



## MEMORANDUM

<b>To:</b>	Associations, Zone Directors, Off Board NAG Chairs
<b>Date:</b>	23 <sup>rd</sup> August 2016
<b>Subject:</b>	<b>Submission on Local Government Act Amendment No 2 Bill</b>
<b>From:</b>	P. Matcham, Chair Local Bodies & Housing

Grey Power Federation has identified the proposed amendment to the Local Government Act (LGA) as a major issue with wide consequences for older New Zealanders. On behalf of the Federation, the Local Body and Housing National Advisory Group have made a written submission and as chair of that group I appeared before the select committee to speak in support of our submission.

The summary of the submission is below, and the full submission is available from the Federation website under the 'Submissions' tab.

### Summary

Grey Power Federation cannot support the Bill in its current form as we consider the proposed changes are inimical to the principles of good local government, since they:

- Reduce transparency of decision making
- Curtail the ability of councils to meet the expectations of their electorate(s).
- Reduce direct accountability to the public

We are concerned that some of the Bill's provisions would fundamentally undermine the nature of local democracy, diminishing the decision-making ability of locally elected representatives and eroding the constitutional separation of local and central government.

We are amazed that the Bill has been put forward without consultation within the sector, and that the NZ Treasury's assessment that the Regulatory Impact Statement only partially met the quality assurance criteria, and that the lack of wide consultation with local government is significant.<sup>1</sup>

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<sup>1</sup> Department of Internal Affairs (2016), Departmental Disclosure Statement, page 5.

Further, we are concerned that the Bill seeks to address problems that do not in fact exist, and in doing so has the potential to create the very problems it purports to address.

We note that many of the proposed provisions echo the proposals put forward as justification for the model recommended by the Local Government Commission (LGC) for the amalgamation of local government in the Wellington region. Justifications that were based on data that was demonstrably incomplete and incorrect, and which ignored the principle of subsidiarity<sup>2</sup>.

We further note that under the existing Act, local government bodies already successfully co-operate and share services, and that Council Controlled Organisations (CCOs) are used both by individual councils, and to manage joint inter-council, region wide, service provision, for example Wellington Water.

We are particularly disturbed by the increased powers proposed for the Local Government Commission. We consider that the Commission has neither the expertise nor the political legitimacy to initiate investigation into reorganisations, whether these be related to putative amalgamations, boundary changes or transfer of responsibility. We further believe that regardless of any increase in resource or expertise, the proposed increase in powers is contrary to the fundamental principle that decisions should be made at the level at which the outcome is felt, and based on the wishes of the relevant communities of interest.

We refute assertions by the Minister and the Prime Minister that amalgamation of local authorities is a certain method of preventing or reversing increases in rates by controlling demand side. Whilst we acknowledge that in some circumstances, where all parties are willing participants, such improvements can accrue, we note the increased costs, loss of local democratic control and decreased effectiveness of service delivery that has characterised such moves, both in Australia and New Zealand, where it is imposed on unwilling parties.

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<sup>2</sup> NZIER, 2012, Merger options for Wellington Councils: Economic analysis of options for merged governance of the Wellington region