

16. INDEPENDENT INQUIRY INTO LOCAL GOVERNMENT

The Mayor reports:

Councillors will have noted that the Government announced yesterday that they were initiating an Independent Inquiry into Local Government.

The President of Local Government, Basil Morrison, has welcomed this inquiry. I, too, welcome this opportunity to have a close look at the cost of undertaking local government in New Zealand. I feel that the Local Government Act 2002 is a very good piece of legislation and it has highlighted that Councils cannot hide, or defer, the actual cost of running cities and towns throughout New Zealand. You will recall that, for the first time ever, the LTCCP required us to have our whole budget and consultation process audited. The Audit Office sat at the back of our Council meeting and would only sign the adopted recommendation after we had passed it. This level of discipline has not been present before in local government.

The requirement to properly fund assets and their renewal led to higher costs and this has placed a great burden on ratepayers, especially those on fixed incomes in valuable properties. When your rates go up and your income does not then this can create huge pressure on the ratepayer. The latest government assistance has been valuable. This Council has always had a commitment to set the lowest rates in the main cities in this country and we are still at this point. If this inquiry leads to additional government assistance it will be well worth trying to influence its final outcome.

We have no information on the brief of this inquiry but we need to be preparing to present evidence in front of it. I would recommend that we ask the Governance Subcommittee (Mayor, Councillors Broughton and Wells) to be complemented by Councillor Evans to prepare our case to be presented to the whole Council.

I would expect that the Subcommittee would present our case for adoption by the full Council.