

# ***Normandale Residents Association***

*c/o 301 Normandale Road*

*Lower Hutt*

## **Submission on Regional Governance**

This submission is made on behalf of the Normandale Residents Association Inc. The Association represents ratepayers and residents of over 600 households, both urban and rural, in the suburb of Normandale in the Western hills of Lower Hutt City.

In summary, the submission of this association is that the existing structure of local government in the region works well and there is no reason for it to be changed in the foreseeable future.

To elaborate further on the above, we would address the principles and assumptions of good governance and effective delivery of services.

- Regional governance and local democracy.

We consider that the existing system works well and with the continuing work being done on joint services, particularly between the territorial authorities of the Hutt Valley, who have led the way in this work, we believe that the existing system is resilient and able to deal with future demands. We would suggest that further collaboration could also be explored between tiers of government. We consider that there is no evidence of a failure of the current system to provide effective governance at the level appropriate to the services provided. We fail to see how changing the structure of local government would affect this in any positive manner. On the contrary, we consider that unitary councils do not provide the required distance between local and regional interests, particularly when considering aspects, which conform to physical or functional, rather than arbitrary political boundaries. For example, we consider that the present split between bulk and retail water supply provides a healthy barrier to deregulation. We further consider the suggested grouping of unitary authorities within the region would exacerbate rather than diminish boundary disputes, whether these be over functions or authority.

We further consider, on the basis of the evidence available from the Auckland merger, and from similar exercises in Australia, that any amalgamation carried out under the current legislation (including the changes in the Local Government Amendment Bill) will be detrimental to democracy. The principle of subsidiarity in which the RMA and LGA are founded requires authority to be vested at the lowest possible level. Or to put it another way, a higher tier of authority should only have governance over those functions which cannot be performed at a local level. We would further note that the trend overseas is to emphasise and encourage subsidiarity with governance functions of carried out by TLAs in New Zealand, being devolved to

community level structures (eg The UK Total Place initiative). This move from viewing local government as the statutory provider of functions, to a role of governance through the engagement of all stakeholders in setting policy and direction seeks to address the perceived failure of current structures to deliver democratic control<sup>1</sup>. The importance of subsidiarity to local democracy is also emphasized by the research into participatory levels in local body elections. Voter turnout is often seen as a proxy measure for confidence in local government<sup>2</sup>. Research indicates a relationship between the representation ratios (the ratio of elected members to population), and both vote turnout and trust in local government<sup>3</sup>. International comparisons also indicate that New Zealand is under represented when population size per council is considered. Any move to amalgamate local authorities either geographically or functionally would then be inimical to local democracy. Form follows function. As we have noted above, the natural functions of any local authority organization are differentiated by the community of interest they serve, ranging from self contained suburbs to catchments. The current structure largely reflects this adequately, and the only changes we would wish to see would be further devolution of decision making and governance, not a concentration.

- Cost implications. Evidence does not support the belief that amalgamation of authorities will lead to greater economic efficiency. First there is a misconception that larger must be cheaper. This fails to recognize that effectiveness and efficiency are functions of the service not of scale. Where fixed costs are a large proportion of total costs, such as the provision of water, wastewater and solid waste management, economies are more likely at high volumes, as recognized by the joint ventures in these areas amongst existing TLAs. However many advocates of the benefits of amalgamation rely on the aggregation of functions to achieve their putative ‘savings’. Nor is this supposition supported by econometric modeling, which has yet to produce reliable and robust results<sup>2</sup>. In practice the anticipated savings from structural reform do not eventuate unless effectiveness of service delivery is also reduced<sup>4</sup>.

It is the contention of this Association that the units of local government in this region have already established a pattern of joint collaboration which has served these residents of the area well whilst allowing them the ability to interact with responsive units of local government.

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<sup>1</sup> Bailey, S. And Elliott, M. (2009) Taking Local Government Seriously: Democracy, Autonomy and the Constitution, Cambridge Law Journal, 68(2) pp. 436–472.

<sup>2</sup> Aulich, C, Gibbs, M, Gooding, A, McKinlay, P, Pillora S, Sansom, G, 2011, Consolidation in Local Government A fresh look, ACELG.

<sup>3</sup> Russell, W. (2004) Voting Obligations and Voter Turnout: discussion paper prepared for Local Government Association of Australia; Purdam, K at al (2008) How many elected representatives does local government need? A review of the evidence from Europe, Cathie Marsh Centre for Census and Survey Research working paper, at [www.ccsr.ac.uk/publications/working/2008-06.pdf](http://www.ccsr.ac.uk/publications/working/2008-06.pdf); ODPM (2002) Turnout at local elections,Office of the Deputy Prime Minister, London; Sorabji, D. (2006) Pacing Lyons: a route map to localism, New Local Government Network, London.

<sup>4</sup> English local government reforms from 1992-1995. Chisholm, M (2002b) Structural Reform of British Local Government. Rhetoric and Reality. Manchester, Manchester University Press.