

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

Government Bill

As reported from the committee of the whole House



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

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**Key to symbols used in reprinted bill**

**As reported from the committee of the whole House**

text inserted



*Hon Nanaia Mahuta*

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

Government Bill

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**The Parliament of New Zealand enacts as follows:**

**1 Title**

This Act is the Local Government (Community Well-being) Amendment Act **2018**.

**2 Commencement**

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This Act comes into force on the day after the date on which it receives the Royal assent.

**3 Principal Act**

This Act amends the Local Government Act 2002 (the **principal Act**).

**Part 1**

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**Reinstatement of 4 aspects of community well-being**

**4 Section 3 amended (Purpose)**

Replace section 3(d) with:

(d) provides for local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach.

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**5 Section 5 amended (Interpretation)**

(1) In section 5(1), replace the definition of **community outcomes** with:

**community outcomes** means the outcomes that a local authority aims to achieve in order to promote the social, economic, environmental, and cultural well-being of its district or region in the present and for the future

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(2) In section 5(1), replace the definition of **good-quality** with:

**good-quality**, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—

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(a) efficient; and

(b) effective; and

(c) appropriate to present and anticipated future circumstances

(3) In section 5(1), definition of **significance**, replace paragraph (a) with:

(a) the current and future social, economic, environmental, or cultural well-being of the district or region:

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**6 Section 10 amended (Purpose of local government)**

(1) Replace section 10(1)(b) with:

	(b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.	
(2)	Repeal section 10(2).	
<b>7</b>	<b>Section 14 amended (Principles relating to local authorities)</b>	
(1)	Replace section 14(1)(c)(iii) with:	5
	(iii) the likely impact of any decision on each aspect of well-being referred to in section 10:	
(2)	In section 14(1)(h)(i), replace “interests” with “well-being”.	
(3)	In section 14(2), after “principles”, insert “, or any aspects of well-being referred to in section 10, are in”.	10
<b>8</b>	<b>Section 101 amended (Financial management)</b>	
	Replace section 101(3)(b) with:	
	(b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.	15
<b>9</b>	<b>Schedule 10 amended</b>	
(1)	In Schedule 10, replace clause 2(1)(c) with:	
	(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:	20
(2)	In Schedule 10, replace clause 23(d) with:	
	(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.	
	<b>Part 2</b>	25
	<b>Other amendments</b>	
<b>10</b>	<b>Section 11A repealed (Core services to be considered in performing role)</b>	
	Repeal section 11A.	
<b>11</b>	<b>Section 197 amended (Interpretation)</b>	
	In section 197(2), replace the definition of <b>community infrastructure</b> with:	30
	<b>community infrastructure</b> —	
	(a) means land, or development assets on land, owned or controlled by the territorial authority for the purpose of providing public amenities; and	
	(b) includes land that the territorial authority will acquire for that purpose	

- 12 Section 198A repealed (Restrictions on power to require contributions for reserves)**
- Repeal section 198A.
- 13 Section 200 amended (Limitations applying to requirement for development contribution)** 5
- After section 200(4), insert:
- (5) **Subsection (6)** applies if a territorial authority or a council-controlled organisation has entered a funding agreement with the New Zealand Transport Agency under which—
- (a) a specified amount of additional financial assistance is to be provided from the national land transport fund to the territorial authority or the council-controlled organisation to fund a specified network infrastructure project; and 10
- (b) that specified amount of additional financial assistance is to be offset by reduced funding for 1 or more other projects or programmes. 15
- (6) If this subsection applies, the specified amount of additional financial assistance must not be treated as third-party funding for the purposes of subsection (1)(c).
- (7) **Subsection (8)** applies if a funding agreement referred to in **subsection (5)**— 20
- (a) provides for some or all of the specified amount of additional financial assistance to be offset by the provision of a reduced amount of financial assistance for 1 or more other network infrastructure projects; and
- (b) specifies the amount of financial assistance for each other network infrastructure project that would otherwise have been provided. 25
- (8) If this subsection applies, to the extent that a network infrastructure project receives a reduced amount of financial assistance, subsection (1)(c) applies as if the amount of financial assistance provided for that project were the amount that would otherwise have been provided, and not the reduced amount.
- (9) In this section, **additional financial assistance** means an amount of financial assistance for a network infrastructure project that is greater than the amount (if any) that would otherwise be provided from the national land transport fund in respect of that project. 30
- (10) **Subsections (5) to (9)** prevail over subsection (1)(c).
- 14 Schedule 1AA amended** 35
- (1) Replace the Schedule 1AA heading with:



**Schedule 1AA**

**Application, savings, and transitional provisions**

s 8A

- (2) In Schedule 1AA, before clause 1, insert the Part heading set out in **Part 1** of the **Schedule** of this Act.
- (3) In Schedule 1AA, repeal clause 8.
- (4) In Schedule 1AA, after clause 13, insert the **Part 2** set out in **Part 2** of the **Schedule** of this Act.

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**Schedule**  
**Amendments to Schedule 1AA**

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**Part 1**

**New Part 1 heading inserted into Schedule 1AA** 5

**Part 1**

**Provisions relating to Local Government Act 2002 Amendment Act  
2014**

**Part 2**

**New Part 2 inserted into Schedule 1AA** 10

**Part 2**

**Provisions relating to Local Government (Community Well-being)  
Amendment Act 2018**

**14 Interpretation in this Part**

In this Part, **2018 Act** means the Local Government (Community Well-being) Amendment Act **2018**. 15

**15 Transitional provision relating to development contributions for certain community infrastructure**

- (1) This clause applies to any work or programme that—
- (a) was not within the definition of community infrastructure as it was immediately before the commencement of **section 11** of the **2018 Act**, but is within the definition of community infrastructure immediately after the commencement of that section; and 20
- (b) was completed on or after 8 August 2014 and before the commencement of **section 11** of the **2018 Act**. 25
- (2) If a territorial authority amends its development contribution policy to require development contributions in relation to any work or programme described in **subclause (1)**,—
- (a) the work or programme must be separately identified in the schedule required by section 201A; and 30
- (b) for each work or programme separately identified, instead of the matters specified in section 201A(1)(c) and (d), the schedule must list—

(i)	<u>the proportion of the capital cost of the work or programme that the territorial authority would have proposed to recover through development contributions had it been possible to recover development contributions in respect of all developments that meet the criteria in the amended policy; and</u>	5
(ii)	<u>the proportion of the capital cost of the work or programme that the territorial authority would have proposed to recover from other sources had it been possible to recover development contributions in respect of all developments that meet the criteria in the amended policy; and</u>	10
(iii)	<u>based on the proportion specified under <b>subparagraph (i)</b>, the amount that would have been recoverable in respect of resource consents granted, building consents granted, and service connections granted before the date on which the amendment to the development contribution policy came into effect (and which therefore cannot be recovered through development contributions); and</u>	15
(iv)	<u>after taking into account the territorial authority's inability to recover the amount specified in <b>subparagraph (iii)</b> from development contributions,—</u>	20
	<u>(A) the adjusted proportion of the capital cost that the territorial authority proposes to recover through development contributions; and</u>	
	<u>(B) the adjusted proportion of the capital cost that the territorial authority proposes to recover from other sources.</u>	25

### Legislative history

5 April 2018	Introduction (Bill 48–1)
11 April 2018	First reading and referral to Governance and Administration Committee
3 October 2018	Reported from Governance and Administration Committee
9 April 2019	Second reading
30 April 2019	Committee of the whole House (Bill 48–2)