

27 July 2012

Media statement

SUBMISSION ON LOCAL GOVERNMENT ACT 2002 AMENDMENT BILL

EDS has expressed its concern in a submission to Parliament at the proposal in the Local Government Act 2002 Amendment Bill to remove the four well-beings in favour of a requirement to be cost-effective.

“The current purpose requires local government to “promote the social, economic, environmental and cultural well-being of communities,” said EDS Chairman Gary Taylor.

“The amendment proposes replacing that with “meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.”

“There is no clear evidence that local government is undertaking a wider range of functions than it undertook prior to the introduction of the 2002 Act and we are concerned that the new purpose may have flow on effects for regulation under the Resource Management Act, which is funded under the LGA.

“The proposed purpose could lead to a change of focus from the best outcome for the community to the lowest cost option. The narrow reference to regulatory functions may also restrict the use of incentives as a method for achieving resource management outcomes.

“EDS is also concerned that this Bill has been introduced without appropriate policy analysis being carried out. The Regulatory Impact Statement states that *“There has been insufficient time to undertake a full assessment of the impact of the proposal. There may be unintended consequences...”* and *“The local government sector was not consulted about the policy proposals, principally due to a lack of time.”*

EDS does however support the proposals to streamline local government reorganisation. EDS would go further and support a requirement for small local authorities to amalgamate. We have 78 local authorities in New Zealand and it is anomalous that one of these covers one third of the population while there are 77 covering the rest.

Amalgamation of local authorities has a number of benefits including a more strategic focus and better decision-making, greater resourcing, improved monitoring, and more coherent infrastructure provision,” Mr Taylor concluded.

EDS’s full submission is available on the EDS website.