



Local Government (Community Well-being) Amendment Bill

48—1

Report of the Governance and Administration Committee

September 2018

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Brett Hudson
Chairperson

Local Government (Community Well-being) Amendment Bill

Recommendation

The Governance and Administration Committee has examined the Local Government (Community Well-being) Amendment Bill. We have been unable to reach agreement on whether to recommend that this bill be passed. We recommend that the House take note of this report.

About the bill as introduced

The Local Government (Community Well-being) Amendment Bill seeks to amend the Local Government Act 2002. The bill aims to ensure that local authorities promote the social, economic, environmental, and cultural well-being of their communities. It seeks to do this by reinstating these aspects as one of the Act's primary purposes, which was the position prior to amendments made in 2012.

The bill also aims to restore the power of territorial authorities (city councils or district councils) to collect development contributions for community infrastructure needed as a consequence of development. It seeks to do this by restoring the definition of community infrastructure to the position that existed prior to 2014.

Changes Government members of the committee recommend

Development contributions

Clause 13 of the bill would insert new provisions into section 200 of the Act, which deals with limitations around development contributions. These new provisions would ensure that if territorial authorities receive advance funding from the New Zealand Transport Agency, they would still be entitled to collect development contributions.

Territorial authorities do not include council-controlled organisations such as Auckland Transport, which manages transport services in Auckland on behalf of Auckland Council. Some of us would have recommended amending clause 13 to include council-controlled organisations.

Increasing transparency around development contributions

Some of us also would have recommended inserting new provisions relating to territorial authorities who wished to recover development contributions to fund capital expenditure on community infrastructure. This would have applied to capital expenditure that was incurred during the period between 8 August 2014 and the date that the bill came into force (the intermediate period).

Where an authority had chosen to amend its development contributions policy to recover development contributions in respect of capital expenditure incurred during this intermediate period, the provisions that some of us would have recommended would have required the authority to show two things. These are how much development had occurred in the intermediate period to which development contributions could not be charged, and the effect of this on the funding methods used to fund that capital expenditure.

Some of us consider that including these provisions would provide greater transparency—they would have been shown in the schedule of assets annexed to the authority's development contributions policy.

Conclusion

After considering the bill and submissions, we are unable to agree on whether the bill should proceed.

New Zealand National Party view

National Party members do not support the bill. We believe it will result in poorly focused spending which will ultimately increase costs on residents and businesses.

The issues with the bill that contribute to the outcomes we believe will result from it fall into three areas:

- the four well-beings
- broadened scope of amenities development contributions can be levied to fund
- charging businesses development contributions for amenities unrelated to their business and operations.

National Party members recommend that the bill does not progress.

Appendix

Committee procedure

The Local Government (Community Well-being) Amendment Bill was referred to the committee on 11 April 2018. The closing date for submissions was 25 May 2018. We received and considered 131 submissions from interested groups and individuals. We heard oral evidence from 34 submitters.

We received advice from the Department of Internal Affairs.

Committee members

Brett Hudson (Chairperson)
Virginia Andersen
Kanwaljit Singh Bakshi
Hon Jacqui Dean
Paul Eagle
Hon Peeni Henare
Raymond Huo
Dr Jian Yang

Advice and evidence received

The documents that we received as advice and evidence are available on the Parliament website, www.parliament.nz.