

RCA Forum 29 November 2013



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Who's  
looking after  
our  
communities'  
future?

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# Changes to Legislation

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## Decision making

- Less use of the Special Consultative Procedure
- Not mandatory to consult on the Annual Plan
- Decision making processes need to be compliant with LGA and the amendments to the purpose

## Consultation and Engagement Policies

- Policy to set out what you will consult on and the process for consultation
- Policy to set out what engagement with the community means
- New consultation document for Long Term Plans

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# Changes to Legislation

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## Development Contributions

- New purpose of development contributions
- Development contribution principles
- Restriction on power to require contributions
- Right to object – DC Commissioners - hearings

## Local authorities, local boards, community boards, and their members

- Attendance at meetings by audio link or audio visual link



# Changes in Regulation

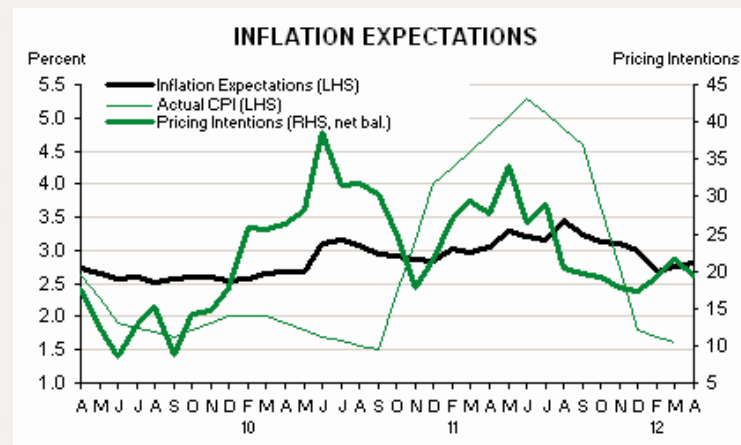


## Financial Prudence Benchmarks

- Rates income complies with limits in FIS
- Debt complies with limits set in the financial strategy
- Rates per rating unit
- Net debt per rating unit

## Financial Prudence Benchmarks

- Balanced budget
- Capex equals or exceeds depreciation on the five infrastructure services
- Borrowing costs are less than 10% of operating revenue (\*)
- Net cash flow to budget
- Net debt -to forecast net debt in LTP



# Infrastructure



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## Future infrastructure investment

Infrastructure strategy in the next LTP

Strategy for the major infrastructure investments (30 years)

- Roads
- Wastewater
- Water Supplies
- Stormwater
- Flood banks

More scrutiny of asset management planning systems

# Infrastructural Assets

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- An overview / definitions
- Infrastructural Asset Management
  - Whole of life cost
  - Levels of service
  - Demand forecasting
  - Demand management

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# Infrastructural Asset Challenges

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## Asset Management plans (AMPs)

- Coordination between infrastructure providers (Govt, LG, Private)
- Alignment between land use and infrastructure planning
- Consistent and accurate demand forecasting
- Improved demand management – LOS discussions
- “Whole of Life” cost implications
- Linkages to financial profiles
- 30 year Infrastructure Strategy based on AMPs



# Infrastructure Asset Management

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Infrastructural asset management is an approach to develop and maintain infrastructural assets so that:

1. Asset requirements and management strategies are driven by *defined service levels* and performance standards
2. Scarce capital/financial resources are properly allocated and managed to *optimise investment*
3. Long-term *(life-cycle approach)* is taken when determining asset operations, maintenance, renewal and development strategies.





# Infrastructural Asset Management

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**To ensure the assets are providing the required level of service at minimum cost.**

**To be better prepared for disaster response**



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**To identify critical assets so that they can be managed to prevent failure.**



# 30 Year Infrastructure Strategy in LTP

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- Improved understanding of service level options, costs and risks
- Improved decision making based on benefits and costs of alternatives
- Communicates and justifies funding requirements to internal and external parties
- Demonstrates responsible stewardship of assets
- Establishes and evaluates performance benchmarks
- Understanding of future funds requirements
- Enhanced customer satisfaction
- Compliance with legislative requirements



# Changes in Regulation

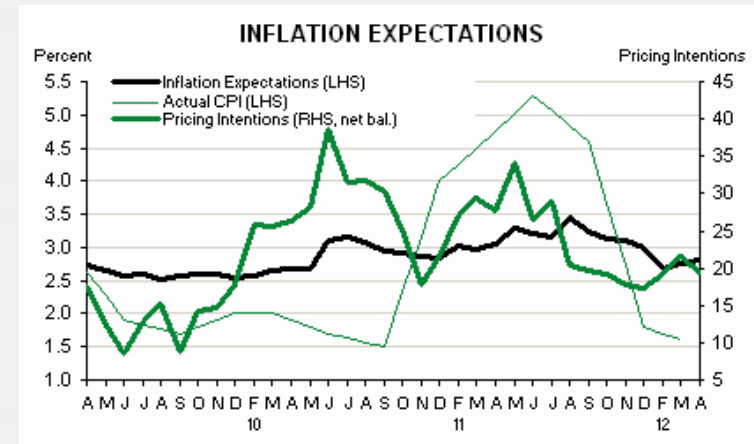


## Financial Prudence Benchmarks

- Rates income complies with limits in FIS
- Debt complies with limits set in the financial strategy
- Rates per rating unit
- Net debt per rating unit

## Financial Prudence Benchmarks

- Balanced budget
- Capex equals or exceeds depreciation on the five infrastructure services
- Borrowing costs are less than 10% of operating revenue (\*) 15% in growth areas
- Net cash flow to budget
- Net debt -to forecast net debt in LTP



# New elements in the LTP

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- Elements of the FIS
- Revenue and Finance Policy
- 30 Year Infrastructure strategy
- Revised Asset Management Policy
- Significance and engagement policy
- Development Contributions Policy
- Fiscal benchmarks
- Demonstrate responsible stewardship of assets - Risk
- Non financial performance benchmarks
- Enhanced customer satisfaction
- Compliance with other legislative requirements
- Any elements of re-organisation (planning)

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