

5 August 2016

To the Local Government and Environment Select Committee
Select Committee Services
Parliament Buildings
Wellington 6160

SUBMISSION ON THE LOCAL GOVERNMENT ACT 2002 AMENDMENT BILL (NO 2)

Introduction

1. This submission is from the Dunedin City Council, PO Box 5045, Moray Place, Dunedin, 9058.
2. The Dunedin City Council is responsible for meeting the current and future needs of communities for good quality local infrastructure, local public service and performance of regulatory functions in a way that is most cost effective for households and businesses, under the Local Government Act 2002.
3. The Dunedin City Council wishes to speak to this submission.

General

4. The Dunedin City Council (the Council) supports the Local Government New Zealand (LGNZ) submission on the Bill.
5. The Council's submission focusses on those aspects of the Bill which impact on relationship between central government, elected representatives of local authorities and local communities. Other operational aspects of the Bill fall outside the scope of this submission.
6. The Council is supportive of the general aim of the Bill, which is to "enable improved service delivery and infrastructure provision arrangements". We also support those aspects of the Bill which further empower to local authorities and provide them with greater flexibility in determining how they meet the current and future needs of their communities.
7. In particular, the Council supports the provisions to:
 - Provide additional options for enabling local authorities to co-ordinate and combine networks and resources.
 - Allow local authorities to initiate and lead local authority reorganisation proposals.
 - Allow the same local authority to act as a unitary authority (as both territorial authority and regional council) in one district and as a regional council only in another district that has its own territorial authority.
 - Allow a local authority to exercise specified council functions, powers, duties and responsibilities within the district or region of another local authority.

8. The Council is however concerned about the additional powers the Bill would grant to both the Minister of Local Government and the Local Government Commission (LGC), particularly in relation to directing the reorganisation of local authorities' activities and responsibilities. These powers potentially:
 - Reduce the level of democratic control that local communities exercise over services delivered on their behalf.
 - Affect the authority and power of local elected representatives.
 - Reduce the level of accountability between the community and service providers.
9. More specifically, the Council does not support the following provisions of the Bill which would:
 - Require local authorities to gain the written agreement of the LGC to consult on a proposal to transfer, or accept the transfer of, responsibility for the delivery of water, wastewater, stormwater or transport services (Part 1, Clause 7).
 - Provide the LGC with the power to reorganise a local authority's committee structure (Part 1, Clause 9 and Schedule 2, Clause 21A).
 - Provide the Minister and the LGC with the power to initiate a reorganisation investigation into one or more local authorities (Part 1, Clause 16 and Schedule 2, Clause 1).
 - Allow the LGC to establish a Council Controlled Organisation (CCO), shared CCO, or undertake a "non-major" transfer of functions between local authorities without gaining the support of the affected local authorities or conducting a poll of affected citizens (Part 1, Clause 9 and Schedule 2, Clauses 23 and 25).
10. Further, the Council opposes the provisions of the Bill which would:
 - Provide water services CCOs with the power to propose and enforce bylaws (Part 1, Clause 22).
 - Require local authorities to fund CCOs according to a funding allocation formula (a joint formula in the case of joint CCOs), which effectively removes revenue from the control of elected members (Part 1, Clause 24).
 - Allow a CCO to require a local authority to amend its development contributions policy (Part 1, Clause 25).
11. While the Council can appreciate the benefits of centralisation, it is concerned that it protects the ability for local involvement and engagement in central decision making. We therefore do not support the provisions which:
 - Remove the requirement that a reorganisation request or initiative is able to "demonstrate substantial community support" (Schedule 2, Part 1, Clause 7g).
 - Allow the Department of Internal Affairs and the Minister to set performance measures for substantive CCOs and local authority activities respectively. This alters the role and accountability relationship of citizens and elected members in setting levels of service (Part 1, Clause 31 and Part 1, Clause 38).

12. In addition, the Council recommends that:

- In assessing the desirability of options for a reorganisation of local government, the LGC is required to consider how best to achieve "effective local democracy" in addition to the other criteria listed in the Bill (Schedule 2, Part 1, Clause 11).
- The LGC is required to consult on any reorganisation plan (not just a reorganisation investigation or initiative) (Schedule 2, Part 2, Clauses 12 and 13).
- That a mechanism to disestablish a CCO or joint CCO established as a result of a reorganisation plan is included in the Bill (Schedule 2, Clause 20).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dave Cull', with a stylized, cursive script.

Dave Cull
Mayor of Dunedin