



**Local Government Act 2002 Amendment Bill (No. 3)
Local Government and Environment Committee**

The Salvation Army (New Zealand, Fiji and Tonga Territory) Submission

1. BACKGROUND

- 1.1 The Salvation Army is an international Christian and social services organisation that has worked in New Zealand for over one hundred and thirty years. The Army provides a wide-range of practical social, community and faith-based services, particularly for those who are suffering, facing injustice or those who have been forgotten and marginalised by mainstream society.
- 1.2 We have over 90 community ministry centres and churches (corps) across the nation, serving local families and communities. We are passionately committed to our communities as we aim to fulfil our mission of Caring for people, transforming lives and reforming society by God's power¹.
- 1.3 This submission has been prepared by the Social Policy and Parliamentary Unit (SPPU) of The Salvation Army. This Unit works towards the eradication of poverty by encouraging policies and practices that strengthen the social framework of New Zealand.
- 1.4 This submission has been approved by Commissioner Robert Donaldson, the Territorial Commander of The Salvation Army's New Zealand, Fiji and Tonga Territory.

2. THE SALVATION ARMY PERSPECTIVE

- 2.1 We applaud the Bill's intention to reduce the strain on the housing market by removing some of the costs involved with housing development. The logic then is that reducing these costs could also potentially reduce the cost of buying into new housing developments by placing limits on when and for what Development Contributions can be charged. While the need to increase the number of housing developments and lower the overall costs of housing is clear, we are not convinced that restricting the nature of community infrastructure that can be funded by development contributions is the best or only solution. Many community facilities, such as libraries and recreational grounds would have significant cuts to funding under this Bill restricting either the building of new facilities near new housing developments or limiting the possibility of improving or

¹ <http://www.salvationarmy.org.nz/our-community/mission/>

enlarging existing facilities. We submit that these types of facilities, if they are accessible for the local residents, are critical for developing local communities. Councils are already indicating that rates will rise and Council debts will likely increase to compensate for the loss of funds needed for community infrastructure. For example, the Auckland Council has indicated that in order to complete projects already planned for the next 10 years, an expected 8.5% increase in rates over the next eight years, and a \$480 million increase in debt will be required².

- 2.2 We also submit that this Committee continue investigating other areas, particularly in the bureaucratic or compliance processes within territorial authorities that could also have their costs adjusted or decreased. In our experience, other compliance costs are often a hindrance to the development of affordable housing, especially for community housing providers like The Salvation Army, Habitat for Humanity and others. We contend that other costs outside of Development Contributions should be reduced as well. Again, we submit that these reduced costs do not limit a private developer's contribution to civic development in their regions, nor should they automatically cause increased strain on residents via rates increases. We believe savings can be made in other areas as well, including the compliance and bureaucratic processes involved in housing development.
- 2.3 The introduction of Development Agreements may encourage private development of community facilities previously funded by development contributions. However, we submit greater assurance is needed to ensure that community facilities built through Development Agreements with private developers will be equally accessible and as well-resourced as the current stock of publically funded community facilities.
- 2.4 We support measures to ensure that consultation documents are available in regards to any proposed Long Term plan or Annual Plan so that residents can better engage with the planning for the future of their community, region or city. We acknowledge the local authorities who currently provide informative summaries for residents enabling a greater number to engage with proposed changes or plans. We believe plain-English summaries of Long Term or Annual Plans that clearly outline the proposed options and any consequences will better allow people to engage with local authorities. Additionally, these consultation documents must be available to the residents, including those who do not have access to computers. The effective communication and distribution of these documents is critical.
- 2.5 We generally support the move to implement Significance and Engagement policies under this Bill. We also generally support the repealing of most of the requirements to use the often unnecessarily long and complex Special Consultative Procedure. Increased flexibility in how Councils engage with residents has the potential to

² http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11196237

make it easier for people to engage with their local government. However we wish to alert the Committee to the potential risk that increased flexibility in these engagement phases may result in some issues not being properly consulted on because greater emphasis will be placed on consultation for issues the specific Council has prioritised. This risk must be mitigated in any changes of how local authorities engage with their residents.

- 2.6 We appreciate the need for local authorities to consider the cost effectiveness of services they provide and support moves to increase the accountability the Council has to the communities they represent. Although we support moves to ensure that local authorities assess the cost effectiveness of the services they provide, we submit that cost effectiveness should not be the only consideration for these authorities. We contend that the increased demand for cost effectiveness does not necessarily result in a decrease in the quality of services provided. Moreover other critical relevant factors like community need or changes within a community must be considered when making these assessments.

3. RESPONSES TO SPECIFIC AMENDMENTS TO LEGISLATION

- 3.1 The changes to Development Contributions in *Clauses 48-60* will reduce the cost of housing development in many centres, and should help to encourage housing development and lower the cost of new builds. New Zealand is facing a housing crisis as the current housing stock is unable to support our growing population and existing housing is increasingly unaffordable. We therefore support moves to assist development of new and more affordable housing. However we submit that limiting Development Contributions should be done with caution. Many community facilities currently funded in part by Development Contributions are not “nice extras” for communities but are essential to the overall atmosphere in and growth of that community. Funding these facilities or services through alternative means will likely result rates increases, which would only add to the overall cost of housing for many families, particularly the most vulnerable and marginalised families.

- 3.2 The Significance and Engagement Policy as per clause 18 are a crucial part of this Bill. As we have advocated in our pervious submissions, community engagement cannot and should not suffer at the expense of cost-focussed assessments or narrowly selected issues for consultation. We submit that the local residents are given reasonable time to make submissions to the development of these Significance and Engagement policies for each local authority.

4. CONCLUSION

The changes proposed by this Bill, if taken in good faith, have the potential to reduce the cost of housing, allow for better community engagement with local authorities and greater accountability and cost effectiveness of local services. These are all valid and admirable goals.

However, we submit that the changes to the charging and use of Development Contributions by local authorities could result in new communities being denied easy access to community facilities. Furthermore, this could also lead to the overcrowding or over-use of existing facilities. Alternatively it could result in increases to local government debt, and/or increases to rates in order to continue to fund projects that add significant value to our communities.

While the purposes and intent of this Bill are generally positive, we submit there is specific aspects of this Bill that need further debate, investigation or amendment. We have outlined these facets above. We fully support moves to ease the strain on housing stock, particularly in Auckland and Christchurch. But we clearly state our concerns that some aspects of this Bill might have unfavourable consequences for some in our communities, particularly the most vulnerable and marginalised in our communities.

Thank you for the opportunity to respond to this Bill.

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