

6 December 2022

Hon David Parker, Attorney-General

Consistency with the New Zealand Bill of Rights Act 1990: New Plymouth District Council (Perpetual Investment Fund) Bill

1. We have considered whether the New Plymouth District Council (Perpetual Investment Fund) Bill (the Bill), a local Bill in the name of Glen Bennett MP, is consistent with the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990 (the Bill of Rights Act).
2. The New Plymouth District Council's (the Council) Perpetual Investment Fund (PIF) was established to operate as a sustainable fund to subsidise general rates. However, following the 2008 global financial crisis, the PIF was not managed sustainably, requiring the Council to considerably reduce releases from the PIF and increase general rates until the PIF had recovered its previous value.
3. To prevent these issues from recurring, the Bill introduces principles for the Council's management and application of the PIF to ensure it is sustainably managed and its funds used to benefit current and future New Plymouth communities. The Bill includes an exception to the sustainable management principle that allows the Council to intentionally reduce the capital base value when the Council considers, on reasonable grounds, doing so will achieve a benefit greater than capital maintenance, and that this is the best available means of achieving that benefit.
4. The Bill also sets out requirements for investing the PIF. Investment decisions are to be made by appointed people acting independently of elected Council members, and are to be made on a prudent, commercial basis consistent with best practice portfolio management.
5. We have concluded that the Bill appears to be consistent with the rights and freedoms affirmed in the Bill of Rights Act.



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