

3. LOCAL GOVERNMENT NEW ZEALAND: ATTENDANCE AT FUTURE FOCUS MEETING

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Corporate Plan Output: Public Accountability: Representation of the Interests of the City	

The purpose of this report is to seek approval for a Council representative to attend a meeting being held in Wellington by Local Government New Zealand to discuss proposed changes to its constitution.

INTRODUCTION

Following the recent resignations of its President, two Vice Presidents and Chief Executive, Local Government New Zealand is considering changes to its constitution. All member authorities have been invited to appoint a representative or representatives to attend a “future focus” meeting to be held in Wellington on Wednesday 22 November 2000, to provide input into the preparation of a formal discussion document on proposed changes to the constitution that will be given to member authorities prior to Christmas. After feedback is received, draft changes to the constitution will be prepared for the AGM in July 2001.

The meeting will also allow members to review priority work areas for LGNZ.

SPECIFIC ISSUES TO BE ADDRESSED AT FUTURE FOCUS MEETING

The specific issues to be addressed at the meeting will include:

Constitutional Issues

- Authority to call a special general meeting
- Vice Presidents voted from at large
- Length of terms
- Acting President
- Authority to bring about termination of office
- Validity of current voting system
- Extend eligibility of office for President to include any person who had held office as an elected member

Other Issues

- Discussion around the Department of Internal Affairs ‘discussion document’ on the review of the Local Government Act
- Report back from The Forum meeting with Central Government held on 9 November

BACKGROUND

The Local Government New Zealand Strategic Plan, “Full Forward Five”, agreed by the membership in 1996, sets out the purpose and goals of the organisation as follows:

Purpose:

- To promote the national interests of local government

Goals:

- To help develop and promote a strategic agenda for local government that will create a strong and successful future
- to promote autonomy, accountability, effectiveness and efficiency in local governance
- to influence public policy in order to achieve the strategic outcomes of local government
- to enhance sector performance through collective developments
- to provide value for Local Government New Zealand members.

The National Council of Local Government New Zealand consists of the President and 13 members appointed as follows:

- Two persons appointed by Zone One;
- One person appointed by each of Zones Two, Three, Four, Five and Six;
- Two persons appointed by each of the Metropolitan and Regional Groups;
- One person appointed by each of the Provincial and Rural Groups.

Every person who holds office as an elected member is qualified to be appointed to the National Council. The National Council has and may exercise the sole control, discretion and management of Local Government New Zealand subject only to any limitations imposed by these Rules or directions given by the Annual General Meeting or any Special General Meeting.

The President and Vice Presidents are elected by ballot of member authorities in accordance with these Rules at the Annual General Meeting in the year following the year in which triennial local government elections are held.

Local authorities are allocated votes on the following basis:

- Member authorities (other than Regional Councils) having populations of 50,000 or over - 3 votes;
- Member authorities (other than Regional Councils) having populations of 10,000 or over and less than 50,000 - 2 votes;
- Member authorities (other than Regional Councils) having populations of less than 10,000 - 1 vote;
- Regional Councils having populations of 250,000 or over - 3 votes;
- Regional Councils having populations of 100,000 or over and less than 250,000 - 2 votes;
- Regional Councils having populations of less than 100,000 - 1 vote.

All 86 local authorities in New Zealand are members of Local Government New Zealand. The organisation asserts that memberships has the following benefits:

- Representation of member councils' collective interests to central government and all other stakeholders
- access to information on issues and developments affecting them collectively and individually
- access to shared information about other local authorities
- access to strategic advice and expertise on policy issues affecting the sector
- personal support, networking and development.

Because the annual membership fee is based on the operating budget of each member authority, the larger local authorities contribute a substantial part of LGNZ's total budget. For example, in the case of both Wellington and Christchurch, each Council's membership fee for LGNZ's 2000/01 financial year (1 April to 31 March) amounted to \$57,535 plus GST.

Appendix 1 (attached) sets out the Local Government New Zealand view on the benefits of membership.

DISCUSSION

A National Voice for Local Communities

In the past ten years local government has established itself as a credible voice with central government. Effective representation of the needs of local communities has resulted in local government being seen as an important policy and implementation partner. For example, the local government sector has initiated, and is now a key contributor to, the reviews of the Rating Powers Act, the Local Government Act and the Local Elections and Polls Act.

The increased profile and influence of local government at a national level has increased that need for effective and credible leadership for the sector.

Assembling the views and voices of 86 different local communities, and at times merging these into one voice, is an ongoing challenge:

- How are different viewpoints in local government merged into one? Through consensus? By majority vote? How are votes distributed between members? On a geographic basis? By size? How are minority views represented?

- How can a national organisation meet the different needs and interests of its members? Through a 'one size fits all' service paid for through a general fee? Or on a targeted 'horses for courses' basis that makes certain services optional?

Both the challenges of sector policy formulation, and national service delivery to local members, require ongoing review. There is much at stake for local communities in the formulation of new legislation, standards or other national policy, and each community will want to be assured that its interests are represented accurately, fairly and effectively.

Local Government New Zealand Governance Issues

Local Government New Zealand strategic reviews, and discussion within local authority members, have in recent years raised a number of governance issues:

1. Metropolitan local authorities are not adequately represented on the National Council or the Presidential Team, despite representing a large segment of New Zealand's population and contributing a large share of the organisation's budget.
2. Aiming for consensus on every issue dilutes the views of interest groups such as metropolitan local authorities.
3. The zone structure (which divides the country into six sections) is too large and cumbersome to effectively represent regional views.

Interestingly, the constitution of the former Municipal Association of New Zealand (a predecessor authority of LGNZ) provided for the automatic appointment of the Mayors of Auckland, Wellington, Christchurch and Dunedin as members of the National Council of the Association. However, apart from the fact that the population of Hamilton has now overtaken that of Dunedin, such a provision would be of doubtful benefit in the case of LGNZ, as not all the Mayors of the main centres will have an equal interest in LGNZ or its affairs.

Local Government New Zealand –Credibility

There has been ongoing debate within local government about the appropriateness of the current structure of LGNZ and its governance arrangements.

Recent events surrounding the resignation of Local Government New Zealand's Chief Executive have damaged the credibility of the organisation's leadership. Local government is forming partnerships with central government on a wide range of issues, and as its national voice, Local Government New Zealand has to be able to represent the sector effectively and with credibility.

COMMENT

Of the constitutional issues raised, I think that two are particularly important. The first is eligibility for the presidency. The present constitution requires a president to be an elected member, but the demands of the presidency are such that few elected members have sufficient time to perform the dual role. For this reason, it is rare for a member from a large territorial authority to offer himself or herself for the presidency. Changing the constitution to allow the election of a **former** elected member would allow LGNZ to call on a wider pool of talent.

The second issue is the voting power of the metropolitan authorities, in relation to smaller authorities. Selwyn District (27,000) and Waimakariri District (35,000) with two votes each have more voting power than Christchurch (300,000 +) with three votes. On the other hand, allocating votes strictly according to population could drown out the votes of small authorities.

CONCLUSION

I recommend that the Strategy and Resources Committee discuss at its present meeting the Council's position on the issues addressed in this report, so that these views can be put forward by this Council's representative/s at the meeting in Wellington.

- Recommendation:**
1. That the Committee discuss this Council's position on the issues to be addressed at the LGNZ "Future Focus" meeting.
 2. That the Council appoint representative/s to attend the Wellington meeting.

**Chairman's
Recommendation:**

1. That the Council support changes to the constitution to:
 - allow for the election of a former elected member as president
 - increase the voting power of metropolitan local authorities
 - provide for greater representation of metropolitan local authorities on the national council
2. That the Mayor and the Chairman of the Committee be appointed to attend the Wellington meeting on this Council's behalf.