

Local Government Act 2002 Amendment Bill

Government Bill

As reported from the Local Government and
Environment Committee

Commentary

Recommendation

The Local Government and Environment Committee has examined the Local Government Act 2002 Amendment Bill and recommends by majority that it be passed with the amendments shown.

Introduction

This bill seeks to amend the Local Government Act 2002, with the intention of making local authority decision-making more transparent and accountable. The bill also reflects the principles that local authorities should focus on core services and operate within a defined fiscal envelope.

This commentary addresses the significant amendments that we recommend to the bill; it does not cover minor or technical amendments.

Community outcomes

Clause 4 would insert a new definition of “community outcomes” into the Act. We recommend some minor amendments to this def-

inition, adding a reference to well-being “in the present and for the future”, for consistency with other parts of the Act. Under the new definition community outcomes are those a local authority aims to achieve, replacing the definition in the Act of community outcomes as those the district or region has identified as priorities.

Clause 12 would repeal sections 91 and 92 of the Act, which outline the process by which local authorities must identify community outcomes and specify requirements to periodically report on progress towards these outcomes. With these restrictions no longer in place, information on community outcomes would now be included in councils’ annual and long term plans.

These changes to the Act are intended to remove the prescriptive requirements relating to outcomes, but nothing in the bill precludes local authorities from continuing to engage with communities and organisations regarding the identification and achievement of community outcomes.

Under sections 91 and 92 of the Act some councils are currently preparing their three-yearly reports on progress made towards achieving community outcomes, and carrying out the review of community outcomes that must be undertaken every six years. We recommend inserting new clause 52A inserting a transitional provision so that local authorities are not required to complete processes for identifying or reporting on community outcomes under the Act, allowing them to abandon this process if they wish.

Core services

Clause 5 introduces a list of core services and the requirement that local authorities “have particular regard” to the contribution of these services to their communities. The list represents what the majority of us believe to be the core services of local government on the basis of its historical role.

Many submitters argued that the list is unduly rigid or restrictive and pointed out that what is considered core in one area is not in others. We recommend no changes to clause 5, as requiring local authorities to have particular regard to the contribution made by the services listed does not oblige them to deliver these services. A local authority could decide that certain services were not a priority for its community, or that they were already adequately provided by other

organisations, so it need not provide them itself. The clause does not, on the other hand, prevent a local authority from providing services not listed if it deems them a priority for the local community. The clause therefore preserves the ability of the local authority to decide which services to provide for the community. It may be seen as providing a reference point and focus for community debate about the role of individual councils, particularly during planning and decision-making rounds.

Principles relating to local authorities

Clause 6 requires local authorities to periodically assess expected returns from commercial or equity investments, and satisfy themselves that these returns are likely to outweigh the risks. As the clause refers to commercial investments, it does not apply to investments made for non-commercial purposes, such as pensioner housing.

We recommend amending the wording of clause 6 to focus on the intention rather than the form of the investment. This would make it clear that equity investments in the form of organisations which are non-commercial in purpose are not covered by the clause.

Community consultation

The Act contains many provisions to ensure and enable community engagement and consultation in local authority decision making. The bill proposes amendments to remove some of the more prescriptive consultation requirements whilst retaining community involvement in local authority decision making.

A number of submissions raised concerns about changes to consultation requirements, specifically clauses 8, 11, 14, 23 and 33. We acknowledge concern about these proposals, but the committee, by majority, considers that the remaining consultation provisions in the Act should ensure the views of the local community continue to be considered by local authorities in their decision making processes. For example, section 78 of the Act requires a local authority to give consideration to the views of interested or affected parties when making a decision. Section 97 requires that any decision which would significantly alter the level of service provided for a significant activity, or transfer ownership or control of a strategic asset, be included in the long-term plan, which involves community consultation.

Pre-election report

Clause 16 would require the chief executive of each local authority to produce a pre-election report. Clause 37 of new Schedule 10 (inserted by Schedule 1 of the bill) specifies that the pre-election report must contain summary financial information for the three years prior to the election, and a statement on the extent to which the authority has complied with its financial strategy during that time. Forecast financial information for the three years following the election and details of any major projects planned must also be included.

We are concerned that requiring the chief executive to comment on the extent to which the council has complied with its financial strategy may politicise the role of the chief executive, who should comment on factual matters only. We therefore recommend amending clause 37(1)(a)(iii) of new Schedule 10 so that the chief executive's statement would be required to compare only actual rates, rates increases, borrowing, and investment returns with the financial strategy.

As the pre-election report aims to stimulate election debate it must be published two weeks before nominations close. The timing of the pre-election report means that the figures included for the year of the election may be based on unaudited estimates. We consider that small councils with limited accounting resources may find it hard to produce this information in time. We therefore recommend amending clause 16 and inserting new clause 38 into Schedule 10 to permit councils with a population of less than 20,000 to substitute budgeted financial information for the financial year of the election, instead of unaudited estimates, in their pre-election report.

Provision of water services

Clauses 31 and 32 would extend the permitted length of contracts for the operation, and joint arrangements for the provision, of water services from 15 to 35 years. Clause 32 would also allow a private partner to provide and then own new infrastructure for a period of up to 35 years, after which it would be transferred to the council. Local government organisations would continue to be responsible for water quality, and the provision and pricing of water services but would no longer need to retain control over all matters relating to their management. Clause 32 would require local government organisations to

regain ownership of all infrastructure associated with water services on the expiry of a contract, replacing the prior obligation to own infrastructure throughout the contract.

We heard it argued that water services should be publicly owned, controlled, and managed. However, the bill retains the requirement for local authorities to be responsible for water quality and the provision and pricing of water services, and to continue to fulfil their accountability to the community for the quality of those services.

Clauses 31 and 32 are intended to facilitate private investment in water services through the use of “build, own, operate, and transfer” (BOOT) schemes. However the bill as introduced would preclude divestment of supplies and concession or other franchise agreements where the private partner would have the right to the revenue from water service operation. For clarification, we recommend amending clauses 32(1) and 32(4) and inserting new clause 32(5). These amendments would prohibit concession or other franchise agreements with non-local-government organisations, and prohibit the sale of existing local government infrastructure to a private partner, except where the local government organisation reasonably believed that the sale was incidental to the joint arrangement and desirable for the success of the arrangement.

Performance measures

Clause 41 would insert new sections 261A to 261G into the Act, and would require the Secretary for Local Government to make rules specifying performance measures for five groups of activities: water supply, sewerage and the treatment and disposal of sewage, storm-water drainage, flood protection and control works, and the provision of roads and footpaths.

We recommend including a purpose statement (new section 261AA) in clause 41 to make it clear that performance measures would be applicable to all local authorities, so that the public could compare the levels of service provided in relation to any particular group of activities by different local authorities. We also recommend inserting criteria (new section 261A(1A)) for the selection of performance measures, to ensure that they measure service levels for major aspects of activities, address matters of widespread interest in communities,

and contribute to the effective and efficient management of the group of activities.

Following advice from the Regulations Review Committee we recommend amending the provisions relating to the incorporation by reference of materials relevant to the making of performance measures (sections 261A to 261G). The amendments we recommend are intended to ensure these sections are more closely aligned with the standard clauses for incorporating material by reference.

Levy to pay for performance measures

Clause 39 would permit the levying of local authorities for the cost of developing the rules for the performance measures introduced under clause 41.

The Regulations Review Committee was concerned that proposed new section 259A(3)(d), inserted by clause 39, would provide a power, without express controls, to exempt any class from payment of the levy. We recommend removing this exemption power as it is not necessary, and inserting new section 259B, so that the ability to refund the levy would apply only where the amount collected exceeded the amount necessary to recover the cost of developing the rules.

Council-controlled organisations

Local authorities could provide through council-controlled organisations the five infrastructural services that require performance measures under clause 41. For consistency with the policy intent of the requirement to develop performance measures, we recommend the insertion of new clause 45A. This would require council-controlled organisations delivering any of the five infrastructural services to include specified performance measures and targets in their statements of intent.

Community board funding

Clause 45 would amend the wording of subclause 39(1) of schedule 7, deleting the words “out of the general revenues of the district” to specify how community boards could be funded.

Some submitters argued that community board administration should be funded out of general rather than targeted rates. However, we were advised that this is contrary to the general empowering provisions provided elsewhere in the Act and in the Local Government (Rating) Act 2002, and would require additional legislative changes to be effective.

We do not recommend any amendments to clause 45, as we consider that there are non-legislative ways to address concern about administration costs for community boards, such as good practice guidelines developed by the local government sector. We note Local Government New Zealand's intention to discuss guidelines for determining community board charges with the Community Boards Executive Committee. We encourage the local government sector to develop such guidelines.

New Zealand Labour Party and Green Party minority view

The Labour Party and the Green Party oppose this bill because we believe it will have profound negative implications for the future of local government.

The bill in our view sets out to scale back the scope of local government, encourage contracting out to the private sector and the corporatisation of services. The bill will allow private companies to own water infrastructure for periods of up to 35 years which we believe is opposed by the majority of New Zealanders.

While it purports to improve transparency and accountability in local government, Labour and Green members believe it does the opposite. We agree with the submitters who said the provisions to remove the requirement for local authorities to consult the community if they wish to contract out services to the private sector, or corporatise them by transferring them to a council-controlled organisation, undermine transparency and accountability.

The empowering legislation for local government has an important role. It sets out the operating rules for local authorities while ensuring they have the flexibility to respond to the diversity of circumstances facing communities. In our view this bill applies a one-size-fits-all approach that seeks to tilt the playing field in favour of an arbitrary list of so-called core services.

The Minister of Local Government's claim that council spending is out of control¹ was challenged by Local Government New Zealand in its submission to the committee. LGNZ pointed out since 1989 council expenditure has fluctuated at little more than 3% of gross domestic product.² They pointed out this is the smallest expenditure by local government in the OECD, with only Australian local government being smaller due to the role played by state governments.³

We note a number of councils that submitted to the committee had costed the bill's compliance provisions and estimated they would result in significant additional cost to the ratepayer.

Water privatisation

The bill will allow the private ownership of water infrastructure for up to 35 years. Clause 31 extends the restriction on the duration of contracts for water services from 15 years to 35 years. While it asserts councils are responsible for providing water services, it removes the requirement that councils maintain control of the management of water services. Clause 32 removes the obligation for the council to own the infrastructure for the duration of the contract. Together these clauses would allow water infrastructure to be run, or owned by, private operators for the equivalent of eleven electoral cycles.

These changes are designed to encourage public private partnerships (PPPs): long term contracting arrangements in which corporations will often build, own, and operate a waste water plant for example and then sell it back to the council at the end of the contract. Submitters argued the public sector partner is likely to continue to bear much of the risk in a public private partnership.⁴ We believe there is compelling overseas evidence that shows the asserted efficiency

¹ James Weir, "Council spending out of control, says Hide," *Dominion Post*, 17 September 2009, <http://www.stuff.co.nz/southland-times/business/national-business/2872101/Council-spending-out-of-control-says-Hide>.

² Submission to the Local Government and Environment Committee in the matter of the Local Government Act 2002 Amendment Bill, *Local Government New Zealand*, 18 June 2010, p. 8.

³ *Ibid.*

⁴ "Submission to the Local Government and Environment Committee in the matter of the Local Government Act 2002 Amendment Bill," *Auckland Regional Council*, 17 June 2010, p. 12.

gains and value for money promised by the proponents of PPPs for water supply are often not delivered.

One concern raised by the Auckland Regional Council is that many local authorities (especially smaller ones) are unlikely to have the expertise to negotiate appropriate contracts for water services with private sector partners.⁵ This is exemplified by the Papakura District Council's arrangement with United Water which relied on limited internal expertise and local solicitors when setting up the agreement.⁶ A number of problems resulted from this agreement.

We are also concerned long term contracts with private water suppliers may be commercially sensitive and in confidence, so it will be difficult to work out what conditions have been agreed to.

Another concern is that when control of water is transferred to private companies, local government loses the skills, engineering knowledge and expertise to manage and run water services itself. So if a company pulls out, or ownership is transferred back to a local body after 35 years, there will be little expertise or know how left.

We remain opposed to the privatisation of water supply. It is a natural monopoly. In our opinion it makes no economic sense to hand it over to the private sector. We take the view that most New Zealanders believe water is a human right and its supply should not be driven by the profit motive.

Corporatisation without consultation

Currently under Section 88 of the Local Government Act 2002 any proposal to contract out or corporatise council activities would require consultation. Clause 11 repeals this section so that local authorities can transfer core activities to council controlled organisations (CCOs) or the private sector without having to consult the community. Once these activities, or assets, are transferred to CCOs public consultation requirements about how these services are delivered will be minimal. We believe the community has a right to be consulted on these decisions.

Taken together with clauses 31 and 32 on water, this would enable a council to enter a 35 year contract for the delivery of water or wastew-

⁵ Ibid, p. 11.

⁶ Ibid.

ater services including private ownership of new infrastructure without even consulting the community.

We oppose clause 14 which repeals the requirement for certain decisions to be taken only if they are provided for in the council's long term plan. This includes a decision to construct, replace or abandon a strategic asset, and a decision that will significantly affect the capacity of the local authority or the cost to the local authority of any activity in the long term plan.

Consultation cuts

We oppose the new definition of community outcomes. Communities should continue to be empowered to identify the full range of public good outcomes they most want so that local authorities can advance them by whatever influence they can exercise, including through co-ordination and advocacy. While we accept the current provisions for identifying community outcomes are too prescriptive, we believe clause 12 goes too far and should at least retain a principle-based approach.

We acknowledge there could be some streamlining of the process of community consultation, but we believe local authorities should still be required to consider the views and preferences of those affected by the decisions of a local authority. We recommend two stages of consultation remain; firstly the stage at which the reasonably practicable options for achieving an objective are identified and secondly the stage at which proposals are adopted.

Core services

We are opposed to the requirement councils focus on a particular (and limited) set of core activities. As many submitters pointed out, what is a core activity in one local council will not be a core activity in another area. What is a core activity now, may not be considered a core activity in the future. Local government is funded by local ratepayers and it should therefore be left up to the local authority and community to decide what activities the council will provide, not central government. While the bill does not prohibit local authorities from undertaking non-core activities, it could result in relegating these activities to a less important "second tier".

Māori Party minority view

There are some key areas in regard to the Local Government Act 2002 that must be addressed, but none more so than that of tangata whenua participation and involvement at local government level.

It is well established, that at the local government level, tangata whenua have been unfairly, inequitably and disproportionately under-represented across elected councils. In general, less than five percent of elected local councillors in any term of local government representation, have been Māori.

It is of note that in the annual review of race relations issued by the Human Rights Commission in March 2010 Māori representation in local government and an effective voice for Māori in the decisions of the new Auckland Council as being among the top ten race relations priorities. The Māori Party had hoped that serious consideration would therefore have been extended to the concept of Māori participation and engagement at local government level.

Iwi, who have a Treaty relationship with the Crown, have no clear path to engage as a partner with local government. The keyword here is “partner”; tangata whenua are not afforded a partnership within local government. Although there are processes that are established to maintain tangata whenua participation at local government level, including through iwi management plans, ultimately there is a lack of Māori enfranchisement within local government. We acknowledge that there are some local authorities that engage with tangata whenua in positive ways, but there are also some local authorities that are distinctly lagging behind.

Accordingly, the matter in regard to Māori participation in local government must be given more thought by the committee. It is disheartening that no consideration has been afforded this matter as yet.

In seeking further counsel on this bill we listen to the voice of our people through the submissions that were received.

We take note of the words of *Te Ora o Manukau*, that if public participation is marginalised in local authority decision making, the utilisation of Treaty of Waitangi models of maintaining effective working relationships, as well as government aspirations of effective community engagement are further undermined by this bill.

We highlight the concern raised by *Ngāti Haua and the Whanganui River tribes* in recognising that this legislation, specifically where the

bill addresses matters of water management, will impinge on their claim over the Whanganui River. The Crown must acknowledge its Treaty obligations to consult on any of its activities that may impact on Treaty claims. Ngāti Haua and the Whanganui River tribes are concerned that at no stage have they been consulted on the impacts of the proposals within this bill on their claim over the Whanganui River.

We take into account the points raised by *Te Wai Māori* in relation to concerns of the provision of water services, in that local government cannot deal with freshwater in isolation from Māori, and that Māori have an ownership right in the water that is subject to this bill.

The underlying theme of these submissions is clear; tangata whenua do not have adequate, comprehensive and mandatory representation at the local government decision-making table. Overall, Māori have been disenfranchised from local government. This is an issue that has been overlooked throughout the deliberations over this bill and continues to cause us grave concern.

Appendix

Committee process

The Local Government Act 2002 Amendment Bill was referred to us on 4 May 2010. The closing date for submissions was 18 June 2010. We received and considered 433 submissions from interested groups and individuals. We heard 109 submissions, which included holding hearings in Auckland.

We received advice from the Department of Internal Affairs. The Regulations Review Committee reported to the committee on the powers contained in clauses 39 and 41.

Committee membership

Chris Auchinvole (Chairperson)

Dr Cam Calder

Hilary Calvert (from 13 October 2010)

Hon Chris Carter (from 21 July 2010 until 4 August 2010)

Charles Chauvel (from 21 July 2010)

David Garrett (until 23 September 2010)

Hon George Hawkins

Chris Hipkins (from 4 August 2010)

Hon Shane Jones (until 21 July 2010)

Rahui Katene

Nikki Kaye

Sue Kedgley

Phil Twyford (until 21 July 2010)

Louise Upston

Nicky Wagner

Local Government Act 2002 Amendment Bill

Key to symbols used in reprinted bill

As reported from a select committee

text inserted by a majority

~~text deleted by a majority~~

Hon Rodney Hide

Local Government Act 2002 Amendment Bill

Government Bill

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The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Local Government Act 2002 Amendment Act **2010**.
- 2 Commencement** 5
(1) **Section 16** comes into force on **1 July 2011**.
(2) The rest of this Act comes into force on the day after the date on which it receives the Royal assent.
- 3 Principal Act amended** 10
This Act amends the Local Government Act 2002.

Part 1
Amendments to principal Act

- 4 Interpretation**
- (1) Section 5(1) is amended by repealing the definition of **community outcomes** and substituting the following definition: 15
“**community outcomes** means the outcomes that a local authority aims to achieve in order to ~~maintain and improve~~ promote the social, economic, environmental, and cultural well-being of its district or region, in the present and for the future”.
- (2) Section 5(1) is amended by inserting the following definitions 20
in their appropriate alphabetical order:
“**equity security** has the meaning given to it in section 2 of the Securities Act 1978
“**natural hazard** has the meaning given to it in section 2(1) of the Resource Management Act 1991 25
“**reserve fund** means money set aside by a local authority for a specific purpose”.
- 5 New section 11A inserted**
The following section is inserted after section 11:

“11A Core services to be considered in performing role

In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities:

- “(a) network infrastructure: 5
- “(b) public transport services:
- “(c) solid waste collection and disposal:
- “(d) the avoidance or mitigation of natural hazards:
- “(e) libraries, museums, reserves, recreational facilities, and other community infrastructure.” 10

6 Principles relating to local authorities

Section 14(1) is amended by inserting the following paragraph after paragraph (f):

- “(fa) a local authority should periodically—
- “(i) assess the expected returns to the authority from investing in ~~equity securities or undertaking, or~~ undertaking, a commercial activity; and 15
- “(ii) satisfy itself that the expected returns are likely to outweigh the risks inherent in the investment or activity; and”. 20

6A Statement of intent for council-controlled organisations

Section 64(1) is amended by omitting “clause 9” and substituting “clauses 9 and 10”.

7 Outline of Part

Section 75(e) is repealed. 25

8 Community views in relation to decisions

Section 78(2) is repealed.

9 Special consultative procedure in relation to long-term council community plan

- (1) Section 84(4)(b) is amended by omitting “; and”. 30
- (2) Section 84(4)(c) is repealed.

- 10 Use of special consultative procedure in relation to annual plan**
Section 85(2)(a) is amended by omitting “clause 2(2)” and substituting “**clauses 3 to 5**”.
- 11 Section 88 repealed** 5
Section 88 is repealed.
- 12 Sections 91 and 92 and heading above section 91 repealed**
Sections 91 and 92 and the heading above section 91 are repealed.
- 13 Audit of long-term council community plan** 10
(1) Section 94(1)(b) is amended by omitting “; and”.
(2) Section 94(1)(c) is repealed.
- 14 Certain decisions to be taken only if provided for in long-term council community plan**
Section 97(1)(c) and (d) are repealed. 15
- 15 Audit of information in annual report and summary**
Section 99 is amended by repealing subsection (1) and substituting the following subsection:
“(1) In addition to the information required by **Part 3 of Schedule 10**, the annual report must contain the auditor’s report on—
“(a) the financial statements referred to in **clause 30 of Schedule 10**; and
“(b) the statement about budgeted and actual capital expenditure referred to in **clause 25 of Schedule 10**; and 25
“(c) the funding impact statement referred to in **clause 31 of Schedule 10**; and
“(d) the local authority’s compliance with the requirements of **Schedule 10** that are applicable to the 30 annual report.”

16 New section 99A inserted

The following section is inserted after section 99:

“99A Pre-election report

“(1) The chief executive of a local authority must prepare a pre-election report containing the information required by **Part 4 clause 37 of Schedule 10**. 5

“(1A) However, the chief executive of a local authority that has an ordinarily resident population of fewer than 20,000 people need not comply with **clause 37(1)(a) and (2) of Schedule 10** for the financial year ending in the same year as the election. 10

“(1B) Instead of complying with **clause 37(1)(a) and (2) of Schedule 10**, the chief executive of the local authority may include in a pre-election report the information set out in **clause 38 of Schedule 10**. 15

“(2) The purpose of a pre-election report is to provide information to promote public discussion about the issues facing the local authority.

“(3) A pre-election report must be completed and published no later than the day that is 2 weeks before the nomination day for a triennial general election of members of a local authority under the Local Electoral Act 2001. 20

“(4) A pre-election report must not contain a statement by, or a photograph of, an elected member of the local authority.”

17 New section 101A inserted 25

The following section is inserted after section 101:

“101A Financial strategy

“(1) A local authority must, as part of its long-term plan, prepare and adopt a financial strategy for all of the consecutive financial years covered by the long-term plan. 30

“(2) The purpose of the financial strategy is to facilitate—

“(a) prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and

“(b) consultation on the local authority’s proposals for funding and expenditure by making transparent the overall 35

effects of those proposals on the local authority's services, rates, debt, and investments.

- “(3) The financial strategy adopted under this section must—
- “(a) include a statement of the factors that are expected to have a significant impact on the local authority during the consecutive financial years covered by the strategy, including—
- “(i) the expected changes in population and the use of land in the district or region, and the capital and operating costs of providing for those changes; and
- “(ii) the expected capital expenditure on network infrastructure, flood protection, and flood control works that is required to maintain existing levels of service currently provided by the local authority; and
- “(iii) other significant factors affecting the local authority's ability to maintain existing levels of service and to meet additional demands for services; and
- “(b) include a statement of the local authority's—
- “(i) quantified limits on rates, rate increases, and borrowing; and
- “(ii) assessment of its ability to provide and maintain existing levels of service and to meet additional demands for services within those limits; and
- “(c) specify the local authority's policy on the giving of securities for its borrowing; and
- “(d) specify the local authority's objectives for holding and managing financial investments and equity securities and its quantified targets for returns on those investments and equity securities.”

18 New section 102 substituted

Section 102 is repealed and the following section substituted:

“102 Funding and financial policies

- “(1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in **subsection (2)**.

- “(2) The policies are—
- “(a) a revenue and financing policy; and
 - “(b) a liability management policy; and
 - “(c) an investment policy; and
 - “(d) a policy on development contributions or financial contributions; and 5
 - “(e) a policy on the remission and postponement of rates on Māori freehold land.
- “(3) A local authority may adopt either or both of the following policies: 10
- “(a) a rates remission policy;
 - “(b) a rates postponement policy.
- “(4) A local authority—
- “(a) must use the special consultative procedure in adopting a policy under this section: 15
 - “(b) may amend a policy adopted under this section at any time using the special consultative procedure.
- “(5) However, **subsection (4)** does not apply to—
- “(a) a liability management policy;
 - “(b) an investment policy.” 20

19 Revenue and financing policy

- (1) Section 103(1) is amended by omitting “section 102(4)(a)” and substituting “**section ~~102(2)(a)~~ 102(1)**”.
- (2) Section 103(3) is amended by omitting “section 102(4)(a)” and substituting “**section ~~102(2)(a)~~ 102(1)**”. 25
- (3) Section 103 is amended by adding the following subsection:
- “(4) If a local authority amends its revenue and financing policy under section 93(4), only a significant amendment to the policy is required to be audited in accordance with sections 84(4) and 94(1).” 30

20 Liability management policy

- (1) Section 104 is amended by omitting “section 102(4)(b)” and substituting “**section ~~102(2)(b)~~ 102(1)**”.
- (2) Section 104(d) is amended by omitting “; and”.
- (3) Section 104(e) and (f) are repealed. 35

- 21 Investment policy**
- (1) Section 105 is amended by omitting “section 102(4)(c)” and substituting “**section ~~402(2)(c)~~ 102(1)**”.
- (2) Section 105(a) is repealed.
- 22 Policy on development contributions or financial contributions** 5
- (1) Section 106(2) is amended by omitting “section 102(4)(d)” and substituting “**section ~~402(2)(d)~~ 102(1)**”.
- (2) Section 106 is amended by adding the following subsection:
- “(6) A policy adopted under ~~this section~~ **section 102(1)** must be reviewed at least once every 3 years using the special consultative procedure.” 10
- 23 Section 107 repealed**
- Section 107 is repealed.
- 24 Policy on remission and postponement of rates on Māori freehold land** 15
- (1) Section 108 is amended by omitting “section 102(4)(f)” in each place where it appears and substituting in each case “**section ~~402(2)(e)~~ 102(1)**”.
- (2) Section 108 is amended by inserting the following subsection after subsection (4): 20
- “(4A) A policy adopted under **section ~~402(2)(e)~~ 102(1)** must be reviewed at least once every 6 years using the special consultative procedure.”
- 25 Rates remission policy** 25
- (1) Section 109 is amended by omitting “section 102(5)(a)” in each place where it appears and substituting in each case “**section ~~402(3)(a)~~ 102(1)**”.
- (2) Section 109 is amended by inserting the following subsection after subsection (2): 30
- “(2A) If a policy is adopted under **section ~~402(3)(a)~~ 102(1)**, the policy—
- “(a) must be reviewed at least once every 6 years using the special consultative procedure; and

“(b) may be revoked ~~if recommended by~~ following the review under **paragraph (a)**.”

26 Rates postponement policy

(1) Section 110 is amended by omitting “section 102(5)(b)” in each place where it appears and substituting in each case “~~section 102(3)(b)~~ **102(1)**”.

(2) Section 110 is amended by inserting the following subsection after subsection (2):

“(2A) If a policy is adopted under ~~section 102(3)(b)~~ **102(1)**, the policy—

“(a) must be reviewed at least once every 6 years using the special consultative procedure; and

“(b) may be revoked ~~if recommended by~~ following the review under **paragraph (a)**.”

27 Information to be prepared in accordance with generally accepted accounting practice

Section 111 is amended by adding the following subsection as subsection (2):

“(2) Subsection (1) does not apply to the preparation of a funding impact statement.”

28 Requirement to assess water and other sanitary services

Section 125(1) is amended by omitting “in accordance with sections 126 and 127,”.

29 Sections 126 to 129 repealed

Sections 126 to 129 are repealed.

30 Obligation to maintain water services

Section 130(3)(d)(ii) is amended by omitting “section 194” and substituting “section 69S of the Health Act 1956”.

31 New section 136 substituted

Section 136 is repealed and the following section substituted:

“136 Contracts relating to provision of water services

“(1) Despite section 130(2), a local government organisation may enter into contracts for any aspect of the operation of all or part of a water service for a term not longer than 35 years.

“(2) If a local government organisation enters into a contract under **subsection (1)**, it must— 5

“(a) continue to be legally responsible for providing the water services; and

“(b) retain control over the following matters:

“(i) the pricing of water services; and 10

“(ii) the development of policy related to the delivery of water services.”

“(3) This section does not limit contracts in relation to water services that are entered into solely between local government organisations.” 15

32 Joint local government arrangements and joint arrangements with other entities

~~(+) Section 137(2)(a) is amended by omitting “15” and substituting “35”.~~

(1) Section 137(2) is amended by repealing paragraph (a) and substituting the following paragraph: 20

“(a) a joint arrangement for a term not longer than 35 years (except a concession or other franchise agreement relating to the provision of the water services or any aspect of the water services):”. 25

(2) Section 137(3)(b) is amended by omitting “; and”.

(3) Section 137(3)(c) is repealed.

(4) Section 137(4) is repealed and the following subsections substituted:

“(4) If a local government organisation enters into a joint arrangement under subsection (2)(a), it must— 30

“(a) continue to be legally responsible for providing the water services; and

“(b) retain control over the following matters:

“(i) the pricing of water services; and 35

“(ii) the development of policy related to water services; and

- “(c) after the end of the joint arrangement, retain ownership of all the infrastructure associated with the water service, whether or not the infrastructure was—
- “(i) provided by the local government organisation at the beginning of the joint arrangement; or 5
- “(ii) developed or purchased during the joint arrangement; and
- “(d) not sell or transfer ownership of any existing infrastructure associated with the water service, unless the local government organisation reasonably believes that the sale is— 10
- “(i) incidental to the joint arrangement; and
- “(ii) desirable for the success of the joint arrangement.”
- “(5) In this section, **concession or other franchise agreement** means an agreement under which a person other than the local government organisation is entitled to receive a payment from any person other than the local government organisation for the supply of the water service.” 15
- 33 Conditions applying to sale or exchange of endowment property** 20
Section 141(1)(b) is repealed.
- 34 Local authority may execute works if owner or occupier defaults**
- (1) Section 186(1)(b) is amended by omitting “territorial” and substituting “local”. 25
- (2) Section 186(5)(b) is amended by omitting “subsection (1)” and substituting “subsection (2)”. 25
- 35 Obstruction of enforcement officers or agents of local authority** 30
Section 229(a)(iii) is amended by inserting “of” after “provisions”.

- 36 Part heading amended**
The heading to Part 11 is amended by omitting “**and other Orders in Council**” and substituting “, **other Orders in Council, and rules**”.
- 37 New heading inserted** 5
The following heading is inserted before section 259:
“*Regulations*”.
- 38 Regulations**
- (1) Section 259 is amended by inserting the following paragraphs after paragraph (d): 10
“(da) prescribing matters, not inconsistent with generally accepted accounting practice, that must be specified in a financial statement and the manner in which they must be specified:
“(db) prescribing forms for the funding impact statements to be included in the long-term plan, annual plan, and annual report.” 15
- (2) Section 259 is amended by adding the following subsection as subsection (2):
“(2) Regulations made under **subsection (1)(db)** may specify in greater detail the information required to be included in a funding impact statement by **Schedule 10**.” 20
- 39 New sections 259A and 259B inserted**
The following ~~section is~~ sections are inserted after section 259:
“**259A Levy to fund rules for performance measures** 25
“(1) Regulations may be made under section 259 providing for the imposition and collection of a levy on local authorities.
“(2) The purpose of the levy is to recover all or part of the reasonable cost of making rules specifying performance measures.
“(3) Regulations made for the purpose of this section may— 30
“(a) specify the categories of local authorities that are liable to pay the levy:
“(b) prescribe the amount or method of calculation of the levy:

- “(c) prescribe different amounts or methods of calculation of the levy in relation to different categories of local authority:
- “(d) ~~provide for the Secretary to make exemptions from or refund the levy, in whole or in part, in any class of case.~~ 5
- “(e) provide for the manner in which the levy is collected.
- “(4) All levy money collected under this section must be paid into a Crown Bank Account.
- “(5) Any levy—
- “(a) must be reasonable having regard to the expenses incurred or to be incurred by the Secretary in relation to the making of rules under **section 261A**; and 10
- “(b) is payable to the Secretary and recoverable in a court of competent jurisdiction as a debt due to the Secretary.
- “(6) The Minister may recommend the making of regulations that impose a levy only if the Minister has first consulted the New Zealand Local Government Association Incorporated. 15

“259B Power to refund levy

The Secretary may refund the whole or any part of the levy if the Secretary is satisfied that the amount of levy money collected exceeds the amount necessary to fulfil the purpose of the levy stated in **section 259A(2)**.” 20

40 New heading inserted

The following heading is inserted before section 260:

“Other Orders in Council”. 25

41 New headings and sections 261AA to 261G inserted

The following headings and sections are inserted after section 261:

“Rules for performance measures

“261AA Purpose of rules specifying performance measures 30

The purpose of rules made under **section 261A** is to provide standard performance measures that are applicable to local authorities so that the public may compare the level of service provided in relation to a group of activities by different local authorities. 35

“261A Secretary may make rules specifying performance measures

- “(1) The Secretary must, as soon as is reasonably practicable, make rules specifying performance measures in relation to the following groups of activities: 5
- “(a) water supply:
 - “(b) sewerage and the treatment and disposal of sewage:
 - “(c) stormwater drainage:
 - “(d) flood protection and control works:
 - “(e) the provision of roads and footpaths. 10
- “(1A) Before making a rule under **subsection (1)**, the Secretary must—
- “(a) consider whether an existing performance measure is suitable for the purpose; and
 - “(b) have regard to whether a performance measure— 15
 - “(i) measures the level of service for a major aspect of the group of activities; and
 - “(ii) addresses an aspect of the service that is of widespread interest in the communities to which a service in relation to the group of activities is provided; and 20
 - “(iii) contributes to the effective and efficient management of the group of activities.
- “(2) Before making a rule, the Secretary must—
- “(a) consult every local authority; and 25
 - “(b) publish in the *Gazette*, and in all of the daily newspapers published in Auckland, Hamilton, Wellington, Christchurch, and Dunedin, a notice of his or her intention to make the rule; and
 - “(c) give interested persons a reasonable time, which must be specified in the notice, to make submissions on the proposal; and 30
 - “(d) consult any other persons or groups as the Secretary considers appropriate.
- “(3) The Secretary must— 35
- “(a) make copies of the rules available for purchase at a reasonable price; and

- “(b) make copies of the rules available free of charge, at all reasonable times, on an Internet site maintained by, or on behalf of, the Secretary; and
- “(c) give notice in the *Gazette* that—
- “(i) the rules have been made; and 5
- “(ii) copies of the rules may be purchased and the place at which they may be purchased; and
- “(iii) the rules are available on an Internet site, free of charge, and state the Internet site address.
- “(4) A rule comes into force 28 days after the date of its notification 10
in the *Gazette* or on such later date as may be specified in the rule.

“**261B Status of rules**

A rule made under **section 261A** is a regulation for the purposes of the Regulations (Disallowance) Act 1989 but not for the purposes of the Acts and Regulations Publication Act 1989. 15

“Incorporation by reference

“**261C Incorporation of documents by reference in rules**

- “(1) The following written material may be incorporated by refer- 20
ence in a rule made under **section 261A**:
- “(a) standards, requirements, or recommended practices of international or national organisations:
- “(b) standards, requirements, or recommended practices prescribed in any country or jurisdiction: 25
- “(c) any other written material that deals with technical matters and that is too large or impractical to include in, or print as part of, the rule.
- “(2) Material may be incorporated by reference in a rule—
- “(a) in whole or in part; and 30
- “(b) with modifications or additions specified in the rule.
- “(3) Material incorporated by reference in a rule has legal effect as part of the rule.

“261D Proof of material incorporated by reference

“(1) A copy of material incorporated by reference in a rule, including any amendment to, or replacement of, the material, must be—

- “(a) certified by the Secretary as a correct copy of the material incorporated by reference; and 5
 “(b) retained by the Secretary.

“(2) The production in proceedings of a certified copy of the material is, in the absence of evidence to the contrary, sufficient evidence that the material is incorporated by reference in the rule. 10

“261E Effect of change to, or expiry of, material incorporated by reference

“(1) This section applies to—

- “(a) an amendment to, or a replacement of, material incorporated by reference in a rule: 15
 “(b) material incorporated by reference in a rule if the material expires, is revoked, or ceases to have effect.

“(2) The amendment or replacement has legal effect as part of the rule only if the rule is varied to state that the amendment or replacement has that effect. 20

“(3) The material described in **subsection (1)(b)** ceases to have legal effect as part of the rule only if the rule is varied to state that the material ceases to have effect.

“261F Consultation on proposal to incorporate material by reference 25

“(1) ~~During consultation on a proposed rule,~~ Before a rule is made under **section 261A**, the Secretary—

- “(a) must make copies of any material proposed to be incorporated by reference in the rule (or the proposed amendment to, or replacement of, material incorporated by reference in the rule) (the **proposed material**) available for inspection, free of charge, available during working hours at the offices of the Secretary ~~for inspection by the public free of charge;~~ and 30
 “(ab) must make copies of the proposed material available for purchase at a reasonable price; and 35

- “(ac) must make copies of the proposed material available, free of charge, on an Internet site maintained by or on behalf of the Secretary, unless doing so would infringe copyright; and
- “(b) may make copies of the ~~proposed material proposed to be incorporated by reference in the rule~~ available in any way that the Secretary considers appropriate in the circumstances ~~(for example, on an Internet site maintained by or on behalf of the Secretary);~~ and 5
- “(c) must give notice in the *Gazette* stating— 10
- “(i) that the proposed material is available for inspection during working hours and free of charge, the place at which it can be inspected, and the period during which it can be inspected; and
- “(ii) that copies of the proposed material can be purchased and the place at which they can be purchased; and 15
- “(iii) if applicable, that the proposed material is available on the Internet free of charge and the Internet site address; and 20
- “(d) must allow a reasonable opportunity for persons to comment on the proposal to incorporate the proposed material by reference; and
- “(e) must consider any comments made.
- “(2) The reference in **subsection (1)** to any material proposed to be incorporated by reference in a rule includes, if the material is not in an official New Zealand language, an accurate translation of that material in an official New Zealand language. 25
- “(3) A failure to comply with this section does not invalidate a rule that incorporates material by reference. 30

“261G Access to material incorporated by reference

- “(1) The Secretary—
- “(a) must make the material referred to in **subsection (2)** available for inspection during working hours, free of charge, at the offices of the Secretary; and 35
- “(ab) must make copies of the incorporated material available for purchase at a reasonable price; and

- “(ac) must make copies of the incorporated material available, free of charge, on an Internet site maintained by or on behalf of the Secretary, unless doing so would infringe copyright; and
- ~~“(b) may make copies of the material available in any other way that the Secretary considers appropriate in the circumstances (for example, on an Internet site maintained by or on behalf of the Secretary); and~~ 5
- “(b) may make copies of the incorporated material available in any other way that the Secretary considers appropriate in the circumstances; and 10
- “(c) must ~~state in the rule~~ give notice in the *Gazette* stating—
- “(i) that the material is incorporated in the rule and the date on which the rule was made; and
- “(ii) that the material is available for inspection during 15
working hours free of charge and the place at which it can be inspected; and
- “(iia) that copies of the material can be purchased and the place at which they can be purchased; and
- “(iib) that the material is available on the Internet and free of charge, and the Internet site address; and 20
- “(iii) if copies of the material are available under **paragraph (b)**, how and where the copies may be obtained or accessed.”
- “(2) The material referred to in **subsection (1)** is— 25
- “(a) material incorporated by reference in the rule:
- “(b) any amendment to, or replacement of, that material that is incorporated in the rule or the material referred to in **paragraph (a)** with the amendments or replacement material incorporated: 30
- “(c) if the material referred to in **paragraph (a)** is not in an official New Zealand language, as well as the material itself, an accurate translation of that material in an official New Zealand language.
- “(3) A failure to comply with this section does not invalidate a rule that incorporates material by reference.” 35

42 Section 279 repealed
Section 279 is repealed.

- 43 Sections 281 and 282 repealed**
Sections 281 and 282 are repealed.
- 44 Section 288 repealed**
Section 288 is repealed.
- 45 Schedule 7 amended** 5
Clause 39(1) of Schedule 7 is amended by omitting “out of the general revenues of the district”.
- 45A New clause 10 added in Schedule 8**
Schedule 8 is amended by adding the following clause:
- “10 Additional content of statements of intent** 10
- “(1) This clause applies to a council-controlled organisation that provides services in relation to the following groups of activities:**
- “(a) water supply:**
- “(b) sewerage and the treatment and disposal of sewage:** 15
- “(c) stormwater drainage:**
- “(d) flood protection and control works:**
- “(e) the provision of roads and footpaths.**
- “(2) The council-controlled organisation’s statement of intent must, in relation to each group of activities described in subclause (1), include a statement of the intended levels of service provision that complies with clause 4 (a) and (c) of Schedule 10 as if—** 20
- “(a) the reference to a long-term plan were a reference to the statement of intent; and** 25
- “(b) the reference to a local authority were a reference to a council-controlled organisation.”**
- 46 New Schedule 10 substituted**
Schedule 10 is repealed and the schedule set out in **Schedule 1** of this Act is substituted. 30

Part 2

Consequential amendments and transitional provisions

- 47 Other amendments to principal Act** 5
The principal Act is amended in the manner set out in **Schedule 2** of this Act.
- 48 Consequential amendments to other enactments**
The enactments listed in **Schedule 3** are amended in the manner set out in that schedule.
- Transitional provisions* 10
- 49 Transitional provision for long-term plan beginning on 1 July 2009**
- (1) This section applies to a long-term plan beginning on 1 July 2009 and still in force at the commencement of this section.
- (2) The amendments made by this Act to Schedule 10 of the principal Act do not apply to a long-term plan specified in **subsection (1)**, and nothing in this Act requires that long-term plan to be amended to ensure it complies with the requirements of the principal Act as amended by this Act. 15
- (3) Until a local authority has adopted a financial strategy under **section 101A** of the principal Act (as inserted by **section 17** of this Act), it must amend its liability management policy or investment policy only as an amendment to its long-term plan as if the amendments enacted by this Act had not been made. 20
- 50 Transitional provision for annual plans** 25
- (1) This section applies to an annual plan that relates to the period—
- (a) 1 July 2010 to 30 June 2011; or
- (b) 1 July 2011 to 30 June 2012.
- (2) The amendments made by this Act to section 85(2)(a) and Schedule 10 of the principal Act do not apply to an annual plan specified in **subsection (1)**, and nothing in this Act requires that annual plan to be amended to ensure it complies with the requirements of the principal Act as amended by this Act. 30

51 Transitional provision for audit of information in annual report and summary

- (1) This section applies to an annual report that relates to the period—
 - (a) 1 July 2009 to 30 June 2010; or 5
 - (b) 1 July 2010 to 30 June 2011; or
 - (c) 1 July 2011 to 30 June 2012.
- (2) The amendments made by this Act to Schedule 10 of the principal Act do not apply to an annual report specified in **subsection (1)**. 10
- (3) The amendments made by this Act to section 99 of the principal Act do not apply to the auditor’s report on the annual reports specified in **subsection (1)**.

52 Transitional provision for pre-election report

- (1) Despite **section 99A** of the principal Act (as inserted by **section 16** of this Act), a pre-election report required in relation to the triennial general election of local authorities in 2013 need not comply with **clause 37(1)(a)(i) and (iii) of Schedule 10** of the principal Act (as substituted by this Act), but must instead include— 15
 - (a) the funding impact statement referred to in **clause 31 of Schedule 10** of the principal Act (as substituted by this Act) for the financial year ending in 2013; and 20
 - (b) a summary of cash flows based on the financial statements referred to in **clause 30 of Schedule 10** of the principal Act (as substituted by this Act) for the last 3 years ending before the date of the election in 2013. 25
- (2) The summary of cash flows must disclose income from rates and payments for property, plant, equipment, and intangible assets separately. 30

52A Transitional provision for identification and reporting of community outcomes

A local authority is not required to comply with, or complete the compliance with, an obligation under section 91 or 92 of the principal Act that existed before the repeal of those provisions by **section 12** of this Act. 35

53 Transitional provision for review of certain funding and financial policies

- (1) This section applies to a review of the following policies:
- (a) a local authority's policy on the remission and postponement of rates on Māori freehold land under **section 108(4A)** of the principal Act (as inserted by **section 24** of this Act): 5
 - (b) a local authority's rates remission policy under **section 109(2A)** of the principal Act (as inserted by **section 25** of this Act): 10
 - (c) a local authority's rates postponement policy under **section 110(2A)** of the principal Act (as inserted by **section 26** of this Act).
- (2) A policy specified in **subsection (1)** is to be treated as having been last reviewed on the date that the local authority adopted its long-term plan for the period beginning on 1 July 2009. 15
-

Schedule 1
New Schedule 10 substituted
Schedule 10

s 46

ss 5(2), 75(f), 85(2),
 93(7)(b), 95(6)(c), 98(1),
 99A(1)

**Long-term plans, annual plans, and
 annual reports**

5

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Part 1

Information to be included in long-term plans

1 Community outcomes

A long-term plan must, to the extent determined appropriate by the local authority, describe the community outcomes for the local authority's district or region. 5

2 Groups of activities

(1) A long-term plan must, in relation to each group of activities of the local authority,—

- (a) identify the activities within the group of activities: 10
- (b) identify the rationale for delivery of the group of activities (including the community outcomes to which the group of activities primarily contributes):

Schedule 10—*continued*Part 1—*continued*

- (c) outline any significant negative effects that any activity within the group of activities may have on the social, economic, environmental, or cultural well-being of the local community;
- (d) include the information specified in **clauses 4 and 5**— 5
- (i) in detail in relation to each of the first 3 financial years covered by the plan; and
- (ii) in outline in relation to each of the subsequent financial years covered by the plan.
- (2) In this schedule, each of the following activities is a group of 10 activities:
- (a) water supply;
- (b) sewerage and the treatment and disposal of sewage;
- (c) stormwater drainage;
- ~~(d) the protection of the community from flooding;~~ 15
- (d) flood protection and control works;
- (e) the provision of roads and footpaths.
- (3) Despite **subclause (2)**, a local authority may treat any other activities as a group of activities.
- 3 Capital expenditure for groups of activities** 20
- (1) A long-term plan must, in relation to each group of activities of the local authority and for each financial year covered by the plan, include a statement of the amount of capital expenditure that the authority has budgeted to—
- (a) meet additional demand for an activity; and 25
- (b) improve the level of service; and
- (c) replace existing assets.
- (2) For the purpose of this clause, capital expenditure budgeted for 2 or all of the purposes in **subclause (1)** must be treated as if it were made solely in relation to the primary purpose of the expenditure. 30

Schedule 10—*continued*Part 1—*continued***4 Statement of service provision**

A long-term plan must, in relation to each group of activities of the local authority, include a statement of the intended levels of service provision that specifies—

- (a) any performance measures specified in a rule made under **section 261A** for a group of activities described in **clause 2(2)**; and 5
- (b) the performance measures that the local authority considers will enable the public to assess the level of service for major aspects of groups of activities for which performance measures have not been specified under **paragraph (a)**; and 10
- (c) the performance target or targets set by the local authority for each performance measure; and
- (d) any intended changes to the level of service that was provided in the year before the first year covered by the plan and the reasons for the changes; and 15
- (e) the reason for any material change to the cost of a service.

5 Funding impact statement for groups of activities 20

(1) A long-term plan must, in relation to each year covered by the plan, include a funding impact statement in relation to each group of activities of the local authority.

(2) The funding impact statement must be in the prescribed form and must identify— 25

- (a) the sources of funding to be used by the local authority ~~and the rationale for their selection in terms of section 101(3)~~; and
- (b) the amount of funds expected to be produced from each source; and 30
- (c) how the funds are to be applied.

Schedule 10—*continued*Part 1—*continued*

- 6 Variation between territorial authority’s long-term plan and assessment of water and sanitary services and waste management plans**
- A long-term plan for a territorial authority must identify and explain any significant variation between the proposals outlined in the long-term plan and the territorial authority’s—
- (a) assessment of water and other sanitary services under section 125:
 - (b) waste management and minimisation plans adopted under section 43 of the Waste Minimisation Act 2008.
- 7 Council-controlled organisations**
- A long-term plan must, in relation to each council-controlled organisation,—
- (a) name the council-controlled organisation and any subsidiary of the council-controlled organisation; and
 - (b) identify—
 - (i) the local authority’s significant policies and objectives in relation to ownership and control of the organisation; and
 - (ii) the nature and scope of the activities to be provided by the council-controlled organisation; and
 - (iii) the key performance targets and other measures by which performance is to be judged.
- 8 Development of Māori capacity to contribute to decision-making processes**
- A long-term plan must set out any steps that the local authority intends to take, having undertaken the consideration required by section 81(1)(b), to foster the development of Māori capacity to contribute to the decision-making processes of the local authority over the period covered by that plan.
- 9 Financial strategy**
- A long-term plan must include a local authority’s financial strategy adopted under **section 101A**.

Schedule 10—*continued*Part 1—*continued*

- 10 ~~Funding and financial policies~~ Revenue and financing policy**
 A long-term plan must include a local authority's revenue and financing policy adopted under **section ~~402(2)(a)~~ 102(1)**.
- 11 Determining significance** 5
 A long-term plan must contain a summary of the local authority's policy on determining significance under the Act.
- ~~12 Affordable housing policy~~**
~~A long-term plan must contain a summary of the local authority's affordable housing policy, if it has adopted one under the Affordable Housing: Enabling Territorial Authorities Act 2008.~~ 10
- 13 Forecast financial statements**
- (1) A long-term plan must include, for each of the financial years covered by the plan, forecast financial statements for the local authority. 15
- (2) A long-term plan may include, for each of the financial years covered by the plan, or for any of those years, forecast financial statements for any council-controlled organisation or any other entity under the local authority's control. 20
- 14 Financial statements for previous year**
- (1) A long-term plan must include the numerical information from the forecast financial statements referred to in **clause 13(1)** that were prepared for the financial year that is the year before the first year covered by the plan. 25
- (2) The numerical information must be presented in a way that allows the public to compare the information with the numerical information contained in the forecast financial statements for each of the financial years covered by the plan.

Schedule 10—*continued*Part 1—*continued***15 Statement concerning balancing of budget**

If the local authority has resolved, under section 100(2), not to balance its operating budget in any year covered by the long-term plan, the plan must include—

- (a) a statement of the reasons for the resolution and any other matters taken into account; and 5
- (b) a statement of the implications of the decision.

16 Funding impact statement

- (1) A long-term plan must include a funding impact statement in relation to each year covered by the plan. 10
- (2) The funding impact statement must be in the prescribed form and must identify—
 - (a) the sources of funding to be used by the local authority ~~and the rationale for their selection in terms of section 101(3)~~; and 15
 - (b) the amount of funds expected to be produced from each source; and
 - (c) how the funds are to be applied.
- (3) If the sources of funding include a general rate, the funding impact statement must— 20
 - (a) include particulars of the valuation system on which the general rate is to be assessed; and
 - (b) state whether a uniform annual general charge is to be included and, if so,—
 - (i) how the charge is to be calculated; and 25
 - (ii) the local authority's definition of a separately used or inhabited part of a rating unit, if the charge is to be calculated on that basis; and
 - (c) state whether the general rate is to be set differentially and, if so,— 30
 - (i) the categories of rateable land, within the meaning of section 14 of the Local Government (Rating) Act 2002, to be used; and
 - (ii) the objectives of the differential rate, in terms of the total revenue sought from each category of 35

Schedule 10—*continued*Part 1—*continued*

rateable land or the relationship between the rates set on rateable land in each category.

- (4) If the sources of funding include a targeted rate, the funding impact statement must—
- (a) specify the activities or groups of activities for which the targeted rate is to be set; and 5
 - (b) include particulars of the category, or categories, of rateable land, within the meaning of section 17 of the Local Government (Rating) Act 2002, to be used; and
 - (c) for each category, state— 10
 - (i) how liability for the targeted rate is to be calculated; and
 - (ii) the local authority's definition of a separately used or inhabited part of a rating unit, if the rate is to be calculated on that basis; and 15
 - (d) if the targeted rate is set differentially, state the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land in each category; and
 - (e) state whether lump sum contributions will be invited in respect of the targeted rate. 20
- (4A) If the sources of funding include a general rate or a targeted rate, the funding impact statement must, for the first year covered by the long-term plan, include examples of the impact of the rating proposals in **subclause (3) and (4)** on the rates assessed on different categories of rateable land with a range of property values. 25
- (5) If the same source of funding is to be used in more than 1 of the years covered by the long-term plan, in order to comply with **subclauses (2)(a), (3), and (4)** with respect to that source, it is sufficient— 30
- (a) to comply with those subclauses in relation to 1 of those years; and
 - (b) for the funding impact statement to specify the other years in respect of which that source is to be used. 35

Schedule 10—*continued*

Part 1—*continued*

- 17 Reserve funds**
- A long-term plan must identify each reserve fund set aside by the local authority and, in relation to each fund, specify—
- (a) the purpose of the fund; and
 - (b) the activities to which the fund relates; and 5
 - (c) the amount expected to be in the fund at—
 - (i) the commencement of the first year to which the long-term plan relates; and
 - (ii) the end of the last year to which the long-term plan relates; and 10
 - (d) the amount expected to be deposited in the fund in the period to which the long-term plan relates; and
 - (e) the amount expected to be withdrawn from the fund in the period to which the long-term plan relates.
- 18 Significant forecasting assumptions** 15
- A long-term plan must clearly identify—
- (a) all the significant forecasting assumptions and risks underlying the financial estimates:
 - (b) without limiting the generality of **paragraph (a)**, the following assumptions on which the financial estimates are based: 20
 - (i) the assumptions of the local authority concerning the useful life of significant assets; and
 - (ii) the assumptions of the local authority concerning sources of funds for the future replacement of significant assets: 25
 - (c) in any case where significant forecasting assumptions involve a high level of uncertainty,—
 - (i) the fact of that uncertainty; and
 - (ii) an estimate of the potential effects of that uncertainty on the financial estimates provided. 30

Schedule 10—*continued*

Part 2

Information to be included in annual plan

19 Forecast financial statements

- (1) An annual plan must include, for the financial year to which the plan relates, forecast financial statements for the local authority. 5
- (2) An annual plan may include, for the financial year to which the plan relates, forecast financial statements for any council-controlled organisation or any other entity under the local authority's control. 10

20 Financial statements for previous year

- (1) An annual plan must include the numerical information from the forecast financial statements referred to in **clause 19(1)** that were prepared for the financial year that is the year before the year covered by the plan. 15
- (2) The numerical information described in **subclause (1)** must be presented in a way that allows the public to compare the information with the numerical information contained in the forecast financial statements for the financial year covered by the plan. 20

21 Funding impact statement

- (1) An annual plan must include a funding impact statement for the year to which the plan relates.
- (2) The funding impact statement must be in the prescribed form and must identify— 25
- (a) the sources of funding to be used by the local authority ~~and the rationale for their selection in terms of section 101(3)~~; and
 - (b) the amount of funds expected to be produced from each source; and 30
 - (c) how the funds are to be applied.
- (3) If the sources of funding include a general rate, the funding impact statement must—

Schedule 10—*continued*Part 2—*continued*

- (a) include particulars of the valuation system on which the general rate is to be assessed; and
- (b) state whether a uniform annual general charge is to be included and, if so,—
 - (i) how the charge is to be calculated; and 5
 - (ii) the local authority's definition of a separately used or inhabited part of a rating unit, if the charge is to be calculated on that basis; and
- (c) state whether the general rate is to be set differentially and, if so,— 10
 - (i) the categories of rateable land, within the meaning of section 14 of the Local Government (Rating) Act 2002, to be used; and
 - (ii) the objectives of the differential rate, in terms of the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land in each category. 15
- (4) If the sources of funding include a targeted rate, the funding impact statement must—
 - (a) specify the activities or groups of activities for which the targeted rate is to be set; and 20
 - (b) include particulars of the category, or categories, of rateable land, within the meaning of section 17 of the Local Government (Rating) Act 2002, to be used; and
 - (c) for each category, state— 25
 - (i) how liability for the targeted rate is to be calculated; and
 - (ii) the local authority's definition of a separately used or inhabited part of a rating unit, if the rate is to be calculated on that basis; and 30
 - (d) if the targeted rate is set differentially, state the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land in each category; and
 - (e) state whether lump sum contributions will be invited in respect of the targeted rate. 35

Schedule 10—*continued*Part 2—*continued*

- (5) If the sources of funding include a general rate or a targeted rate, the funding impact statement must include examples of the impact of the rating proposals in **subclauses (3) and (4)** on the rates assessed on different categories of rateable land with a range of property values. 5

22 Reserve funds

An annual plan must, for the year to which the plan relates, identify each reserve fund set aside by the local authority and, in relation to each fund, specify—

- (a) the purpose of the fund; and 10
- (b) the activities to which the fund relates; and
- (c) the amount expected to be in the fund at—
 - (i) the commencement of the year; and
 - (ii) the end of the year; and
- (d) the amount expected to be deposited in the fund during that year; and 15
- (e) the amount expected to be withdrawn from the fund during that year.

23 Annual plan and amendment of long-term plan

To avoid doubt, a local authority may prepare and adopt the annual plan at the same time as it amends the long-term plan. 20

Part 3

Information to be included in annual reports

24 Groups of activities

An annual report must, in relation to each group of activities of the local authority,— 25

- (a) identify the activities within the group of activities; and
- (b) identify the community outcomes to which the group of activities primarily contributes; and
- (c) report the results of any measurement undertaken during the year of progress towards the achievement of those outcomes; and 30

Schedule 10—*continued*Part 3—*continued*

- (d) describe any identified effects that any activity within the group of activities has had on the social, economic, environmental, or cultural well-being of the community.

25 Capital expenditure for groups of activities

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- (1) An annual report must, in relation to each group of activities, include an audited statement comparing the capital expenditure budgeted by the local authority (as set out in the long-term plan or annual plan for the financial year) with the amount spent.

10

- (2) The statement described in **subclause (1)** must show separately the amount of funds that the local authority intended to spend and the amount spent to—

- (a) meet additional demand for a group of activities; and
 (b) improve the level of performance in relation to a group of activities; and
 (c) replace existing assets.

15

- (3) For the purpose of this clause, capital expenditure budgeted for 2 or all of the purposes in **subclause (2)** must be treated as if it were made solely in relation to the primary purpose of the expenditure.

20

26 Statement of service provision

An annual report must include an audited statement that—

- (a) compares the level of service achieved in relation to a group of activities with the performance target or targets for the group of activities; and
 (b) specifies whether any intended changes to the level of service have been achieved; and
 (c) gives the reasons for any significant variation between the level of service achieved and the intended level of service.

25

30

Schedule 10—*continued*Part 3—*continued*

- 27 Funding impact statement for groups of activities**
- (1) An annual report must, in relation to each year covered by the plan, include an audited funding impact statement for each group of activities of the local authority.
- (2) The funding impact statement must be in the prescribed form and must— 5
- (a) identify—
- (i) the amount of funds produced from each source of funding; and
- (ii) how the funds were applied; and 10
- (b) compare the information in **paragraph (a)** with information included in the long-term plan in accordance with **clause 5(2)**.
- 28 Internal borrowing**
- (1) This clause applies to borrowing of the type described in paragraph (b)(iii) of the definition of borrowing in section 112 (**internal borrowing**). 15
- (2) In relation to each group of activities of the local authority, an annual report must include—
- (a) a statement of the amount of internal borrowing used for the purpose of the group of activities; and 20
- (b) the amount of funds borrowed and repaid during the year; and
- (c) the amount of interest (if any) paid in relation to the internal borrowing. 25
- 29 Council-controlled organisations**
- An annual report must include, in relation to each council-controlled organisation,—
- (a) a report on the extent to which the local authority’s significant policies and objectives in regard to ownership and control of the organisation (as set out in the relevant long-term plan or annual plan) have been implemented or attained in the year to which the report relates; and 30

Schedule 10—*continued*Part 3—*continued*

- (b) a comparison between the nature and scope of the activities intended to be provided by the organisation in the year to which the report relates (as set out in the relevant long-term plan or annual plan) and the nature and scope of the activities actually provided by the organisation in that year; and 5
- (c) a comparison between actual performance and the key performance targets and other measures set out in the relevant long-term plan or annual plan.
- 30 Financial statements** 10
- (1) An annual report must include—
- (a) audited financial statements for the financial year for the local authority; and
- (b) audited consolidated financial statements for the financial year; and 15
- (c) such other information as is necessary to enable an informed assessment of the operations of each entity reported on; and
- (d) the numerical information from the statements described in **paragraphs (a) and (b)** for the financial year before the financial year to which the report relates. 20
- (2) The numerical information described in **subclause (1)(d)** must be presented in a way that allows the public to compare the information with the numerical information contained in the forecast financial statements for the financial year covered by the report. 25
- 31 Funding impact statement**
- (1) An annual report must include an audited funding impact statement for the financial year to which the report relates. 30
- (2) The funding impact statement must be in the prescribed form and must—
- (a) identify—

Schedule 10—*continued*Part 3—*continued*

- (i) the amount of funds produced from each source of funding; and
 - (ii) how the funds were applied; and
 - (b) compare the information in **paragraph (a)** with information included in the annual plan in accordance with **clause 21(2)**. 5
 - (3) The annual report must include the information in **subclause (2)** for the financial year before the year to which the report relates.
- 32 Reserve funds** 10
- An annual report must identify each reserve fund set aside by the local authority and, in relation to each fund, specify for the financial year—
- (a) the purpose of the fund; and
 - (b) the activities to which the fund relates; and 15
 - (c) the amounts in the fund at the beginning and end of the financial year; and
 - (d) the total amount deposited in the fund; and
 - (e) the total amount withdrawn from the fund.
- 33 Remuneration issues** 20
- (1) An annual report must include a report on the remuneration that, in the year to which the report relates, was received by, or payable to, each of the following persons:
 - (a) the mayor or chairperson of the local authority;
 - (b) each of the other members of the local authority: 25
 - (c) the chief executive of the local authority.
 - (2) The report under **subclause (1)** must show, in relation to each person specified in that subclause, that person's total remuneration for the year.
 - (3) To avoid doubt, **subclause (2)** applies to the total remuneration (including the value of any non-financial benefits) that, during the year, was paid to the person, or was payable to the person, by the local authority and any council organisation of the local authority. 30

Schedule 10—*continued*Part 3—*continued***34 Severance payments**

- (1) An annual report must state—
- (a) the amount of any severance payments made in the year to any person who vacated office as the chief executive of the local authority; and 5
 - (b) the number of employees of the local authority to whom, in the year, severance payments were made; and
 - (c) the amount of every such severance payment.
- (2) In this section, **severance payment** means any consideration that a local authority has agreed to provide to an employee in respect of that employee's agreement to the termination of his or her employment, being consideration, whether of a monetary nature or otherwise, additional to any entitlement of that employee to— 10
- (a) any final payment of salary; or 15
 - (b) any holiday pay; or
 - (c) any superannuation contributions.

35 Statement of compliance

- (1) An annual report must include a statement that all statutory requirements in relation to the annual report have been complied with. 20
- (2) The statement must be signed—
- (a) by the mayor or chairperson of the local authority; and
 - (b) by the chief executive of the local authority.

36 General

25

An annual report must include a report on the activities that the local authority has undertaken in the year to establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority.

Schedule 10—*continued*

Part 4

Information to be included in pre-election report

37 Pre-election report

- (1) A pre-election report must include,— 5
- (a) for the 3 financial years immediately preceding the date of the election,—
- (i) the funding impact statement referred to in **clause 31**; and
- (ii) a summary balance sheet based on the financial statements referred to in **clause 30(1)(a)** that discloses public debt and financial assets separately; and 10
- ~~(iii) a statement setting out the extent to which the local authority has complied with its financial strategy; and~~ 15
- (iii) a statement that compares—
- (A) rates, rates increases, and borrowing with the quantified limits specified in the financial strategy; and 20
- (B) returns on investments with the quantified targets for returns on those investments specified in the financial strategy; and
- (b) for the 3 financial years immediately following the date of the election,— 25
- (i) the information included in the funding impact statement in accordance with **clause 16(2)(b) and (c)**; and
- (ii) a summary balance sheet based on the forecast financial statements referred to in **clause 13(1)** that discloses public debt and financial assets separately; and 30
- (c) the major projects planned for the 3 financial years immediately following the date of the election; ~~and~~
- (2) Despite **subclause (1)(a)**, the information to be included in the pre-election report for the financial year ending in the same year as the election in accordance with that subclause may— 35

Schedule 10—*continued*Part 4—*continued*

- (a) be based on estimated information; and
- (b) need not be audited.

38 Substituted information for small local authorities

- (1)** This clause applies to the pre-election report of a local authority that has an ordinarily resident population of fewer than 20,000 people. 5
- (2)** For the financial year ending in the same year as the election, the pre-election report must include—
 - (a)** the funding impact statement prepared under **clause 21(2)**; and 10
 - (b)** a summary balance sheet based on the forecast financial statements referred to in **clause 19** that discloses public debt and financial assets separately; and
 - (c)** a statement that compares—
 - (i)** rates, rates increases, and borrowing with the quantified limits specified in the financial strategy; and 15
 - (ii)** returns on investments with the quantified targets for returns on those investments specified in the financial strategy. 20
- (3)** The pre-election report must comply with this clause only if it does not comply with **clause 37(1)(a) and (2)**.

Schedule 2

s 47

Other amendments to principal Act

Part 1

Amendments required because of change of name of long-term council community plan

Definition of long-term council community plan in section 5(1): repeal and substitute:	5
“ long-term plan means a long-term plan adopted under section 93”.	
Section 5(2)(b): omit “council community”.	10
Section 16(1)(c)(ii): omit “council community”.	
Section 16(2)(b): omit “council community”.	
Section 16(3): omit “council community”.	
Paragraph (b) of the definition of affected territorial authority in section 16(9): omit “council community”.	15
Section 17(4)(a)(i): omit “council community”.	
Section 56(2): omit “council community”.	
Section 75(f): omit “council community”.	
Section 84 and <u>the</u> heading to section 84: omit “council community” in each place it appears.	20
Section 85(2)(a), (b), and (c): omit “council community”.	
Section 93 and <u>the</u> heading to section 93: omit “council community” in each place where it appears.	
Section 94(1) and <u>the</u> heading to section 94: omit “council community”.	25
Section 95: omit “council community” in each place it appears.	
Section 96 and <u>the</u> heading to section 96: omit “council community” in each place where it appears.	
Section 97 and <u>the</u> heading to section 97: omit “council community” in each place where it appears.	30
Section 98(2)(a): omit “council community”.	
Section 100(2)(a): omit “council community”.	
Section 101(2): omit “council community” in each place where it appears.	
Section 106(2)(a): omit “council community”.	35

Part 1—*continued*

Section 125(3): omit “council community”.

Paragraph (a) of the definition of **development contribution** in section 197: omit “council community”.

~~Definition of **development contribution policy** in section 197: omit and substitute:~~ 5

~~“**development contribution policy** means the policy on development contributions included in the long-term plan of the territorial authority under **section 102(2)(d)**”.~~

Section 280 and the heading to section 280: omit “council community”. 10

Section 284: omit “council community”.

Clause 32(1) of Schedule 7: omit “council community” in each place where it appears.

~~Clause 1(a) of Schedule 13: omit “council community”.~~

Part 2 15

Other amendments

Definition of **development contribution policy** in section 197: repeal and substitute:

“**development contribution policy** means the policy on development contributions adopted under **section 102(1)**”. 20

Section 198(2): omit “section 102(4)(d)” and substitute “**section 102(2)(d) 102(1)**”.

Section 201(1): omit “section 102(4)(d)” and substitute “**section 102(2)(d) 102(1)**”.

Clause 1(a) of Schedule 13: omit “, as set out in the long-term council community plan in accordance with section 106(2)(a)”. 25

Schedule 3	s 48
Consequential amendments to other enactments	
Part 1	
Amendments to other Acts	5
Hawke’s Bay Endowment Land Empowering Act 2002 (2002 No 1) (L)	
Section 3(c): omit “council community” in each place where it appears.	
Section 5(4): omit “council community” in each place where it appears.	10
Land Transport Management Act 2003 (2003 No 118)	
Section 18A: omit “council community” in each place where it appears.	
Section 65I(2)(a): omit “council community”.	15
Section 78(3) <u>and (3A)</u> : omit “council community”.	
Clause 6(3) of Schedule 7: omit “council community”.	
Local Government Act 2002 Amendment Act 2006 (2006 No 26)	
Section 31: repeal.	
Local Government (Auckland Council) Act 2009 (2009 No 32)	
Definition of LTCCP in section 4(1): repeal and substitute: “ LTP means the Auckland Council long-term plan”.	20
Section 9(2)(a): omit “LTCCP” and substitute “LTP”.	
Section 14(3): omit “LTCCP” and substitute “LTP”.	
Heading to section 18: omit “ LTCCP ” and substitute “ LTP ”.	25
Section 18: omit “LTCCP” in each place it appears and substitute in each case “LTP”.	
Section 18(2): omit “clause 2” and substitute “ clauses 2 to 5 ”.	
Section 18: insert after subsection (2): <u>“(2A) However, each group of activities specified in clause 2(2) of Schedule 10 of the Local Government Act 2002 must be</u>	30

Part 1—*continued***Local Government (Auckland Council) Act 2009 (2009 No 32)**—*continued*

identified separately from any other activities or group of activities.”

Section 19(1): add: “as part of its long-term plan”.

Section 19(6): repeal and substitute:

“(6) For the purposes of adopting a funding policy under subsection (1), **section 102** of the Local Government Act 2002 applies, with any necessary modifications, and as if the following paragraph were added to **subsection (2)** of that section:

“ ‘(f) a local board’s funding policy.’ ”

“(6A) If the Auckland Council amends its local board’s funding policy under section 93(4) of the Local Government Act 2002, only a significant amendment to the policy is required to be audited in accordance with sections 84(4) and 94 of that Act.

Section 19(7): omit “LTCCP” and substitute “LTP”.

Section 19A and the heading to section 19A: omit “LTCCP” in each place where it appears and substitute in each case “LTP”.

Section 20(2)(d): omit “LTCCP” and substitute “LTP”.

Section 20(4)(b)(i): omit “clause 2(2) of Schedule 10 of that Act to be included in the LTCPP” and substitute “**clause 4 clauses 4 and 5 of Schedule 10** of that Act to be included in the LTP”.

Section 20(4)(b)(iii): omit “LTCCP” and substitute “LTP”.

Definition of **standard default levels of service** in section 20(5): repeal and substitute:

“**standard levels of service** means the levels of service provision for local activities specified in the LTP in accordance with **clause 4 of Schedule 10** of the Local Government Act 2002.

“**default levels of service** means the levels of service provision for local activities across Auckland that are—

“(a) funded in each local board funding allocation; and

“(b) specified in the LTP (in accordance with **clause 4 of Schedule 10** of the Local Government Act 2002).”

Part 1—*continued***Local Government (Auckland Council) Act 2009 (2009 No 32)**—*continued*

Section 21(5): omit and substitute:

- “(5) For the purposes of subsection (2)(a), a local board agreement must, in respect of the local activities to be provided in the local board area in the year to which the agreement relates, include— 5
- “(a) a statement of the intended levels of service provision that specifies—
- “(i) any performance measures specified in a rule made under **section 261A** of the Local Government Act 2002 for each activity described in **clause 2(2) of Schedule 10** of that Act; and 10
- “(ii) the performance measures that the Auckland Council considers will enable the public to assess the level of service for major aspects of an activity for which performance measures have not been specified under **paragraph (a)**; and 15
- “(iii) the performance target or targets set by the Auckland Council for each performance measure; and
- “(iv) any intended changes to the level of service that was provided in the year before the year to which the agreement relates and the reasons for the change; and 20
- “(b) a funding impact statement in the form prescribed under the Local Government Act 2002 for inclusion in an annual plan under **clause 21(2) of Schedule 10**; and 25
- “(c) a statement of how any expenses in excess of the local board’s estimated funding allocation under section 19A of this Act are to be met (including estimated revenue levels and the other sources of funding).”
- Heading to section 22:** omit **“LTCCP”** and substitute **“LTP”**. 30
- Section 22(1) and the heading to section 22:** omit **“LTCCP”** in each place where it appears and substitute in each case **“LTP”**.

Part 1—*continued***Local Government (Auckland Council) Act 2009 (2009 No 32)**—*continued*

Section 23(2): omit and substitute:

“(2) Each annual report of the Auckland Council must include, in respect of local activities for each local board area, an audited statement that—

“(a) compares the level of service achieved in relation to the activities with the performance target or targets for the activities (as stated in the local board agreement for that year); and

“(b) specifies whether any intended changes to the level of service have been achieved; and

“(c) gives the reasons for any significant variation between the level of service achieved and the intended level of service.”

Section 58(1) and the heading to section 58: omit “LTCCP” in each place where it appears and substitute in each case “LTP”.

Section 78(2): omit “In addition to acting under section 128 of that Act, the Council” and substitute “The Council”.

Section 90(3): omit “LTCCP” in each place where it appears and substitute in each case “LTP”.

Section 92(1) and the heading to section 92: omit “LTCCP” in each place where it appears and substitute in each case “LTP”.

Section 98(6) and (7): omit “LTCCP” in each place where it appears and substitute in each case “LTP”.

Local Government (Auckland Transitional Provisions) Act 2010 (2010 No 37)

Section 12(2)(b): omit “council community”.

Section 41(1): omit “council community”.

Section 41: insert after subsection (5):

“(5A) Sections 84(4) and 94 of the Local Government Act 2002 do not apply to an amendment to the policy.”

Section 41(6): omit “subsection (5)” and substitute “**subsection (3)**”.

Part 1—*continued***Local Government (Auckland Transitional Provisions) Act 2010 (2010 No 37)—*continued***

Section 45(1) and (4): omit “council community”.

Section 45: insert after subsection (2):

“(2A) Subsections (1) and (2) do not apply to the following policies included in the planning document:

“(a) remission and postponement of rates on Māori freehold land under section 108 of the Local Government Act 2002:

“(b) rates remission under section 109 of the Local Government Act 2002:

“(c) rates postponement under section 110 of the Local Government Act 2002.”

Section 46(1): omit “and section 102(6) of the Local Government Act 2002 applies as if the policies had been adopted under that section” and substitute “and may be amended in accordance with section 93 of the Local Government Act 2002”.

Section 47: insert after subsection (5):

“(5A) The Auckland Council must use the special consultative procedure in adopting the single integrated policy described in subsection (5).”

Section 48: omit “council community” in each place where it appears.

Section 54(2)(b) and (3): omit “section 102(6)” and substitute “**section 106(6)**”.

Section 89 and the heading to section 89: omit “council community” in each place where it appears.

Definition of **development contributions policy** in section 96(5): omit “council community”.

Local Government (Rating) Act 2002 (2002 No 6)

Paragraph (a) of the definition of **funding impact statement** in section 5: repeal and substitute:

“(a) in relation to the first financial year to which a long-term plan relates, the funding impact statement included in

Part 1—*continued***Local Government (Rating) Act 2002 (2002 No 6)**—*continued*

the plan under **clause 16 of Schedule 10** of the Local Government Act 2002; and”.

Paragraph (b) of the definition of **funding impact statement** in section 5: omit “clause 13” and substitute “**clause 21**”.

Definition of **long-term council community plan** in section 5: repeal and substitute: 5

“**long-term plan** means a long-term plan under section 93 of the Local Government Act 2002”.

Section 23: omit “council community” in each place where it appears. 10

Section 55(2)(b): omit “council community”.

Section 114(1)(a): omit “section 102(4)(f)” and substitute “**section ~~102(2)(e)~~ 102(1)**”.

Section 115(1)(a): omit “section 102(4)(f)” and substitute “**section ~~102(2)(e)~~ 102(1)**”. 15

Section 116(3)(a): omit “section 102(4)(f)” and substitute “**section ~~102(2)(e)~~ 102(1)**”.

Section 117B(3)(c)(ii): omit “council community” in each place where it appears.

Section 119(4)(a): omit “council community”. 20

Section 139(2A): omit “council community”.

Local Government (Tamaki Makaurau Reorganisation) Act 2009 (2009 No 13)

~~Section 29A(3): omit “council community plan (LTCCP)” and substitute “plan (LTP)”.~~ 25

~~Section 29A(4): omit “LTCCP” in each place it appears and substitute in each case “LTP”.~~

~~Section 31(4): omit “council community” in each place where it appears.~~

Public Transport Management Act 2008 (2008 No 87) 30

Section 20(8)(b): omit “council community”.

Section 21(1)(b): omit “council community”.

Part 2

Amendments to regulations

Canterbury Earthquake (Local Government Act 2002) Order 2010 (SR 2010/317)

Clause 4(1)(c): omit and substitute: 5

“(c) section 97(1)(a):”.

Clause 4(1)(e): omit and substitute:

“(e) **section 102(4)**, but only in relation to the policies referred to in **subsection (3)** of that section.”

Local Government (Banks Peninsula District) Reorganisation Order 2005 (*Gazette* 2005, p 5179) 10

Clause 13: repeal.

Legislative history

29 April 2010
4 May 2010

Introduction (Bill 142–1)
First reading and referral to Local Government and Environment Committee
