

Committee Secretariat  
Local Government and Environment Committee  
Parliament Buildings  
Wellington  
Submitted online

## **Rural Women New Zealand Submission on the Local Government Act 2002 Amendment Bill (No.2) 2016**

### **Introduction to RWNZ**

1. Rural Women New Zealand (“RWNZ”) is a not-for-profit member based organisation that reaches into all rural communities and advocates on issues that impact on those communities. We welcome the opportunity to provide a submission to the Local Government and Environment Committee on the Local Government Act 2002 Amendment Bill (No.2) 2016 (“the Bill”).

### **Overview of our submission**

1. RWNZ has strong concerns about this Bill. Primarily, we are concerned that the Bill attempts to force councils into shared council controlled organisations, with no requirement for community consultation and no guarantee of any community benefit.
2. At the end of the day, our members place a high value on local democracy. Many come from provincial and rural communities that survive on the strength of councils that are responsive to local preferences and to local voices. They feel strongly that important local services should stay within the control of democratically elected councils and with the communities that they represent.
3. From this perspective, the parts of this Bill that we are most concerned about and which, we believe, warrant further examination by the Committee are:
  - a. The significant increase in powers that the Bill bestows onto the Local Government Commission (“the Commission”). In particular, the power the Bill gives the Commission to initiate council reorganisations at its own discretion while also being directly accountable to central government; and
  - b. The proposed polling provisions in the Bill, which reduce the community’s right to have a say on reorganisation and amalgamation proposals. We feel strongly that councils should NOT be able to enter into reorganisations without first consulting with the community. The right for ratepayers to request a poll is also a fundamental democratic right, which this Bill attempts to take away.

We expand on these points below.

### **Decision-making over the form and future of local services must remain with local councils and the communities they represent**

4. Our primary concern is that this Bill attempts to force councils to enter into shared council controlled organisations, with no requirement for community consultation and no guarantee of any community benefits.
5. Our members are well aware of the increasing challenges that local councils face in the cost-effective provision of local services. In rural communities, declining and ageing populations are significant factors impacting on the cost-efficiency of these services. However, we do not necessarily agree that more integrated models for service such as jointly-owned CCOs are the solution to these challenges. The cost-efficiency benefits and service improvements of these types of shared-services arrangements will not be the same for all communities. In fact, the Auckland super city experiment makes us highly sceptical of the proposition in this Bill that greater council co-operation and integration equals guaranteed benefits for ratepayers.
6. Ultimately, we think that it is for local councils and communities to decide whether (and how) greater co-operation between councils may benefit their community. As far as we are aware certain councils in New Zealand are already doing this and have already entered into co-operative arrangements that are working very well. This has occurred without the need for central government endorsement and without the changes in this Bill.
7. There are also risks from over-corporatisation of local government, most importantly a reduction in local representation. At the end of the day, our members place a high value on local democracy. Many come from provincial and rural communities that survive on the strength of councils that are responsive to local preferences and to local voices. They feel strongly that important local services should stay within the control and direction of those who are democratically elected to be responsible for them.

### **Concern about increased powers of the Commission and central government accountability**

8. We are very concerned about the significant increase in powers that the bill bestows onto the Commission. In particular, we are worried about the power this Bill gives the Commission to initiate council reorganisations at its own will, irrespective of community wishes. For example, under this Bill the Commission can initiate an investigation around transfer of functions between local authorities, joint governance arrangements, areas of common shared interest, and greater use of jointly owned council-controlled organisations.
9. We note, also with concern, that the Commission must exercise these powers while also being directly accountable to the Minister. Under clause 16 the Commission is subject to ministerial expectations around its statement of intent and work programmes and is subject to government policy and government review. This has the appearance of creating an avenue for central government to enforce its agenda of bigger more centralised local government onto communities that do not want this.

### **Proposed polling provisions reduce rights of public participation**

10. We also have strong concerns about the proposed polling provisions in the Bill, which are intended to 'safeguard local democracy' yet appear to do the opposite. In particular, the Bill removes the previous provision for 10% of electors to be able to request a poll. It also states that the public does not need to be polled if a reorganisation has been initiated by a council and the council agree that a poll is not necessary. Allowing councils to circumvent the requirement to consult is fundamentally wrong and represents an erosion of the democratic process. If the Bill is to progress, we strongly recommend that this clause is removed.

## **Conclusion**

11. RWNZ thanks the Committee for the opportunity to submit on the bill. Please do not hesitate to contact me using the contact details below if you would like to discuss our submission further.

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Acknowledgements to: The Rural Women New Zealand National Council