

John Key MP
Leader of the National Party

16 July 2007

Speech to the
Local Government New Zealand
Annual Conference

Dunedin

It's a great pleasure to be speaking to you today.

With local body elections now only a couple of months away, you are about to face what we politicians often think of as Judgment Day. I know how you feel.

What concerns me about local body elections is that voter turnout is so low. This is symptomatic of a lack of engagement at the local level which seems hard to understand, given the impact local councils have on people's lives.

You don't need a disaster to be reminded of that, but when you look at the devastating floods in Northland and Coromandel only a week ago, who was co-ordinating and organising the clean-up? Local councils.

And to whom will ratepayers look for engineering work to protect them against future disasters? Again, local councils.

While the term "council" is not one that excites many ratepayers, the word "local" has quite a different connotation. Rural or urban, everyone lives in a community. Everyone has neighbours, whether they are on the other side of the lounge wall or 20 kilometres up a gravel road. And often it is the very worst of circumstances that brings out the very best in communities.

Council staff, emergency services, neighbours, friends, families and sometimes complete strangers go beyond what might be expected to help people in need. We saw it in those recent floods – a community spirit that as local, elected representatives, you are able to call upon in your community's hour of need.

The challenge, often, is to keep that same sense of community alive, when the issue is setting spending and policy priorities and it's 10.30pm and the council meeting has already been going for four hours.

If there is one message I want you to leave with you today it is this – as National Party leader I want to develop a much stronger dialogue between National and the local government sector.

It is fair to say there have been some ups and downs in the past. I don't want to dwell on those. I intend to focus on the future.

To that end, our Local Government spokesman, John Carter, and his team have visited virtually every local authority in the country over the past year or so. They have been putting in the miles to establish good relationships with mayors, councillors and chief executives. That effort will continue into the future.

It is worth putting in that effort now because if National becomes the next government we will be working closely with the local government sector on a whole range of issues.

We want to have an honest and open working relationship with you, and we want a shared focus on results and value for money. I want to assure you that National is committed to doing this.

All this is important because central government and local government are both major players in the New Zealand economy and in New Zealand society. What we do actually matters in people's lives.

Central government and local government also have the responsibilities associated with spending other people's money. We need to ensure that taxpayers' money and ratepayers' money is being used effectively and efficiently.

This leads me to one of the biggest challenges facing both central government and local government over the next 10 years, and that is investment in infrastructure.

I see investment in infrastructure as one of the absolutely key ways to improve New Zealand's long-term sustainable growth rate. Put simply, if we want to enjoy living in a First World country we need to have First World infrastructure. If we don't, then an infrastructure deficit is going to be a wheel clamp on our economy.

As you are well aware, responsibility for investment in infrastructure is shared between central government and local government. Central and local government also share a responsibility for delivering value for money in public spending.

I note that local authorities have identified in their Long Term Council Community Plans a required investment of around \$30 billion over the next 10 years. Most of this goes to pay for roading, drinking water, sewerage, and storm-water projects. Central government is also facing an infrastructure spend of about the same magnitude over the next decade.

This makes infrastructure a \$60 billion issue and we have to have the right approach to dealing with it.

This is not easy, of course. Infrastructure involves the planning, completion, integration and maintenance of big, complex and expensive projects. This takes place in an environment where people are understandably reluctant to pay more in rates, taxes, or charges.

What National will be looking to develop is a common investment framework which spans both central and local government investment in infrastructure, and which incorporates environmental, as well as economic, considerations.

We share responsibility for infrastructure, so we want to see a shared basis on which to make sound infrastructure investment decisions. We don't want to have different rules, different constraints, and different considerations applying to central government compared to local government investment.

This process will involve working together through a range of pricing, regulation, and financing issues to ensure the infrastructure we need gets built and gets built in time.

My intention would be to offer local government a broader range of tools which can be used to address the needs of local communities. These options could involve increased use of partnerships, charging arrangements, and longer-term financing.

What is clear to me is that it is not acceptable – and I'm sure you'll agree it is not politically sustainable – to simply keep on putting rates up year after year.

As I travel around New Zealand, people continue to tell me how hard it is for them to meet their rates bill. For many older people, an increase in rates is a heavy burden to bear. Since the rating base is assets, not income, this makes a huge difference for people on fixed incomes.

And yet the reality is that nothing, including infrastructure investment, comes for free. Someone has to pay for it somehow – and sometime.

I look forward to working with local government to overcome some of the constraints of the current financing system.

Central government has to put its hand up, too, and take some of the responsibility for rising rates.

Over the last few years local government has been given a pile of new responsibilities. National has identified 60-odd separate pieces of legislation passed in the past seven years which have impacted on local councils.

Councils now have new obligations in areas as diverse as gambling, prostitution, and dog control. These new responsibilities have involved extra costs on councils, and therefore on ratepayers, which have not been adequately funded by the Government. I think the inquiry into rating will make that abundantly clear.

But while some pressures on rates have been outside the control of councils, I do commend Local Government New Zealand for saying in its submission to the rating inquiry that "local government could have done more to address community concerns over rates increases, in particular, opportunities to promote value for money have not been widely used".

I think that shows the sort of honesty and openness I was talking about earlier. It is the basis for a sensible conversation.

Now in terms of the point I just made about central government passing on costs to local government, I want to give you the following assurance. A National Government would look to establish a much better process for the delegation of any new responsibilities to local government.

We would also look at more appropriate ways to ensure that local government knows what central funding and other support it would receive for undertaking new responsibilities. A National Government would not be looking for a free ride at the expense of ratepayers.

Moreover, National would not shift activities onto local government which are more properly carried out by central government.

Fundamentally, National believes in healthy local democracy. Our communities are diverse and have different needs. After all, that's why New Zealand has a system of local government in the first place.

National recognises that national goals promulgated by central government have an inevitable downstream effect on local government. And local government's capacity to meet these goals will vary from community to community.

National will be sensitive to this reality, particularly when it comes to setting any new nationwide standards or regulations.

In recent years, central government has tended to turn a blind eye to the difficulties some communities have had in meeting new national requirements.

I want to give you an example of this, from the little settlement of Owaka, not too far from here. This is a glaring example of how, for many smaller communities, the new drinking water standards are simply unaffordable.

To meet these standards, Owaka has to install advanced infrastructure for drinking water costing half a million dollars. It also has to put in additional infrastructure for fire fighting which costs a further quarter of a million dollars.

That \$750,000 bill will have to be met by a couple of hundred ratepayers who didn't even have a problem with their water until the Government got involved.

The locals say it would be cheaper to fit every house with a water filter, but that wouldn't meet the Ministry of Health's standards, either.

The simple fact is that one size doesn't always fit all. You can be assured that a National Government won't pretend it does. We intend to be much more circumspect than the current government has been. That's not to say we will always shy away from national goals which have implications for local government.

I am, for example, sympathetic to the intent of the national air quality standards for air pollution. It would seem remiss of central government to ignore a problem that, by recent estimates, is claiming 1,100 lives each year.

Local government doesn't want to ignore this problem either. But in many cases, councils cannot afford to make the necessary changes to achieve compliance by 2013. Central government needs to front up to that fact.

National's Blue Green discussion document suggested some of the approaches we could take in helping local government meet these standards, and we want to keep an open-minded approach to these issues. We want a process based on dialogue, not dictation.

Let's not forget that councils themselves are voluntarily moving towards a more consistent approach to common issues. This is evident from a growing momentum towards common district plans.

Similarly, I applaud the trend towards co-operation between local bodies in order to pick up the obvious efficiencies that go with having shared services. I am very keen to see that trend gather momentum.

Standardising procedures and sharing services is sometimes seen as a step towards amalgamation, but that is not necessarily the case.

As I go around the country, a number of people in the local government sector privately tell me they can see the benefits of amalgamation in some places. On the other hand, others have told me they can see few upsides in council amalgamations.

These are issues that will work themselves out over time as communities express their own preferences.

One area where I do want to see change, however, is in Auckland. A National government will undertake reform of local government in Auckland.

If we are serious about Auckland being a world-class city that competes with Sydney, Melbourne and Brisbane then it needs to have a high-class regional infrastructure which makes the most effective use of regional assets. We just cannot avoid addressing this issue. Economic development in Auckland is absolutely crucial to New Zealand's future growth potential.

So, as a nation, we cannot allow local government structures in Auckland to be a handbrake on our collective desire to make New Zealand a world-class economy and society.

Many alternatives have been mooted, from one super city in Auckland, to the three-city solution, to a collection of unitary authorities, and to the maintenance of existing cities but with jointly-owned utility companies spanning the region.

All of these have some merit, but all have some difficulties as well. At this stage what I can say is that there is a danger of rushing in and designing all sorts of new structures at the expense of actually thinking about what outcomes we are after.

Local government reform in Auckland should focus on whether there is good regional infrastructure, sound and consistent regulation, and economic growth throughout the region, as well as making sure each community in our largest city feels appropriately represented. That's a tough ask. Some of this involves central government changing its structures in Auckland as well.

A National Government would work through these issues with local government and hammer out a solution that will benefit both Auckland and ultimately the rest of New Zealand.

Let me finish by saying again that over the next year or so National wants to develop a much stronger dialogue with the local government sector.

John Carter and his team will continue to be actively engaged with individual councils, and with Local Government New Zealand, to build relationships and to better inform our thinking on issues such as roading, building, housing, water and the environment.

This is important because if we are the next government we will want to work through some vitally important issues with you, honestly and openly.

I have mentioned some of these issues in this speech – infrastructure, and how this is financed, the respective roles of national and local government, and local government reform in Auckland.

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National will go into the next election with a practical and realistic local government policy. Our focus will be on what will work for New Zealand's diverse communities and we welcome the continuing input from people in local government.

I know this country can do better. I'm hugely ambitious for New Zealand. New Zealand can achieve great things if we are all pulling together.

Thank you.

Ends

M101

Speech to the Local Government New Zealand Conference "Investing in Our Future"

Basil Morrison, President Local Government New Zealand:
Conference Welcome, 16 July 2007

Introduction (*Mihi*)

Opening Remarks

Good morning everyone and welcome to Conference 2007. It's a pleasure to be here in Dunedin addressing you as your President of Local Government New Zealand.

This year the conference theme is 'Investing in our future'. If our country is to have a bright future, both arms of government must invest the resources and funding our communities need. This starts at the local level with local government.

With the local government elections approaching, it is a good time to look at some of the progress we've made since the last conference, and to touch on some of the key issues we face in the next twelve months.

I'm going to focus on three areas:

- Transport and roading; then
- water; and then
- The Rating Inquiry

In the Transport and Roothing area we've been lobbying for years to have the money from transport charges actually used for transport.

Recently the rubber hit the road, as they say, with the Minister of Finance announcing in the May 17 budget that the money from road user charges, fuel excise duties and motor vehicle registrations would be spent where it should be, to help with the increasing demands in Transport and Roothing.

In addition, the partnership and synergies between central and local government will be strengthened by changes to funding cycles, which will no longer be year by year, with the Government, like councils, now moving to a three year funding period.

However, we are disappointed that, although there were some interim solutions benefiting a small number of our members, there was no increase in the Financial Assistance Rate.

We raised this at the recent Central/Local Government Forum and will be lobbying vigorously to get this increase included in the 2008 budget.

Coming up, we look forward to working with central government on the *Next Steps* review, looking to identify areas of concern and integrate funding and planning in the Transport sector.

Another area of focus this year was our work on the Health (Drinking Water) Amendment Bill.

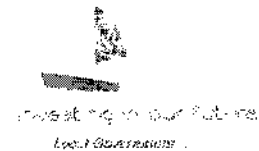
Many of our small communities simply cannot afford the costs of meeting proposed new standards for drinking water. Imagine small communities paying for a multi-million dollar upgrade through their rates - it just doesn't make sense.

We continue to view the legislation as unnecessary and unjust.

However, with the Bill going ahead, we worked with the Ministry of Health to propose changes like extending the implementation timeframe, while making our concerns crystal clear.

We expect our concerns will be reflected in Ministry's report back to the Health Select Committee in August.

There has been some progress made in the last twelve months. The Drinking Water Assistance Programme commits \$150 million over ten years to improve the standard of drinking water in small communities.



We appreciate this funding, but, with an estimated \$800 million needed to upgrade the water supply infrastructure, it is only a drop in the bucket.

While we're on the water theme, it is good to note the success we've had influencing central government's flood management review, and the proposed National Policy Statement on flood management.

A sub-committee of the Regional Affairs Committee has been leading this work, and are helping prepare a New Zealand Standard on flood risk management.

This week's flooding up North highlights just how important this work is.

A few of our members have been unable to make it to Dunedin as a result of the extreme weather, and our thoughts go to the devastated communities in Northland, Auckland, Coromandel and Taranaki.

The last few days have really brought home to me how our mayors, chairs and staff pull together to look after our communities - from the gold medal to the tears. I'm really proud of everyone.

Funding is needed now to help rebuild, but this is not an area where we can rely on the ambulance at the bottom of the cliff.

As my colleague Ian Buchanan told Newstalk ZB, “central government has ... to look at the size of the cheque they have to write to clean up in Northland, as opposed to what are we doing from now on so the size of those cheques becomes much, much smaller.”

Now I have touched on a few of the funding issues we face, let us turn to the Inquiry we hope will help address them - the Independent Rating Inquiry, which is only days away from reporting to the Minister.

Our research this year showed councils are increasingly concerned they don't have the resources, or the funding, to undertake all the functions devolved to them by Government, and to meet the expectations of their communities.

The environment area is typical: the public expect us to look after our environment through high-quality waste management systems, landfills, recycling, etc and councils must grapple with how to fund these services.

So the Inquiry is timely.

It has given us the opportunity to recommend appropriate funding for local government through a broader range of funding tools, and taxpayers contributing more.

The tools we have recommended include:

- Government compensating councils for rates exemptions on Crown land;
- additional funding tools for roads/transport and other community infrastructure
- and changes to the way councils obtain and manage debt.

The recommended tools would allow councils to avoid the cycle of boom and bust and to develop sustainable communities.

More financial assistance, like the funding from the Drinking Water Assistance Programme, will help. As will the similar assistance received for sanitary works.

But the extra waste water funding, like the drinking water subsidy, is only a small part of what is needed ... which in the waste water area is close to a billion dollars due to backlogs in infrastructure investment. These backlogs need to be addressed, as does the high cost of compliance due to government regulation, standards and rising community expectations.

We'll be teasing out these issues, and a number of others, over the next few days. And we'll be looking at how we as community leaders can safeguard the future of our communities.

What our friends in the Beehive and indeed across the Parliament must remember is that all New Zealand councils are unique. Unique situations and circumstances govern and drive each of our communities - we continue to emphasize that there is no one-size-fits-all solution.

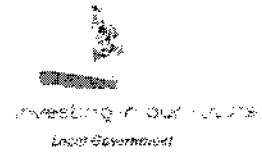
It has been a busy year. Busy for Local Government New Zealand, for our National Council, and for the councils we represent, who have been dealing with the added consultation processes with the LTCCPs.

But there have been a lot of highlights - highlights like the Commonwealth Local Government Forum Conference in Auckland, with fifty countries represented.

I'd encourage all councils to take the opportunity to provide mentoring and assistance to our neighbours in the Pacific through this scheme.

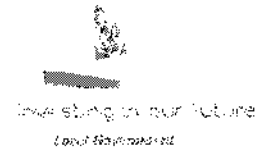
I'd also encourage you to use this conference in Dunedin as a chance to draw breath and get a fresh perspective on the issues and challenges we are facing.

You can look forward to excellent keynote speakers, and workshops set-up to encourage discussion and debate - all set against the spectacular southern backdrop.



I look forward to catching up with you all over the next few days, maybe some for the last time with local government elections approaching. Thank you all for your help and support over the year.

I would now like to welcome our Minister, the Hon. Mark Burton, to the stage and invite him to officially open the conference.



Speech to the Local Government New Zealand Conference “Investing in Our Future”

**Basil Morrison, President Local Government New Zealand:
Conference Closing, Wednesday 18 July**

Well, here we are at the end of another local government conference.

I'd like to take this opportunity to thank you for attending this year. It's been great catching up with all of you over the past three days and meeting up with old friends from the sector.

I'd also like to thank Dunedin for their southern hospitality and Mayor Peter Chin for his input into the conference.

We've had a busy few days here in Dunedin - I'd like to take a moment to reflect on some of the conference highlights.

On Monday, the conference was officially opened by our Minister, the Hon. Mark Burton. He touched on our conference theme, “Investing in our future”, and recognised the valuable role councils have to play investing in our communities.

I think it's a positive reflection of our relationship with the Government that we have consistently had a strong presence from Ministers of the Crown and Members of Parliament.

We've also been fortunate to again hear the views of the Leader of the Opposition. It is the best speech I've heard from the Leader of the Opposition in my seven years in the job - I'm greatly encouraged by the offer to work with us, and look forward to influencing their manifesto for next year's election.

Over the past few days we've heard from a range of interesting and motivating keynote speakers. I think one of the key presentations for councils came from David Shand, Chair of the Rating Inquiry. We're certainly looking forward to hearing the outcomes of the Inquiry in the next few weeks.

We have been lucky to hear from speakers of such high calibre - Sir Michael Lyons and Sherri Torjman. With sustainability and climate change so topical, it was also valuable to get a business perspective from Rob White.

These speakers provided us with international and national viewpoints on local democracy, and useful practical knowledge on how to best invest in the future of our communities.

The conference theme seems particularly relevant given the imminent recommendations of the Rating Inquiry.

As I have said in my opening speech, we are looking forward to the Government making some positive decisions about funding and resourcing local government.

The central government election next year will give us the opportunity to lobby all political parties for change and present them with a manifesto for the future of local government.

Closer at hand are the local government elections. While thousands of Dunedin scarfies have recently finished their exams, we have ours coming up in October.

We know that elections bring change. Some of you will be stepping down and moving on to pursue other things. Past experience also tells us there's not a 100 percent pass rate. We know there are no guarantees, myself included.

I would therefore like to take this opportunity to thank you for your hard work and support and wish you all the very best for the elections. I'd like to thank our current National Council for the leadership and guidance they have provided during the current term, and to farewell



Mary Bourke, Michael McEvedy and David Walter who have indicated they won't be standing again.

As you know, I'm now entering the final year of my presidency. I look forward to working with the new National Council elected in November, and with all of you as we continue to make local government a central focus of our communities.

Well, this brings our conference to a close. Please remember to fill out a conference evaluation form. You will be sent a form in the next few days. As usual your feedback on any aspect of the conference is welcome.

Thank you once again, for joining me here in Dunedin. The 2008 Conference is in Rotorua. I wish you all a safe trip home and thank you for making this conference such a success.



M114

Peace Foundation AGM August 16, 2007

Presidential Address - Bob Harvey

Kia ora, Kia Orana, Talofa Lava, Namaste, Dobra Doshlie, Shalom and Hello.

I dedicate these few words to my late and dear departed friend David Lange.

It is a great honour to me to be elected by this organisation as your new President.

I thank you sincerely for that honour and privilege.

I have admired greatly over the years the New Zealand Peace Foundation and the work you are dedicated too.

This organisation has a proud history and I'd like to firstly acknowledge the people who have gone before us.

They say you stand on the shoulders of giants and this organisation has been well served by passionate and committed individuals.

I'd like to acknowledge the staff and in particular Marion and Wendy who have dedicated a large portion of their working lives to the foundation.

I look forward to upholding and continuing the dedication to peace and its enriched agenda that now encompasses social change and challenges in this country.

To be honest it's difficult to be exactly sure of what peace means now in this the 21st century and to this generation across the road in the university.

My experience goes back to the anti nuclear marches in Queen St in the 1950s with my grandparents.

Labourites to the core!

And dedicated to a world without conflict.

It didn't quite work out that way.

In the Vietnam protest years we suffered greatly in the streets around this building putting up with violence from the state, arrests and ill treatment – a precursor to the Springbok Tour that would follow.

History has proved us right but it hasn't changed a global attitude as each night television brings the horror of war into our homes and lives.

Just last week the launch of a new book called SOS – Secure our Survival, the case for a nuclear weapons convention, was launched in Wellington.

I would like to acknowledge Alyn Ware and his extraordinary commitment in taking the peace message internationally on behalf of all of us and with this publication.

It actually spells out the seriousness of nuclear proliferation which seems to be somewhat forgotten by the new generation.

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Peace is a vision, compelling and hugely relevant to us all.

But as a global issue it has certainly taken a backseat to the overwhelming environmental agenda.

I would think that right now the two biggest issues in the world that galvanise humanity are the survival of the planet and the growth of terrorism.

These two issues take a great deal of our time, our energy and our thinking.

But sadly these days we live in a very individualistic society where the emphasis is on high technology, instant gratification and the quest to make as much money as possible.

Clearly one of the roles of this organisation is to bring back peace onto the agenda of young people.

How we do that is a matter of strategic importance to our future.

Now that I've been involved closely with the foundation I realise there is much to be done.

We lack real and sustainable funding.

We have not secured the right amount of sponsorship support to enable us to fund projects which are dear to us and which I believe can make a real difference to society.

We need to address that and we will.

We need to be able to secure the future of our programmes and we also need to be able to realistically fund our Wellington and Christchurch offices.

I think the support we have is truly amazing considering our limitations and we need to address this in human terms.

And we will.

We also need to develop greater government relationships as well as positive ongoing communication with stakeholders, the media and decision makers in this country.

I think in some ways we have slipped off the radar.

This organisation is struggling with time, resources and a work programme that I think is colossal.

I am so impressed by Cool Schools and Roots of Empathy.

I think they are astonishing initiatives in what they can deliver to Aotearoa New Zealand in the long term.

M116

As the country reels with the abuse of children and the escalating family and street and road violence, I think programmes that we are developing will go a long way and be part of a strategy that will see a change in attitude and society.

These things are complex but I truly believe we understand in the changing world how they can be addressed.

We must stand centre stage to continue into the 21st century.

This is the role of the New Zealand Peace Foundation.

I have a number of questions, or challenges really, to pose.

How do we convince our younger generation it should care about peace?

Is the quest for peace still about the proliferation of nuclear weapons?

Do we focus on peace being the opposite of terrorism?

How does this country view our place?

These are the questions I think we need to be asking ourselves.

I think our role is about leadership and wisdom.

Without a doubt we are respected, acknowledged and yes often forgotten.

And we need to ensure that we stand proudly for what we believe in and what we indeed can contribute.

Next year will be the 21st anniversary of the anti nuclear legislation.

This milestone gives us a chance to acknowledge our past and focus on the future.

It is a moment in time which we should maximise to also give this organisation a higher and more sustainable positioning and future in New Zealand society.

This is what I would like to bring to this organisation.

A sense of governance, a sense of place and one of leadership.

It gives me great pride that as mayor of Waitakere I have seen the city accept a Peace City agenda.

We were one of the first cities in New Zealand to declare ourselves nuclear free.

We fly a peace flag every day in front of the council building.

Peace has many voices.

This is evidenced by Waitakere in bringing Maori and Pacific Island people into the decision making house.

And in a few short weeks we official launch our City for Peace initiative.

M117

This builds on our eco and safe city agendas and means we join the increasing number of Peace Cities around the world.

The key to the City for Peace idea, and what makes it an important part of smart city management, is that a focus on positives, on solutions, on non-violent methods of solving conflict is very effective in reducing violence.

All successful causes start with a vision and an invitation to other people to share it.

New Zealand has other peace cities and I am sure many more will follow.

By declaring a city a City for Peace you are making a positive affirmation that you can make a difference.

There are more than 1500 cities in 120 countries which have now joined the Mayors for Peace movement.

We have assembled a high level group of very qualified and passionate people and I really believe we can make a difference.

New Zealand is fast becoming a multicultural more complex society.

There are so many positive strands to the weave now.

But we need to be mindful that it can go wrong.

Our initiatives and our place need to be strengthened by creative thinking and a commitment to future generations.

I see this in my everyday role.

I am very optimistic about the future of this country.

And the continued role of the Peace Foundation.

As Maori so elegantly put it – he tangata, he tangata, he tangata.

It is people, it is people, it is people.

To each and everyone one of you gathered here I challenge you to continue advocating peace, advocating a better world – with wisdom, compassion and humility.

Inspiration is not garnered from litanies of what is flawed; it resides in humanity's willingness to restore, redress, reform, recover, re-imagine and reconsider.

Healing the wounds of the earth and its people does not require saintliness or a political party. It is not a liberal or conservative activity.

It is a sacred act.

M118