



**National Council of
Women of New Zealand**

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Wahine O Aotearoa

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**Submission to the Local Government and Environment Select Committee
on the Local Government (Elected Member Remuneration
& Trading Enterprises) Amendment Bill**

Introduction

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing 43 nationally organised societies. It has 34 branches spread throughout the country to which women of some 150 societies are affiliated. NCWNZ works to improve the quality of life for women, families and society.

Responses were received on this bill from members of the Public Issues Standing Committee, from elected women members of local government, and from individuals representing business and organisations.

General Comments

Overall NCWNZ supports the spirit of the proposed changes set out in this bill which provide independence and specific criteria in the setting of remuneration in local government. It proposes opening local authority trading enterprises to the scrutiny of local ratepayers, while providing the safeguards which currently apply to local government to be used in the management of commercially sensitive or confidential information.

NCWNZ wishes to make specific comments as follows:

**Part 1
Remuneration for local authority positions**

4 New sections 101ZZF to 101ZZM

The majority of responses agree with these changes.

Currently local government bodies set their own remuneration based on recommendations from the State Services Commission. This is clearly unacceptable, for it can lead to inequity and distortion. NCWNZ members believe that remuneration should reflect more accurately, the role and responsibilities and time commitment of elected members, and we feel that this is partially addressed in 101ZZF: Higher Salaries Commission to determine remuneration, subsection (1).

(2) (e) prescribe rules for the application of those scales, ranges or different forms of remuneration.

NCWNZ is concerned that the part time role of an elected member is reflected in the remuneration received, based on the time required to perform that position.





2(f) and (g) referring to differentiation between positions in local authorities and community boards. NCWNZ agrees that there is a need to differentiate.

101ZZG Mandatory criteria for Commission, 101ZZH,101ZZI,101ZZJ,101ZZK, and 101ZZL. NCWNZ submits that these amendments address the diverse roles and responsibilities of elected members and looks forward to seeing remuneration which reflects this diversity, and not a continuation of current remuneration practices.

Part 2 Local Authority Trading Enterprises

NCWNZ agrees with the amendments proposed in Part 2.

Since July 1986 NCWNZ has strongly advocated that State Owned Enterprises "performing public functions, using public money providing services directly to the public, and enterprises having a monopoly, there is a greater need for public responsibility" (NCWNZ Submission 89.05).

The same can be said for Local Government Trading Enterprises, which own and manage power line companies, water and waste management companies, planning resource management services and other 'public good' and public infrastructure functions. These are often monopolies which are funded by local ratepayers and customers.

SOE's are accountable for their performance to Ministers of the Crown. Local government trading enterprises must be accountable to their local community for their performance. The local ratepayers are the ultimate owners/shareholders of these companies. Currently, local authority trading enterprises report to their owner, the local council, which is not required to make this information available to the local ratepayers.

Clause 7 New section 594Q substituted.

Amended by repealing section 549Q and substituting the section "Principle objective to be successful business".

NCWNZ agrees that subsections (1) (2) and (3) sufficiently specify the elements necessary to measure an effective local authority trading enterprise. They will increase the accountability and improve confidence in local authority decisions with regard to rates.

Change Proposed

NCWNZ recommend that Part 7 (2)(c) be strengthened to ...'having regard to the interests, and *the social, economic and environmental wellbeing...* of the community in which it operates...'

Clause 8 Application of Local Government Official Information and Meetings Act 1987

Parts 1 to 1V (Official information provisions) ".....apply to local authority trading enterprises as if they were local authorities."

This provision reflects NCWNZ's general belief in accountability to the public as outlined in NCWNZ Submission 90.02. We agree that there is a need for local authority trading enterprises to be transparent in their dealings and open to the scrutiny of local ratepayers.



Part 2 clause 8 applies the same statutory rules of Parts 1 to 1V in the Local Government Official Information Act 1987. NCWNZ is satisfied that this will provide adequate safeguards to allow the local authority trading enterprise to move into committee when any sensitive commercial or personal information arises. These provisions apply to local government already and need to be extended to local authority trading enterprises.

Conclusion

NCWNZ appreciates the opportunity to contribute to the amendments proposed to this bill concerning Local Government (Elected Members Remuneration & Trading Enterprises). It is timely and appropriate that the amendments proposed in this bill are considered.

Barbara Glenie
National President

Marion Miller
Convener, Public Issues Standing Committee