

6. PROPOSED CHANGES TO LOCAL GOVERNMENT NEW ZEALAND CONSTITUTION

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The purpose of this report is to advise the Council on the proposed changes to the constitution of Local Government New Zealand and to have the Council confirm a position on them.

BACKGROUND

The National Council of Local Government New Zealand is proposing to bring to the annual general meeting of Local Government New Zealand which will be held in Wellington on 18 July (the third day of their conference) a number of constitutional changes. Most of these changes are in response to difficulties that emerged last year. They deal with the authority to call a special general meeting, matters relating to the election of the President and Vice-President, a minor change to the length of term of the National Council members, the make up of the National Council, and the number of votes each Council has at annual and other formal voting meetings of the member authorities. A copy of the proposed changes is attached.

AUTHORITY TO CALL A SPECIAL GENERAL MEETING

Currently authority to call a Special General Meeting rests with the National Council only. The proposed rule changes would still allow to the National Council to call a special general meeting but would in addition provide that the Chief Executive of Local Government New Zealand must call a special general meeting if requested "by member authorities representing one third or more of the voting entitlement of all member authorities". The rules also provide that a member authority may only sign after a Council resolution has been passed to that effect, and that the member authorities requesting the SGM must come from more than one sector group and from more than one zone.

There seems little doubt that an ability for members to require a SGM is a worthwhile improvement to the constitution. The proposed rule change provides a practical way of having such a meeting called. It could be argued that the process is cumbersome, requiring as it does Council resolutions. However, since a special general meeting is a serious matter and an expensive one for Local Government New Zealand, it does seem reasonable to ensure that they are not called lightly.

AUTHORITY TO REQUEST A SPECIAL ELECTION FOR PRESIDENT.

The current constitution has no such provision. The proposed amendments would allow the consideration of a motion "that the President must vacate office" at either a special or annual general meeting, with the requirement that if the matter is raised at an annual general meeting then it must be requested by a petition to the Chief Executive under the same rules as the petition to call a special general meeting described above.

Again, the ability to remove the President from office is a useful "accountability" mechanism for an incorporated society. It is not a matter that should be undertaken lightly or frivolously, and the checks and balances proposed in this new rule F.7 are sensible.

APPOINTING OF AN ACTING PRESIDENT

The amended rule keeps the current provision for a postal ballot to be held should the President resign within the first two years of the presidential term, but provides for the Vice-President to be appointed as Acting President if the office of President is vacated in the last year of the President's term. The current rule provides for the National Council to appoint an elected member to the vacant office should the President vacate office during the last year of the term.

This change is enabled by the fact that the constitution is being amended to provide for there to be one rather than two Vice-Presidents, so that there is an obvious Vice-President to appoint as Acting President where necessary.

THE POSITION OF VICE-PRESIDENT

The proposed rule changes provide for there to be one rather than two Vice-Presidents. They also provide for a by-election for Vice-President under the same rules as proposed for a by-election for the President should the vice-presidential position become vacant during the first 24 months of the Vice-President's term. Outside that time frame the National Council is called upon to appoint one of its number to the vacant position of Vice-President.

It returns the provision that the Vice-President must be drawn from the members of the National Council. It also provides that a preferential voting system be used for the election of the Vice-President (see below).

PRESIDENTIAL VOTING SYSTEM

The current presidential voting system is a simple first past the post one with the highest polling candidate declared elected. It is proposed to replace this with a preferential voting system whereby voters number the candidates in their order of preference and if no candidate has an absolute majority of the votes cast on the basis of the voters' first preference then the second preferences of those who voted for the lowest polling candidate are counted and this proceeds until one candidate has a absolute majority of the votes cast.

While such a preferential voting system makes both voting and vote counting a little more complicated, it does lead to a fairer result where there are more than two candidates for a post. In particular it removes the risk of, for example, there being four candidates each of whom get approximately 25% of the vote with the winner being seen as having most people voting against him or her. Further, this voting arrangement is a good safeguard for Local Government New Zealand against the possibility of, say, an "Auckland candidate" getting in on 25% of the vote count in a four-way contest.

LENGTH OF TERM

There are some minor changes to the rules governing the length of terms designed to tidy up the election of a new National Council and provide for a smooth transition.

COMPOSITION OF THE NATIONAL COUNCIL

There is also a proposal to amend Rule E1 to increase the membership of the National Council by one by providing for the Metropolitan Group to nominate three rather than two persons to National Council. This and the change discussed below in numbers of votes are the two changes designed to increase the influence of the larger local authorities in the affairs of Local Government New Zealand to compensate them for the increased share of the annual running costs that they were being asked to pay.

VOTING ARRANGEMENTS

There is a new rule H1 proposed which increases the range of votes per authority from the old 3, 2, 1 formula to one where the smallest local authorities still have one vote and this rises on subscription level until those local authorities including the Christchurch City Council paying the maximum subscription have six votes.

While neither of these last two changes go as far as some members of the Metropolitan Group would like, they do come closer to aligning the number of votes with the subscription paid and they do significantly increase the voice of the larger local authorities on the National Council. It is probably worth noting that, based on the discussion that occurred at the recent Zone 5 and 6 combined meeting, a number of the smaller local authorities are still dissatisfied with both the level of subscription they pay and the number of votes that they have on the basis that per capita they are paying significantly more for membership than the larger local authorities.

CONCLUSION

The difficulty that Local Government New Zealand has in bringing together the disparate interests of both small and large territorial local authorities, unitary authorities, and regional councils is nowhere better reflected than in the difficulty of writing a constitution that fairly and reasonably reflects the make up of the organisation. The constitutional changes that the National Council is proposing to bring to the 18 July Annual General Meeting are positive improvements.

Recommendation: That the Council's voting delegates be instructed to support the proposed constitutional changes at the Local Government New Zealand Annual General Meeting in Wellington on 18 July.

**Chairman's
Recommendation:**

1. That the above recommendation be adopted.
2. That an analysis of the impact of the change in vote allocations be prepared and that the Council communicate with South Island local authorities to request their support for the changes.