



HOUSE OF REPRESENTATIVES

# Supplementary Order Paper

Tuesday, 25 June 1996

LOCAL GOVERNMENT AMENDMENT BILL (NO. 5)

*Further Proposed Amendment*

Hon. JOHN BANKS, in Committee, to move the following amendment:

*Clause 3 (new section 122j):* To omit subsection (3) of the new section 122j (all the words in lines 36 to 41 on page 45 and in lines 2 to 8 on page 46), and substitute the following subsections:

“(3) It shall be the responsibility of each local authority to make judgments about the ways in which the principles specified in **section 122b(1)** of this Act are to be complied with by the local authority having regard to—

- “(a) The purposes specified in **section 122c** of this Act; and
- “(b) The role of local authorities in making appropriate expenditure and funding decisions which reflect the goals of the communities they serve; and
- “(c) Such other matters as the local authority considers on reasonable grounds to be relevant to those judgments.

“(4) Without limiting the generality of **subsection (3)** of this section, it shall be the responsibility of each local authority, having regard to any relevant submissions received by the local authority,—

- “(a) To make judgments about fairness and equity; and
- “(b) To make judgments concerning the extent to which any provision of **sections 122g to 122i** of this Act is relevant to any particular case,—

which judgments may reflect the complexity and inherent subjectivity of any benefit allocation for specified outputs and the complexity of the economic, social, and political assessments required in the exercise of political judgment concerning rating.”

## EXPLANATORY NOTE

The proposed amendment amends the new section 122j of the Local Government Act 1974 (which relates to compliance with the financial management provisions of Part VIIA of that Act).

*Subsection (3)* of that section is divided into two subsections and rewritten. The rewritten provisions now include extracts from the judgment of the Court of Appeal in *Wellington City Council v. Woolworths New Zealand Limited*.

The proposed amendment to *clause 3 (new section 122j)*, which amendment is set out on page 2 of Supplementary Order Paper No. 173, is not being proceeded with.