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**Rodney Hide****6 MAY, 2011**

## **New Zealand Community Boards Conference**

**Speech to New Zealand Community Boards Conference; Energy Events Centre, Government Gardens, Queens Drive, Rotorua; May 6 2011**

LGNZ Chief Executive Eugene Bowen, Chair of the New Zealand Community Boards Executive Committee Mike Cohen, Mayors, Councillors, Community Board Members, ladies and gentlemen - good afternoon and thank you for inviting me to speak today at your seventh Community Boards' Conference.

I spoke at your last conference in Christchurch in 2009, and I am very pleased to again have the opportunity to speak to such a wide range of people from across local government.

You have asked me to speak about "opportunities for boards to be effective now and in the future".

I know that you are interested in how local people can influence what happens in their street, their neighbourhood and their community. Local democracy at this level is a subject that is very important to me. I recognise the invaluable role community boards can play in giving a voice to local wishes, needs and concerns. This is one of the reasons why I wanted to ensure that the local voice wasn't lost when we undertook the reform of Auckland's governance structure.

Before discussing that reform I would first like to mention the Pike River tragedy and the Canterbury earthquakes. I want to publicly acknowledge those of you living 'up close and personal' with these devastating events in both your private and public roles.

In particular, I would like to recognise the excellent leadership shown by the Mayor of Greymouth Tony Kokshoorn and Mayor of Christchurch Bob Parker in leading their communities through such challenging times.

It has been heartening to see the moral and practical support that you and the whole local government community have provided and are continuing to provide to your directly affected colleagues in the South Island. These crises test us all and, while there will be lessons to be learned in the long term, have already shown how strongly central and local government can stand together in the face of disaster.

I have long recognised the invaluable role that community boards can play in listening to local voices and representing local interests.

That's why, when it came to the Auckland governance reforms, I wanted to strengthen the role.

It was important that citizens had a forum they could bring their concerns to - and that their elected representatives were well informed on what was happening in the different communities throughout Auckland.

For that reason we created a model which provides for effective local and community democracy while strengthening regional leadership. I want to talk briefly about that model.

As you know, I have been absolutely committed to seeing an efficient, effective single council for the Auckland region to enable it to become united, prosperous and dynamic in every sense: economically, culturally, socially and environmentally.

For this to happen, eight councils have come together as a new entity, covering a significant geographical area containing nearly a third of New Zealand's population.

While the way decisions are made has changed, the role of local government in Auckland remains the same.

In this new model, the decision-making parts of the Auckland Council are non-hierarchical and

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complementary. The governing body consists of the Mayor, elected by all Aucklanders, and 20 councillors elected on a ward basis.

There are 21 local boards, with members elected by the local board area. These two bodies share the decision-making responsibilities of Auckland Council.

The governing body is focused on the big picture and on region-wide strategic decisions while local boards - a completely new entity for local government in New Zealand - have a significant and wide-ranging role that spans most local government services and activities.

Local boards make decisions on local matters, provide local leadership and support strong local communities. Local boards provide important local input into region-wide strategies and plans, including those of the council-controlled organisations.

Local boards are responsible for:

- making decisions about non-regulatory local matters, including negotiating the standards of services delivered locally;
- identifying and communicating the views of local people on regional strategies, policies, plans and bylaws to the governing body;
- developing local board plans every three years and negotiating local board agreements with the governing body;
- providing local leadership and developing relationships with the governing body, the community, community organisations and special interest groups in the local area;
- providing input to council-controlled organisation plans and initiatives;
- identifying and developing bylaws for the local board area and proposing them to the governing body;
- monitoring and reporting on the implementation of local board agreements; and
- any additional responsibilities delegated by the governing body, such as decisions within regional bylaws.

A major task for Auckland local boards is developing local board plans. Each local board plan will describe that community's aspirations, preferences and local activity priorities for the next three years and beyond.

It will also identify the community's interests and preferences for input into regional strategies, policies, plans and bylaws, including those of council-controlled organisations.

Local boards are, with their communities, developing their first local board plans for adoption by 31 October 2011. These plans are important planning documents. They will inform and influence the development of the Auckland Council's long-term plan (2012-2022).

The local board plan also forms the basis for each local board to negotiate a local board agreement with the Council for each of the next three years. This agreement outlines the delivery and funding of services in the local board and forms part of the Council's Draft Annual Plan.

You can see how local boards' role and relationships with their council differ from yours as community boards. Community boards depend on their council for their existence, delegations and funding.

The Local Government Act provides the option for councils to choose to have community boards to represent and advocate on behalf of their communities.

Councils have the ability, should they choose, to delegate any additional community board powers, and any funding, but there is no requirement that they do so.

Local boards, on the other hand, have a much clearer statutory mandate as the local decision-maker.

The Auckland Council is required by legislation to ensure that each local board has sufficient funding and administrative support to perform its functions. Services provided to local areas by the Auckland Council, along with funding and any administrative support must be agreed between the Auckland Council's governing body and each local board.

I think the recently passed amendments to the Local Government Act 2002 will be instrumental in enabling the informed participation in local government that will make community boards more effective.

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I am sure you are aware that the changes to the Act were designed to improve the transparency, accountability and financial management of councils. The Act was amended to provide more easily understood information to ratepayers and residents to enable them to exert greater influence on the work of their councils.

I expect that these changes will result in more informed participation by ratepayers and residents in council decision making, from the community board to the council itself. The amended legislation provides for better information about council costs, rates and activities, enabling ratepayers and residents to better understand and influence planning and decision-making processes.

Councils are now encouraged to focus on core services by being required to have particular regard to the contribution to their communities of:

- network infrastructure;
- public transport services;
- solid waste collection and disposal;
- the avoidance or mitigation of natural hazards; and
- libraries, museums, reserves, recreational facilities, and other community infrastructure.

Councils must also have a financial strategy with limits on rates and debt, and targets for returns on council investments, which will ensure council costs, rates and activities are better controlled.

There is a new requirement for councils to achieve 'plain English' financial reporting, so that ratepayers can better understand what they are paying for, and how.

Councils are required to include funding impact statements on their plans and reports, showing the sources and applications of funds for the whole council and for each group of activities.

Inter-council comparisons have been improved by:

- introducing standardised financial reporting, so that information is consistently classified in councils' primary financial statements;
- using standard groups of activities for infrastructure services;
- standardising non-financial performance measures for infrastructure services, whether provided by councils or council-controlled organisations; and
- improving disclosure of actual and planned capital expenditure.

The new council pre-election report - required for the 2013 local body elections - has been introduced to stimulate debate during council elections. It is intended to be a short and accessible document providing:

- details on the financial performance and position of the councils for the three years prior to the election;
- financial plans and projects for the next three years; and
- statements comparing rates, rates increases, borrowing, and returns on investments with the limits and targets set in the financial strategy.

This report will enable voters to consider how well the council has performed to date, promote discussion about the issues facing the council in the future, and make it easier for people to vote for candidates whose priorities align with their own.

The pre-election report will not be an electioneering tool for existing elected members. It will be produced by the chief executive of the council and cannot include statements by, or photographs of, councillors.

Simpler planning processes have been introduced. These run from simplifying the name of the long-term plan to measures focusing long-term planning on crucial issues, and merging planning process to eliminate the costs and inefficiencies of running a second long-term planning process.

The Local Government Act already required councils to be aware of, and have regard to, the views of communities. What the amendments do is give councils more flexibility and discretion to determine how to give effect to this principle.

Council decision-making processes have been simplified, and some of the more prescriptive elements of the Act removed so that consultation is not carried out merely to meet a

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requirement. As some councils pointed out in their submissions to the Select Committee, this can be costly and unproductive, and may result in consultation fatigue.

Finally, reducing restrictions on the use of the private sector to deliver council services has given councils more flexibility to choose effective and efficient delivery methods for water and other services.

Before I finish tonight I would like to give you a brief update on two up-coming reviews in my local government portfolio.

I have signalled that a first principles review of public safety around dogs would be undertaken, however, work on this project had not begun before the Christchurch earthquake, nor was its scope established. While the intention is still to progress the review as soon as possible, the immediate focus remains on the work generated by the earthquake.

However, as you know, work is progressing on the 'Smarter Government, Stronger Communities' project to review the system of local government in New Zealand. Specifically, the review will focus on local government structures, functions, funding, and relationship with central government.

I believe that local government faces a number of challenges. There is a need to identify these challenges and develop ideas for resolving them.

In my view, local decisions should be made by the communities those decisions affect, with as little interference from central government as possible. Local communities need to debate their own priorities and work out how much they want to tax themselves to achieve them. This process is at the core of local democracy.

The first step of this review is to gather information on issues and opportunities for local Government. The Department of Internal Affairs is about to start this process.

The information will help to identify the key issues and challenges for local government and further focus the review.

As part of this, the Government needs to work closely with key partners in the local government sector. Participants will be approached to discuss these issues in due course.

There are many positives in local government today. Longstanding institutions and processes help ensure stable and accountable community-based governance.

However, other legacies, such as smaller councils with limited revenue, aging infrastructure, and differing approaches to local government by central government organisations, may have left local government less effective than it could be.

Councils used to deal with smaller, more localised issues; however, with increasingly large and diverse communities, today's councils must deal with wide ranging and varied issues, including often challenging farming issues, population growth and New Zealand's aging demographic.

This project gives the Government an opportunity to think about these challenges, and help offer solutions to put local government in a position where it will be able to respond effectively.

I have no preconceptions about the outcomes of the project. We may conclude that nothing significant needs to change. We may find that the system could be improved through minor adjustments. Or we may decide that significant reform is needed.

The review is timely. This Government has a strategic economic policy agenda of significantly lifting growth and living standards, improving efficiency throughout the economy, and reducing the income gap with Australia. I believe that efficient and effective local government has a positive impact on New Zealand's performance nationally, and is essential for us to thrive.

No decisions on the review will be made until well into 2014.

Thank you for listening to me. I am looking forward to your questions and comments.



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