

# House of Representatives

# Supplementary Order Paper

Tuesday, 27 November 2012

## Local Government Act 2002 Amendment Bill

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### *Proposed amendments*

Eugenie Sage, in Committee, to move the following amendments:

*Clause 21*

In *clause 21*, *new section 254*, definition of **problem**, delete *paragraph (b)(i)* (lines 24 to line 29 on page 12).

In *clause 21*, after *new section 257(3)* (after line 8 on page 15), insert:

- “(4) A Crown Review Team’s appointment and review ceases on the earliest of either—
- “(a) the end date stated in a notice made under this section; or
  - “(b) the date of the next scheduled triennial local election for the relevant local authority under section 10 of the Local Electoral Act 2001.”

In *clause 21*, after *new section 258A(c)* (after line 25 on page 16), insert as *new subsection (2)*:

- “(2) A Crown Observer’s appointment and observation ceases on the earliest of either—
- “(a) the end date stated in a notice made under this section; or
  - “(b) the date of the next scheduled triennial local election for the relevant local authority under section 10 of the Local Electoral Act 2001.”

In *clause 21*, after *new section 258C(c)* (after line 3 on page 18), insert as *new subsection (2)*:

- “(2) A Crown Manager’s appointment and management ceases on the earliest of either—
- “(a) the end date stated in a notice made under this section; or

- “(b) the date of the next scheduled triennial local election for the relevant local authority under section 10 of the Local Electoral Act 2001.”
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### Explanatory note

In this Supplementary Order Paper *clause 21* amends the definition of “problem” in clause 21 (new section 254 of the principal Act), which relates to the use of the Minister’s intervention powers in respect of local authorities.

The definition of “problem” used in this Part of the Bill explicitly includes:

a failure by the local authority to demonstrate prudent management of its revenues, expenses, assets, liabilities, investments, or general financial dealings in terms of any parameters or benchmarks prescribed by regulations made under section 259(1)(dc)” – as per paragraph (b)(i) of the definition.

This Supplementary Order Paper changes the definition of problem by deleting this provision. The provision is likely to have a chilling effect on Council members exercising their own judgment about the need for, and the benefits to their communities of significant expenditure, including on infrastructure and services for the community.

Allowing the Minister to intervene in local authority decisions on the basis of this fiscal trigger is unjustified because there is no evidence to show that there is a significant or widespread problem with financial management by local authorities or that the current measures, such as oversight by the Auditor-General, are inadequate in managing any issues that may arise.

This Supplementary Order Paper ensures that Ministerial interventions (including the appointment of Crown Review Teams, Crown Observers and Crown Managers) end on the earliest of either the end date stated in the appointment notice or the next scheduled local election for that local authority. A time limit bound to the next local election is an important democratic safeguard on the use of these intervention powers. It recognises the importance of the electorate deciding who should be responsible for managing the affairs of their local authority.

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