

29 June 2012



the architectural centre inc.
PO Box 24178 Wellington

Re: Local Government Reform Options

This submission is from the Wellington Architectural Centre, a group which represents both professional and non-professionals interested in architecture and design, and in the promotion of good design in Wellington. Thank you for this opportunity to comment on this proposal.

The Architectural Centre, as a group frequently involved in local council submissions and consultation processes, is keenly interested in a local government which is able to respond to its citizens through a robust democracy. We believe that local representation plays an important role in ensuring this. A significant difference in the four different options provided for consultation is the level of representation. It appears that the idea of administrative efficiency negatively impacts on the numerical representation of councillors as the number of local bodies decreases. We understand that in the extreme version of the so-called "super city" (the Auckland model) that some councillors would be required to represent more people than an electorate MP. This appears to us to unreasonably waterdown the ability for citizens to participate in local decision-making.

We also believe that local areas and their citizens ought to decide how their local authorities are organized, not central government, and consequently consider that any amalgamation of other councils (e.g. The Manawatu) should be the decision of people living in the Manawatu, not us.

We note that Option 1 indicates a commitment to individual councils working together where it makes sense, while retaining their dependence and current level of representation. We also understand that some success has already been made in relation to pan-council civil defence operations and water waste services. We strongly support initiatives such as these, where councils can build on both individual strengths, and collaborations across councils.

We also note that expecting councils to financially perform within the constraints of CPI does not make economic sense. Councils, for example, tend to have a greater number of assets than, for example, central government and lower levels of liquidity due to the nature of their business and their obligations to ensure robust infrastructure. Measuring council rate rises against a general CPI is hence nonsensical. In 2010 BERL has derived a Local Government Cost Index (LGCI) which demonstrates the difference (see <http://www.lgnz.co.nz/projects/FinancialSustainability/Local-government-cost-index/Local-government-cost-index.html>). From 2000 to 2010 the CPI increased about 3.1% per year, while the LGCI increased by 4.4% per annum. This demonstrates that council rate increases higher rate than CPI might derive from the specific business of council, rather than administrative incompetency. It also might indicate the limitations of potential (and mythical?) efficiencies. More sophisticated economic comprehension is often needed, rather than shallow headlines. In addition, as the Canterbury earthquakes have shown, it is important that local councils have the resources, to provide resilience and ongoing maintenance to ensure economic, social and culture continuity post disasters. These are often the non-financial benefits of councils and democratic representation. Local networks and representation are important mechanisms for guaranteeing ongoing viability in these situations, and ensuring that communication channels work.

Considering these issues, and appreciating that the current model works well, we see no reason for substantial change. We are yet to hear of any rationale supported by evidence to support a significant change to local body organization. We also understand, for example, that the Auckland amalgamation is yet to achieve financial

gains, and that the cost of the Auckland "transition" (or restructuring) is upward of \$200 million. Consequently we support Option 1, which tweaks the status quo, and encourages greater pan-council collaborations, especially in areas of transport. We strongly encourage the councils to protect the current levels of democratic representation.

Thank you again for this opportunity to comment on this submission. If you have any questions please do not hesitate to contact me.

Yours faithfully

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