

Memorandum

To: His Worship the Mayor, Councillors, Local Board Members, Independent Māori Statutory Board Members, the Executive Leadership Team and Chief Executive Officers of Council-Controlled Organisations

From: Jacques Victor, General Manager, Auckland Plan, Strategy & Research

Date: 20 May 2019

Subject: Local Government (Community Well-being) Amendment Act 2018

Purpose

1. This memo provides an update on the Local Government (Community Well-being) Amendment Act 2018.

Summary

- The Local Government (Community Well-being) Amendment Act 2018 has now been enacted. The act amends the Local Government Act 2002.
- The act restores the “four well-beings” to the purpose of local government.
- The act also restores the definition of *community infrastructure* as defined prior to August 2014. This means that development contributions can once again be collected for all growth-related infrastructure.
- Auckland Council’s Development Contributions Policy will be reviewed by the end of this year to give effect to the amendments to the Local Government Act 2002.

Background

2. The Local Government (Community Well-being) Amendment Bill was introduced to Parliament in April 2018.
3. Auckland Council made a submission on the bill that was endorsed by the Planning Committee. The submission can be viewed via [this link](#).
4. The council’s submission supported the bill in principle. We supported the proposed restoration of the:
 - ‘four well-beings’ into the purpose of local government, being: *to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future*
 - definition of *community infrastructure* as defined prior to the 8 August 2014 amendments to the Local Government Act 2002.
5. Our submission also recommended:
 - (i) amendments to the bill to reflect Auckland Transport’s relationship with the New Zealand Transport Agency
 - (ii) transitional arrangements to allow the collection of development contributions for community infrastructure (from new developments) already provided since 2014, when limitations on collecting development contributions were placed
 - (iii) removing the Crown’s exemption from being required to pay development contributions

(iv) further widen the definition of *community infrastructure* to include:

- community infrastructure (that can be capitalised) but is not land-based
- community assets that are developed in partnership with a third party to deliver long-term public amenities
- definition of infrastructure to widen to things that are not just physical.

Recommendations (i) and (ii) have been incorporated into the act.

6. The Local Government (Community Well-being) Amendment Act 2018 received royal assent on Monday 13 May and is now enacted.

Discussion

7. The Minister for Local Government Hon Nanaia Mahuta has described the act as aligning with the government's wider wellbeing agenda and being a critical step in enabling councils and communities to make decisions about the services and facilities that will enhance their sense of place and the quality of their lives.
8. The restoration of the "four well-beings" – which were removed in 2012 – to the purpose of local government aligns well with the legislative requirement for the Auckland Plan 2050 to contribute to Auckland's social, economic, environmental, and cultural well-being.
9. The Local Government (Community Well-being) Amendment Act 2018 also restores the way *community infrastructure* was defined prior to the August 2014 amendments to the Local Government Act 2002, meaning that development contributions can be required for any public amenity needed as a consequence of growth/development. The act also restores the power for councils to require reserves from non-residential developments.
10. The August 2014 amendments narrowed the definition of *community infrastructure* to community centres or halls, play equipment located on a neighbourhood reserve, and public toilets. The restored definition is:
- (a) *land, or development assets on land, owned or controlled by the territorial authority to provide public amenities; and*
 - (b) *includes land that the territorial authority will acquire for that purpose.*
11. The amendments allow councils to update their development contributions policies and collect development contributions for all growth-related infrastructure. This would help councils:
- lower incidences of ratepayers subsidising growth-related infrastructure
 - work towards achieving a state where growth pays for itself.

[The matter of growth paying for itself was canvassed by the Productivity Commission in its Better Urban Planning inquiry and there was general consensus that growth should indeed pay for itself.] Hon Mahuta has stated that the restoration "recognises the role of councils in building communities and helps to remove barriers to growth".

Next steps

12. Council officers will initiate a review of the council's Development Contributions Policy before the end of this calendar year and will engage with relevant stakeholders as work on a review progresses.
13. The council will make a submission on the Productivity Commission's draft report regarding its local government and funding inquiry. The draft report will be released in late June. Some of the submission points on the bill (for example, the Crown's current exemption from development contributions) remain relevant and may be raised in that submission.
14. If you have any queries, please feel free to contact Azeem Khan and/or Andrew Duncan (at azeem.khan@aucklandcouncil.govt.nz and/or andrew.duncan@aucklandcouncil.govt.nz).