the social, economic, environmental, and cultural well-being of communities, taking a sustainable development approach

ii) supports restoring territorial authorities' power to collect development contributions for any public amenities needed because of development

iii) supports broadening the definition of community infrastructure and amending the definition of terms related to the wellbeing aspects of the Local Government Act 2002

iv) supports making a minor technical modification to the development contributions power to allow territorial authorities to collect development contributions for projects financed through financial advances from the New Zealand Transport Authority

v) endorses the retention of value for money as a key driver.

## **Māngere-Ōtāhuhu Local Board**

Resolution number MO/2018/84

MOVED by Member C Elliott, seconded by Member N Bakulich:

That the Māngere-Ōtāhuhu Local Board:

a) supports the amendments to the Local Government (Community Well-being) Amendment Bill and the intent:

- to reinstate the purpose of local government to promote the social, economic, environmental and cultural well-being of communities
- to restore the power to collect development contributions for a wider group of infrastructure projects.

## Manurewa Local Board

### Manurewa Local Board feedback on the Local Government (Community Well-being) Amendment Bill

The Manurewa Local Board has not had the opportunity to formally resolve its position regarding the Local Government Community Well-being) Amendment Bill but the Chair can make the following comments following informal discussion with the members, and these comments will be ratified at the Board's 7 June, 2018 meeting:

The Manurewa Local Board:

- Supports Auckland Council's submission to reinstate the four well-beings in legislation to recognise the work to deliver social, economic, environmental and cultural outcomes for communities.
- Supports the modification to development contributions, providing the ability to fund community infrastructure (ie swimming pools, libraries, sports fields etc) helping councils to support growth.
- Notes that the proposed restoration of the purpose of local government to include social, economic, environmental and cultural well-being aligns well with local boards planning for and delivering on issues of local importance, as defined in the Local Board Plans.
- Notes that the restoration of local government's power to collect development contributions will allow for better access to funding of key local facilities that are of significant interest to local boards such as swimming pools and sports grounds.

Yours sincerely



Angela Dalton - Chair  
Manurewa Local Board  
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## **Ōtara-Papatoetoe Local Board**

Resolution number OP/2018/82

MOVED by Chairperson L Fuli, seconded by Member D Trenberth:

That the Ōtara-Papatoetoe Local Board:

- a. supports the Local Government (Community Well-being) Amendment Bill in restoring the purpose of local government to be “to promote the social, economic, environmental, and cultural well-being of communities”.
- b. supports the Bill in restoring territorial authorities’ power to collect development contributions for any public amenities needed as a consequence of development, to assist in the provision of facilities such as sports grounds, swimming pools, and libraries.
- c. requests the Planning Committee to make a submission to Parliament on behalf of Auckland Council, including support on the above points.

## **Papakura Local Board**

Resolution number PPK/2018/83

MOVED by Member K Winn, seconded by Member W McEntee:

That the Papakura Local Board:

- a. supports the Local Government (Community Well-being) Amendment Bill in restoring the purpose of local government to be “to promote the social, economic, environmental, and cultural well-being of communities”.
- b. supports the Bill in restoring territorial authorities’ power to collect development contributions for any public amenities needed as a consequence of development, to assist in the provision of facilities such as sports grounds, swimming pools, and libraries.
- c. requests the Planning Committee to make a submission to Parliament on behalf of Auckland Council, including support on the above points.

## Feedback on the Local Government (Community Well-being) Amendment Bill 2018 (Parliamentary Select Committee submission)

### From: The Rodney Local Board

Date: 21 May 2018 *(to be retrospectively approved on 24 May)*

#### Executive Summary

1. The Local Government (Community Well-being) Amendment Bill seeks to restore the purpose of local government to be to promote the social, economic, environmental, and cultural well-being of communities, taking a sustainable development approach. It also restores territorial authorities' power to collect development contributions for any public amenities needed as a consequence of development; broadens the definition of community infrastructure and makes a minor modification to the development contributions power.
2. Council's Planning Committee is considering preparing a council submission on the Bill, which would be presented to the Governing Body for approval. The deadline for submissions to the Governance and Administration Select Committee is 25 May 2018.
3. Local boards may provide input on the matters that are the subject of the Bill.

#### Rodney Local Board Feedback:

##### The Rodney Local Board:

- a) Provide the following feedback to the Governing Body on the Local Government (Community Well-being) Amendment Bill 2018 (the Bill) for inclusion in a submission to the parliamentary select committee:

##### General Comments

- i. note that council operates in a restrained funding environment where the demand for new infrastructure, which is the result of considerable growth, vastly exceeds the amount of funding available
- ii. broadly support the intention of the Bill which recognises the reality that new development requires appropriate council services and community facilities
- iii. agree that it is appropriate that a 'developer' generating additional demand for infrastructure contributes to meeting the capital costs that council must incur to support this increased demand

##### Part 1: The Four Well-beings

- iv. does not support the re-introduction of the 'four well-beings' being the "social, economic, environmental, and cultural well-being of [a] district or region" as proposed in sections 4, 5, 6, 8 and 9 of the Bill
- v. note that there are no measures to assess the 'four well-beings' in the Bill and the definition of "social, economic, environmental, and cultural well-being" will vary from territorial authority to territorial authority
- vi. if the 'four well-beings' are included, then recommend a definition be included in the Bill of what these are and how they can be measured, which will provide for a consistent, national approach
- vii. express concern that the reintroduction of the 'four well-beings' will require council's to continually report on or give effect to the 'four well-beings' and this will require significant investment of resources
- viii. does not support section 6 of the Bill, being the repeal of section 10(1)(b) of the Local Government Act 2002, which would remove the requirement for local government to

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| <p>perform its functions "...in a way that is most cost-effective for households and businesses"</p> <p>ix. note that ratepayers expect local government to act in a cost-effective manner and the repeal of section 10(1)(b) is inconsistent with ratepayer expectations for their local council</p> <p><b>Part 2: Other Amendments</b></p> <p>x. supports section 11 of the Bill which expands the definition of "community infrastructure" and permits territorial authorities to collect development contributions for a much broader range of public amenities</p> <p>xi. supports section 12 of the Bill, which repeals section 198A of the Local Government Act and will allow territorial authorities to require development contributions for reserves if a development is non-residential in nature</p> <p>xii. supports section 13 of the Bill, as it will allow territorial authorities to collect development contributions to repay financial advances from the New Zealand Transport Agency necessary to provide reserves, network infrastructure, or community infrastructure</p> |
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| Authorisation   |   |
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| <p>The Rodney Local Board members have been consulted and asked to provide feedback regarding the Local Government (Community Well-being) Amendment Bill 2018.</p> <p>This feedback is informal feedback, subject to retrospective approval at a business meeting on 24 May 2018.</p> |   |
|    |   |
| <p>Beth Houlbrooke</p> <p>Chairperson<br/>Rodney Local Board</p> <p>Date: 23 May 2018</p>   |   |
| Contact Details   |   |
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## Upper Harbour Local Board

*The Upper Harbour Local Board submission below was adopted on 17 May 2018, moved by Chairperson L Whyte, seconded by Member J McLean. The resolution number is UH/2018/51.*

### Upper Harbour Local Board – Local Government (Community Well-being) Amendment Bill

Thank you for the opportunity for the Upper Harbour Local Board (the board) to provide comment on the Local Government (Community Well-being) Amendment Bill (the Bill) which amends the Local Government Act 2002 (the principal Act).

The board wishes to make the following comments on the content of the Bill.

#### Part 1 Reinstatement of 4 aspects of community well-being

Local government works in a constrained funding environment. There are always more projects being requested by the community than there are funds available to provide for them. In areas of growth, such as Auckland, the cost of creating new infrastructure has pushed council's ability to fund to its limits, and it is near to the caps in its financial management policies. Conversely areas of declining population, face the problem of maintaining services with a shrinking revenue base.

If councils cannot meet their core requirements, then issues such as the 2016 Havelock North water quality failure become more likely.

The board believes that it is unwise to re-introduce the requirement "for local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities" and repeal the requirement for "local authorities to play a broad role in meeting the current and future needs of their communities for good-quality infrastructure, local public services and performance of regulatory functions".

The amendments to the principal Act's sections 3, 10, 11, 14, 101 and the repeal of section 11A will create an environment which will allow local government licence to undertake a far wider range of activities than it currently can. These amendments will dilute the focus on the provision of core services and risks creating an environment where pet projects and pork barrel politics lead to poor decisions and substantial liabilities being incurred.

In the board's view it would be imprudent to repeal the requirement expressed in section 10(1)(b) for local government to perform its functions "...in a way that is most cost-effective for households and businesses". The board recommends that this part of section 10(1)(b) not be repealed.

In announcing a Productivity Commission inquiry into local government funding the Minister of Local Government said "Local government is facing a number of funding challenges which if not met will have consequences for our local communities and our country as a whole." This inquiry acknowledges the financial management challenges faced by all local authorities. The board believes it would be preferable to defer enactment of Part 1 of the Bill until the Productivity Commission's inquiry is complete. Once the inquiry is complete it will provide a much more robust evidence base within which to consider the amendments, set out in part one of the Bill, to the principal Act.

#### Part 2 Other Amendments

The board welcomes and supports the amendments proposed to sections 197, 198A and 200 of the principal Act. The proposed changes recognise the reality that new development requires appropriate council Infrastructure and community facilities. In the board's view it is appropriate that the 'developer' generating this demand contributes to meeting the capital costs that council must incur to support this increased demand.

## **Waitākere Ranges Local Board**

### **Waitākere Ranges Local Board feedback on Local Government (Community Well-being) Amendment Bill**

The Waitākere Ranges Local Board supports the proposed amendments of the Local Government (Community Well-being) Amendment Bill and the specific intents as outlined below:

Proposed amendments:

- to reinstate the purpose of local government to promote the social, economic, environmental and cultural well-being of communities
- to restore the power to collect development contributions for a wider group of infrastructure projects.

And intents to:

- restore the purpose of local government to promote the social, economic, environmental, and cultural well-being of communities, taking a sustainable development approach
- restore territorial authorities' power to collect development contributions for any public amenities needed as a consequence of development; particularly noting the need for new communities to have equitable access to community infrastructure such sports grounds, swimming pools and libraries in addition to community halls and open space
- make a minor technical modification to the development contributions power to allow territorial authorities to collect development contributions for projects financed through financial advances from the New Zealand Transport Authority.

## Waitematā Local Board

### Local Government (Community Well-being) Amendment Bill – Waitematā Local Board Feedback May 2018

Local Boards are responsible for decision-making on local issues, activities and services as well as providing input into regional strategies, policies and plans.

These local issues, activities and services include:

- Supporting local arts, culture, events, sport and recreation
- Providing grants and partnering with local organisations to deliver community services
- Maintaining and upgrading town centres and facilities including parks, libraries and halls
- Caring for the environment and preserving heritage
- Representing the views of our communities on issues of local importance, and
- Supporting an innovative, productive and resilient local economy

Waitematā is experiencing a significant increase in population which brings diversity and opportunities to the area but also places increasing pressure and demand on resources, infrastructure, community facilities and the environment. It is critical that the council can keep pace with these demands and provide infrastructure, services, activities and community facilities that are efficient, effective and respond to anticipated future circumstances.

The Waitematā Local Board strongly supports all aspects currently included in the Bill. This includes those related to restoring the power of general competence and the four well-beings as the purpose of local government; as well as the provisions to restore the scope of development contributions to help fund community infrastructure and transport infrastructure provided by public bodies such as the New Zealand Transport Authority.

In principle democratically elected and accountable local authorities should have the same general powers as private individuals and companies and not be unnecessarily restricted as at present. The purpose of local government ought to be a strategic one to advance the interests of the area /district that the particular council has responsibility for rather than the small grab bag of limited roles and activities now set out in the Local Government Act. The previous purpose covering the four well-beings worked well and reduced the opportunities for undesirable litigation. The Waitematā Local Board supports the restoration of the four well-beings.

The provision of community infrastructure including community centres and halls, recreation centres, swimming pools and sporting facilities are equally as vital to a decent quality of life and a coherent community for greenfield suburbs, towns and brownfield intensification as roads water and wastewater reticulation are. Therefore, the clauses related to development contribution are also strongly supported in principle by the local board.

The local board continues to support including a legislative change to this Bill to provide the ability to review the total number of Governing Body members, as all other councils, even the smallest, can do. As the Local Government Act allows a maximum of 24 Councillors for any other Council it is entirely inappropriate to limit Auckland Council to 20. This eliminates the flexibility for which there is a compelling case at present for Auckland.

One of the reasons for seeking this change arose from allowing the genuine option of establishing a Māori ward, in that if a Māori ward was established, there could then only be 19 general members. Reducing to 19 members would be hugely disruptive of existing ward boundaries whereas retaining 20 general members would mean little disruption. The Governing Body should have the ability to increase the number of members if it so wished, so that a member elected through a Māori ward was an additional member.

Secondly the removal of the cap will provide flexibility in boundary drawing. This is required due to the uneven population growth in Auckland, particularly the Waitematā and Gulf Ward. Currently the

population to Councillor ratio exceeds the average by 43%. If the total number of Councillors continue to be limited to 20 this will generate a flow on effect to the boundaries of many existing wards. If an additional Councillor is to be permitted that Councillor could be added to the Waitemata and Gulf Ward with only a smallish boundary change required that will limit impacts to the slightly oversize ward of Orakei. No other change would be needed to other Ward boundaries.

The third matter is related to the alignment of ward boundaries and local board boundaries. This issue is pertinent to note that due to the significant population increase that Auckland has experienced four wards, including Waitemata and Gulf, do not comply with the 10 per cent rule. Due to the cap in the number of Governing Body members the only option to ensure the ward complies with the 10 per cent rule is to change the boundary, and this currently needs to flow on into the boundaries for at least six councillors. The consequence of re-drawing the ward boundaries would lead to the undesirable situation of ward and local board boundaries becoming unaligned. The legislation does not provide a process for addressing boundaries becoming unaligned due to the required general review of representation arrangements.

In some cases, unalignment between local board and ward boundaries is acceptable as it enables the local board boundaries to better conform to communities of interest than the corresponding ward boundaries. This is due to the requirements of ward boundaries to conform to the plus or minus 10% population to councillor rule. In other cases, experience has shown that tweaks to a boundary would better conform to communities of interests than the current boundary of both a ward and a local board.

The removal of the limit to Auckland Council Governing Body members should be made as soon as possible so that better options for the current representation review can be considered.

In summary the Waitemata Local Board supports:

1. restoring the purpose of local government to be to promote the social, economic, environmental, and cultural well-being of communities, taking a sustainable development approach
2. restoring territorial authorities' power to collect development contributions for any public amenities needed because of development
3. broadening the definition of community infrastructure and amending the definition of terms related to the wellbeing aspects of the Local Government Act 2002
4. making a minor technical modification to the development contributions power to allow territorial authorities to collect development contributions for projects financed through financial advances from the New Zealand Transport Authority.
5. reiterating to central government the position adopted by Council in 2015 supporting the need for legislative change to allow Auckland to determine the number of members on the Governing Body