

New Zealand Local Government

Key elements of the Legislative Framework

There are two tiers of government in New Zealand, central and local, serving 4m people.

There are two types of local government:

Territorial local authorities	74
Regional Councils	<u>13</u>
Total	87

Territorial Councils plan, manage and regulate land use and provide arts and recreation facilities. These roles include the provision of water, sewage, solid waste, storm water, roads, footpaths: building, noise, public health and animal control: parks and reserves, sport and recreation: art galleries, libraries and museums: economic development and tourism promotion. They range in size from Auckland City (population 400,000) to Kaikoura District (4,500) and are essentially based on broad communities of interest.

Regional Councils plan, manage and regulate takes from and discharges to land, water and air. They are the consenting authority for water takes and sewage discharges, for industrial discharges to air, for solid waste disposal, for flood control and storm water discharges. Regional council boundaries broadly match water catchment areas.

Legislative purpose

New Zealand local government's purpose, powers and constraints are contained in the modernised Local Government Act 2002. Other important statutes are the Local Government Rating Act 2002 and the Resource Management Act 1991.

Today's legislation describes the purpose of local government as promotion of the "four well-beings" - social, cultural, environmental and economic. Councils are required to identify "outcomes" that contribute to the well-beings and then the "outputs" that contribute to the outcomes. So that expenditure on the output, "tourism promotion" is considered a contribution to the outcome, "prosperous community" which in turn contributes to the "economic" well-being.

Process

A strong theme in the legislation is that of community participation in decision-making. Consultation with the community while making decisions is a recurring requirement. The process for making decisions is tightly prescribed; some have interpreted the decision-making provisions to apply to decisions large and small; others, only to significant decisions. Many elected members, during the passage of the bill, protested at the time-consuming requirements of the decision-making clauses, contending that they reduced local government to participatory democracy instead of the representative democracy that voters wanted and expected.

While the Act leaves local authorities with wide revenue raising powers, the consultation and process requirements are an effective constraint.

Audit of Community Plans

Under today's legislation, every three years a council prepares a ten year, long term council community plan (LTCCP). This plan is subject to audit on its legal compliance, the quality of its underlying assumptions and information and the quality of its performance measures. The purpose of the audit of the Plan is stated to be the improvement of planning for the maintenance and renewal of infrastructural assets. The impact of the audit requirement is yet to be assessed as 2006/07 is the first year of application.

Financial Management - New Zealand Local Government

