



ATTENTION: CHIEF REPORTERS
CIVIC REPORTERS

Southlanders Called To Unite Against Legislation Attacking Local Democracy

- ***Shadbolt's Open Letter to the Prime Minister***
- ***Southland MPs and councils urged to unite and fight***
- ***Council public poll on Monday 1 August***

The Invercargill City Council is publishing a full page in *The Southland Times* newspaper on Saturday 30 July urging Southlanders to unite and fight against draconian legislation currently before Parliament that attacks local democracy.

The page includes an Open Letter from Mayor Tim Shadbolt to Prime Minister John Key; A call for Southland MPs and councils to unite and fight; An explanation and examples of the implications of the Better Local Services Bill; Comments from all 12 Invercargill City Councillors; and a Council public poll that will be run on Monday 1 August from 8.30am to 5pm where people can ring in (or email or post) and give their views.

The full text is as follows:

Southland MPs and councils urged to unite and fight

The Invercargill City Council is calling on Southland's councils and Southland's Members of Parliament to unite in standing up for local democracy by opposing the Better Local Services Bill.

The Bill gives wide powers to the Local Government Commission, based in Wellington, to be able to impose major changes on local communities, leaving councils and residents powerless to challenge them.

These powers could allow the Local Government Commission to force councils to amalgamate their services – thereby effectively achieving amalgamation by stealth.

Manager Communications and Secretarial Services, Eirwen Harris, 211 1678, (027) 293 8680

Fax: 211 1435 Email: eirwen.harris@icc.govt.nz

Or

Communications Officer, Andrei Robertson, 211 1601, (027) 231 3939

Fax: 211 1433 Email: Andrei.robertson@icc.govt.nz

We believe that Southlanders know what is best for our own communities, not someone based in Wellington trying to force the Auckland model upon us.

Council-owned assets in the South are under threat of being stripped away from the local communities that have built them up and paid for them; and being corporatised.

We believe that our Council assets and services should stay in the hands of the Council, which is directly accountable to the people, instead of being siphoned off into a company that does not have the good of the community as its priority.

Southlanders have stood together many times before to fight for our region.

This Better Local Services Bill strikes right at the heart of local democracy and our communities. We must fight it and stand together for Southland!

ENDS.

Open Letter to the Prime Minister *BY MAYOR TIM SHADBOLT*

Dear John,

I have always admired your relaxed conversational style in television interviews, your comforting and confident public speaking and your ability to engage in scathing debates when necessary, during parliamentary sessions. I also appreciate your support of Invercargill during times of crisis such as the threatened closure of the Smelter, and the need to repair the Tiwai Bridge. As a community we also thank you for the support you have given to our Zero Fees scheme at the Southern Institute of Technology.

I don't wish to sound ungrateful but as the longest serving Mayor in the history of New Zealand I cannot remain silent during the debate that is about to take place on the Better Local Services Bill. I have had to deal with 16 different Ministers of Local Government and my favourite was the Rt Hon. Dr Nick Smith.

He was visiting Invercargill and I met him in the CBD so that he had a good view of all the beautiful heritage buildings that were under threat as a result of legislation being passed as a consequence of the Christchurch earthquake. His response was simple and direct. "Look", he said, "If you don't like what Central Government is doing to you, push back, okay ... just push back".

So, here goes!

Regardless of which political coalition controls Parliament, my job is to protect the democratic interests of Invercargill. I fought alongside Labour to stop National closing our schools and then fought alongside National to stop Labour closing our schools. Along with my fellow Southland Mayors, the Act Party and Federated Farmers, I picketed the American Embassy over lamb quotas and free trade.

Manager Communications and Secretarial Services, Eirwen Harris, 211 1678, (027) 293 8680

Fax: 211 1435 Email: eirwen.harris@icc.govt.nz

Or

Communications Officer, Andrei Robertson, 211 1601, (027) 231 3939

Fax: 211 1433 Email: Andrei.robertson@icc.govt.nz

Alongside Dunedin we fought for neurological services and better food in our hospitals. With the support of students I waged a relentless campaign when funding for the SIT was threatened. Once again we are fighting for the Tiwai Smelter regarding transmission costs. When the French government sank the Rainbow Warrior and then resumed nuclear testing in the Pacific, I joined 30 other Kiwis who marched down the Champs-Elysees in Paris and then picketed the European Parliament in Brussels.

The reason I'm so politically active is because Invercargill suffers from the tyranny of distance and until recently had the fastest population decline of any city in New Zealand or Australia. We have had to fight hard to hold on to the few advantages we had. We also had to rebuild the city. We only have three Company Head Offices in our city and the few remaining government departments were facing staff and funding cuts. As 68% of Southland is controlled by DOC we have to lobby hard to increase the development of aquaculture.

One of the few advantages is our community wealth. The Community Trust has \$200 million in cash. We have a powerful, progressive Licensing Trust with assets of \$96 million, no term debt and a turnover of \$90 million. Our Council has a business empire consisting of electricity companies, a property portfolio, forestry and Airport, with assets worth \$212 million and debts of \$70 million. They contribute \$5 million of their profits to the Council which is 10% of Council's rate revenue.

This community wealth has enabled us to develop our Aquatic Centre, an indoor stadium, and indoor velodrome, a Zero Fee scheme, a restored Civic Theatre, a CBD upgrade, a thriving film and events industry, a smelter that produces the purest aluminium in the world, an international space programme, a flood protection system, political stability, shared services, an economic development unit and a 2.7% increase in our population. If we weren't so modest we could claim to be one of the most successful communities in New Zealand.

Then along comes Central Government with a brand new Minister of Local Government and announces that they have a wonderful new plan for us. It's called the "Better Local Services Bill". How cute is that? In my view it should be called the "Crushing of Local Government Democracy and Seizing Control of Their Assets Bill". I feel that I have no other option than to vigorously oppose your latest attempt at reforming Local Government.

- Tim Shadbolt, Mayor

ENDS.

Government forcing the Auckland model on the rest of NZ *BY RICHARD KING, CHIEF EXECUTIVE*

Central Government is threatening to remove the rights of New Zealand's elected councils to make decisions on behalf of their local communities, under legislation that was introduced to Parliament last month.

Invercargill City Councillors were briefed about the implications of the Better Local Services Bill at a meeting last week. The Council was shocked to learn that the Bill gives wide powers to the Local Government Commission to be able to impose major changes on local communities, leaving councils and residents powerless to challenge them.

Manager Communications and Secretarial Services, Eirwen Harris, 211 1678, (027) 293 8680

Fax: 211 1435 Email: eirwen.harris@icc.govt.nz

Or

Communications Officer, Andrei Robertson, 211 1601, (027) 231 3939

Fax: 211 1433 Email: Andrei.robertson@icc.govt.nz

The Invercargill City Council wants to alert Southlanders to the implications of this Bill, which was introduced to Parliament on 9 June, had its first reading on 15 June and has now been referred to the Local Government and Environment Select Committee for consideration.

The Bill has not been well publicised and is so complex that it disguises the massive implications for local communities.

The Invercargill City Council has joined Local Government New Zealand and the Society of Local Government Managers in making written submissions against the proposals.

The Bill has a strong focus on local reorganisation. With three major amalgamation proposals failing because of lack of council and community support in Greater Wellington, Northland and Hawke's Bay, the Government believes local change is not moving quickly enough.

The Bill would also give draconian powers to the Local Government Commission, whereby they could force councils to amalgamate their services – thereby effectively achieving amalgamation by stealth.

These include the power to remove core services, such as water supply, waste water and transport, from direct council control and put them into Council Controlled Organisations (CCOs), where the priority is commercial principles, not on providing a community service – whether councils and residents object or not.

For example, the Local Government Commission will be able to take water supply from a council, even against the wishes of the community and corporatise it under a CCO, increasing the cost to you because of Directors' fees and the possibility of subsidising neighbouring councils' water supplies. And there will be nothing we can do about it.

The Commission will also have the powers to force councils to join existing CCOs and to transfer functions and powers between councils. It means the assets built up by one community will no longer be under the control of the people who funded them.

The Bill also removes the ability for councils to appoint elected members as directors of multiply-owned Council Controlled Organisations – so the public has no say at all around the board table.

In a further weakening of local democracy, it also removes the rights of councils or private citizens to a judicial review of the process for establishing a CCO. There is no avenue for third party scrutiny of any reorganisation developed by the Local Government Commission, outside the rubber stamping provided by the Minister if the process has been followed.

The Invercargill City Council believes one of the strengths of local government is that elected representatives are close to those who use our services, have a good knowledge of what works in our community and can tailor our delivery to meet local preferences and needs. The priority for local councils is to serve the community, whereas the priority of a CCO is the good of the company.

The guts of this Bill is that Wellington does not think that Invercargill City and Southland as a whole are able to make the right decisions for ourselves. It is outrageous and all Southlanders must fight it.
ENDS.

Manager Communications and Secretarial Services, Eirwen Harris, 211 1678, (027) 293 8680

Fax: 211 1435 Email: eirwen.harris@icc.govt.nz

Or

Communications Officer, Andrei Robertson, 211 1601, (027) 231 3939

Fax: 211 1433 Email: Andrei.robertson@icc.govt.nz

Ratepayer-owned assets at risk: an Invercargill example

The council-owned assets of New Zealand communities are at risk of being stripped away by the Better Local Services Bill currently before Parliament.

A good example of this for Invercargill and Bluff is our water supply.

Currently the city ratepayers own water supply assets totalling approximately \$100 million. This includes the Treatment Plant at Branxholme, the Water Reservoir, the mains and distribution pipe network to residential properties, including the supply network to Bluff.

For \$0.86 per day, the Council provides an unlimited supply of A grade water to most residences in the city. It operates as a ratepayer co-operative.

Ratepayers are only charged what the water costs to produce which is recovered as a uniform annual charge (every residence pays the same irrespective of the water actually consumed). This activity is not taxable.

These are 'protected' assets under current legislation. Council views them as strategic, being one of the most important services Council can provide. As a 'protected asset', extensive public consultation is required if any change to ownership or service delivery was contemplated by the Council (which is very unlikely).

Based upon the proposed legislation, the Local Government Commission could swoop on the city's water supply and assets, transfer the ownership and control to a company run by commercial Directors without having to take account of public opinion.

No elected member from any Council is permitted to be a Director on any such company.

What this may mean for Invercargill ratepayers (based upon the Auckland model):

- No effective control over how your water supply assets are managed, maintained, controlled, priced or the quality of the water supplied.
- The installation of water meters which you will pay for (estimated cost \$5 million).
- The introduction of monthly billing based upon the amount of water you and your family consumes each month.
- Taxation. The company will be a taxable entity and will be required to pay tax to the Government on its 'profits'. A new cost that you will pay for.

Now, like Water Care Services Ltd in Auckland, the Local Government Commission will want the new company to have critical mass, so it is highly likely to transfer ownership of the city's \$80 million sewerage assets to the company, plus they are likely to include the Water Supply and Sewerage Assets of the Southland District Council and the Gore District Council.

And there is not a thing any of us could do about it.

ENDS.

Invercargill City Councillors' comments

"The potential for a reduction in local democracy is unacceptable. Forced amalgamations with no accountability are unacceptable. Proposed CCOs will increase costs, not efficiencies. I'm strongly opposed to these moves." - **Deputy Mayor Darren Ludlow**

"It denies the right of ownership and benefits to the people past and present who have paid for their assets – non-consensual rape and pillage. Fight for your rights citizens!" - **Councillor Lindsay Abbott**

"No meaningful engagement with local government was done in creating this amendment which threatens to remove local decision making from local communities. Our community should determine its future. No one else." - **Councillor Rebecca Amundsen**

"Enabling an unelected body to meddle in the affairs of a community it is not accountable to, flies in the face of democracy. We are not broken and certainly don't require an Auckland-inspired fix." - **Councillor Karen Arnold**

"This Bill lacks clear checks and balances forcing water and roading assets into CCO's without the community getting any say. Not only is this undemocratic but will add significant costs on to ratepayers." - **Councillor Neil Boniface**

"This Bill is a 'Trojan Horse' and, if allowed to gallop unchecked in its present form, I am unconvinced it will benefit our ratepayers, either financially or through more efficient use of resources." - **Councillor Alan Dennis**

"This Bill will force changes on Invercargill that will be unnecessary and very expensive. Looks like an Auckland solution for a problem that doesn't exist in the Far South." - **Councillor Lloyd Esler**

"Southlanders need to make their own decisions about what works best for us. We don't need bureaucrats in Wellington imposing their ideology on us. Local decision making is best." - **Councillor Peter Kett**

"Loss of local control of our local assets including water reticulation, increased costs to ratepayers, disregard of the high levels of local expertise: I am strongly against this Bill." - **Councillor Graham Lewis**

"The risk to Invercargill people losing control over their key infrastructural assets is too great. We are already victims of reduced road funding in our province. What next?" - **Councillor Ian Pottinger**

"Essential services like water supply and removal are basic Local Authority responsibilities currently supplied efficiently at very low cost. Corporatisation of these services would

Manager Communications and Secretarial Services, Eirwen Harris, 211 1678, (027) 293 8680

Fax: 211 1435 Email: eirwen.harris@icc.govt.nz

Or

Communications Officer, Andrei Robertson, 211 1601, (027) 231 3939

Fax: 211 1433 Email: Andrei.robertson@icc.govt.nz

undoubtedly bring significant increases. We must preserve the status quo.” - **Councillor Graham Sycamore**

“It is of great concern that our water service could be turned into a CCO. Every household could be metered and charged for the water they use and also the water they discharge. The need to fight this is urgent.” - **Councillor Lindsay Thomas**

ENDS

Council Poll – phone in, email or post the coupon

The Council wishes to present your views to the Select Committee that will be hearing submissions on the Better Local Services Bill.

To help us do this, please complete the following questions (Circle your choice).

Questions

Do you want your water supply system owned and operated by a Company?

Yes / No

Should the poll provision (allowing a public vote) remain for a Council-led amalgamation?

Yes / No

How to send your views:

- Deliver your reply to Council at 101 Esk Street, Invercargill or the Bluff Service Centre
- Telephone 03 211 1635 on Monday 1 August between 8.30am and 5pm when elected members will be answering the phone
- Email your views to policy@icc.govt.nz