

27/08/2025

Committee Secretariat  
Governance and Administration Committee  
Parliament Buildings  
Wellington

**Submitted via email to:** [ga.legislation@parliament.govt.nz](mailto:ga.legislation@parliament.govt.nz)

Tēnā Koutou,

**Submission of Rangitikei District Council re: Local Government (System Improvements) Amendment Bill**

Rangitikei District Council (Council) would like to thank the Governance and Administration Committee (the Committee) for the opportunity to submit in respect of the Local Government (System Improvements) Amendment Bill (the Bill).

Council does not wish to speak in support of its submission.

## 1. Introduction

- 1.1. The Rangitikei District, is home to 16,200 residents and around 9,000 rating units, has a land area of 4,484 square kilometres, is a predominately rural area, with many small supporting towns and settlements. The opportunities and challenges facing the Rangitikei District are different to those in larger cities such as Wellington City.
- 1.2. Our twelve elected members (11 councillors, plus the Mayor) are deeply engrained in the community and have many discussions daily with our ratepayers. As a small provincial district our elected members have a deep understanding of local needs and aspirations.
- 1.3. Our Elected Members and officers are disappointed and exhausted by the constant criticism and attacks on local government. Often these attacks are based on misinformation, or one council's experience, and are not representative of the wider sector. It appears easy for the Government to point blame at local government, rather than taking a solutions-based approach of discussing how we can work together, central and local government, for the betterment of our communities.
- 1.4. The explanatory note in the Bill outlines that the purpose of the Bill is to address cost of living concerns and suggests that rates rises are being exacerbated by spending on non-core services, spending more than necessary on the basics, and not taking advantage of funding tools.
- 1.5. Council works hard to keep rates low and provide appropriate services based on community needs and aspirations. This was demonstrated by a 7.9% rates increase for the 2025/26 Annual Plan (down from a projected 9.9% in the Long Term Plan 2024-34 for the 2025/26 financial year). This rates increase was made up of increased cost of depreciation for infrastructure (4.7%), increased cost of electricity (1%), increased

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interest cost (0.6%), and increase operational costs for Three Waters (0.2%), with the remaining being inflation at 1.4%. More than 80% of our operating expenditure is on infrastructure and activities that we are required to undertake by legislation. Once the costs of running the business such as supporting our elected members is also taken into account, that leaves little room for the ‘nice to have’ projects the Government suggests are occurring.

- 1.6. Local government is bearing the brunt of constant changes in major pieces of legislation as successive governments make changes e.g. three waters, the resource management system, the Building Act 2004, and the Local Government Act 2002 (LGA). The continuously changing goalposts create significant costs and re-work. This is particularly difficult for small local authorities such as ourselves, which operate with significantly lower numbers of staff but provide the same core and legislated services as larger local authorities.
- 1.7. Going forward we encourage the Government to focus on cross-party agreements on core pieces of legislation to provide long term certainty and efficiency.
- 1.8. Mixed messaging from the Government also creates a lack of clarity of expectations. Council is involved with the Mayor’s Taskforce for Jobs programme, leading the country in a number of sustainable outcomes. However, this does not align with the proposals as part of this Bill. In addition, discussions with the Ministry of Social Development officers have prompted Council to be involved with issues such as truancy and unemployment, while there is a willingness to discuss these issues, these are not core functions of local government.
- 1.9. Council considers costs imposed on households by the Government have a far more significant impact on the cost of living. These include costs such as income tax, goods and services tax, and petrol tax. In addition, land owned by the Government for conservation purposes, schools and early childhood centres, is deemed as non-rateable and therefore, do not pay their fair share of the costs of services delivered by local government. It is Council’s view that this is not equitable.

## 2. The Purpose of Local Government

- 2.1. Council notes that the amendment broadly reinstates the version of section 10 that was in force immediately before the enactment of the 2019 Amendment Act, with the inclusion of a new purpose to support local economic growth and development.
- 2.2. Council is of course supportive of section 10(a) *“to enable democratic local decision-making and action by, and on behalf of, communities”* as local democracy and decision-making is the heart of local government.
- 2.3. With regards to section 10(b) *“to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses”* Council shares the concerns expressed by Taituarā in their submission, that the use of the phrase *“most cost-effective”* has the potential to result in increased legal challenge of decisions made by local authorities.
- 2.4. For the general public *“most cost effective”* is often considered to be synonymous with the cheapest option. However, the cheapest option does not always provide the best overall outcomes for the community.

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- 2.5. When considering options for a project or service local government may favour an option that is not the cheapest but provides significantly greater or longer-term benefits to the community by comparison when considering the communities needs holistically. Council requests that either section 10(b) be amended to remove “...in a manner that is *most cost effective for households and businesses*” OR alternatively it could be rephrased as follows “to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective and delivers the best overall outcomes for households and businesses”.
- 2.6. As Taituarā indicates in their submission local government already has an obligation to consider cost-effectiveness ingrained in the LGA.
- 2.7. The Bill proposes the inclusion of section 10(c) “to support local economic growth and development by fulfilling the purpose set out in paragraph (b).” Economic growth and development are already priorities of local government as a healthy economy is at the heart of any community looking to continue to grow and thrive. Council supports economic growth and development but has reservations about the laser focus on this and the potential gap that it could create in social infrastructure and/or services.
- 2.8. Local government often steps into the “social wellbeing space” because there is an identified need but no one else is willing (or able) to address this need; this is particularly true for smaller provincial districts. The Government needs to consider if local government is being directed out of the social wellbeing space what gaps will this create and what support or systems are being put in place to fill these gaps so that the most vulnerable communities or people are not worse off or inadvertently left behind.
- 2.9. On this basis Council does not support the inclusion of section 10(c).

**Recommendations or requested amendments:**

- a. Either remove the following words from section 10(b) “...in a manner that is most cost effective for households and businesses.”  
OR
- b. Rephrase section 10(b) as follows “to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective and delivers the best overall outcomes for households and businesses.” (Note: Remove words with ~~strikethrough~~ and add words that are underlined).
- c. Remove section 10(c) from the purpose of local government.

### 3. Core Services

- 3.1. Clause seven (7) inserts section 11A which sets out the core services a local authority must have particular regard to in performing its role. The amendment broadly reinstates the version of section 11A that was in force immediately before the enactment of the 2019 Amendment Act, with the addition of civil defence emergency management and updating the term for solid waste collection and disposal to waste management.

- 3.2. Clause 7 does not require local authorities to deliver the services listed in section 11A nor does it prohibit local authorities from undertaking other services. However, in the context that the Government is exploring some form of revenue or rates cap which will likely be linked to core services this list becomes extremely important to get right.
- 3.3. There are some obvious omissions from the core services identified in section 11A. Council would like to request the following be added as core services:
- Elections and governance support. Local government is required by law to hold elections every three years and there is substantial cost associated with holding an election or by-election if one is required. Furthermore, the governance arm requires support to ensure it can run effectively and make robust and efficient decisions.
  - Provision and maintenance of cemeteries. As local authorities have a duty under section 4(1) of the Burial and Cremation Act 1964 “...where sufficient provision is not otherwise made for the burial of the bodies of persons dying within its district, to establish and maintain a suitable cemetery.” Many local authorities provide and maintain cemeteries. Council charges individuals to purchase a plot at a cemetery but the cost of maintaining and expanding our cemeteries is rated and this should be considered a core service.
  - Development and maintenance of a Regional Policy Statement, Regional Plan, or District Plan (and the future replacement of these). These Policy Statements and Plans are required to be produced under section 64 and section 73 the Resource Management Act 1991 (RMA). Local authorities are legally required to have these and although the RMA is soon to be replaced, a regional spatial plan and some form of regulatory plan will be required in their place. The development and review of these should be identified as a core service.
  - Regulatory functions, especially compliance functions. The Council carries out a variety of regulatory functions (which is part of the purpose of local government) and required by various pieces of legislation including the Building Act 2004, the RMA, and the Health Act 1956. The Government has made substantial changes to legislation such as the Building Act 2004 that will likely mean that Council has more of a compliance role and less of a consent authority role going forward. For example, consents may not be required for minor residential dwellings (up to a certain size), but local authorities will no doubt get complaints about whether these comply with legislation which will need to be investigated and responded to. Processing consents and undertaking inspections for these consents are easily chargeable to the consent applicants but the cost of investigating and responding to complaints is not generally easily recoverable for local authorities.
- 3.4. Council supports the observation made by Taituarā that the range of services councils provide moves over time as community preferences, technology, and social norms change. We also wish to assert that smaller rural communities generally have few not-for-profit type or other organisations that fulfil the social wellbeing needs than larger cities often have.

- 3.5. Restricting the core services and introducing a revenue or rates cap will potentially hamstring local authorities' ability to meet some genuine needs of their communities. Council is concerned that this will impact the most vulnerable people within our communities that do not have the ability or means to seek services further abroad.
- 3.6. Council recognises the importance of focusing on providing core services but wants these core services to more accurately reflect all services that local authorities are legally required to perform. We also seek that the Government recognise that a "one size fits all" approach is not reflective of the difference in availability of alternative services between larger cities and smaller, remote rural districts.

**Recommendations or requested amendments:**

- d. Council requests that the core services identified in section 11 be amended to include all services that local authorities are legally required to perform such as elections and governance support, the provision and maintenance of cemeteries, development and maintenance of a Regional Policy Statement, Regional Plan, or District Plan (and the future replacement of these), and regulatory functions.
- e. Council seeks that the Government recognise that a "one size fits all" approach to core services is not reflective of the difference in availability of alternative services between larger cities and smaller, remote rural districts

## 4. Managing and publicising council performance

### Groups of activities and performance measures

- 4.1. Council notes the proposal to give additional powers to the Secretary of Local Government in the setting of groups of activities and performance measures. We encourage consideration of rural local authorities when making decisions on the setting of groups of activities and performance measures.

**Recommendations or requested amendments:**

- f. Council encourages consideration of rural local authorities when making decisions on the setting of groups of activities and performance measures.

### Reporting on contractor and consultant expenditure

- 4.2. Council generally supports the reporting of contractor and consultant expenditure and notes that it already reports on staff count and remuneration. Council supports the submission from Taituarā that notes the wide range of situations where consultant or contractor expenditure is a financially prudent option for a council. This can be to support peaks of workload, providing for specialist knowledge where it is needed for a single project or on a short-term basis, or to provide backfilling for vacancies.



- 4.3. However, a consistent definition for consultant and contractor needs to be provided. Council also encourages the Government to ensure that they are also reporting on such expenditure.

**Recommendations or requested amendments:**

- g. Council recommends that a consistent definition for consultant and contractor needs to be provided.
- h. Council encourages the Government to ensure that they are also reporting on such expenditure.

## 5. Transparency and Accountability

### Standardised code of conduct and standing orders

- 5.1. Council supports the development of a standardised code of conduct and standing orders. However, Council does not believe that standardisation of codes of conduct will provide significant benefit without effective sanctions and enforcement provisions within the process. These aspects should be considered by the Government. There are already templated standing orders developed within the sector that many councils use as a base.
- 5.2. It is important that standardised standing orders are able to effectively provide for a range of contexts, from large cities through to small rural community boards. In addition, in the development of standardised standing orders, the Secretary of Local Government should consider the governance principles in section 14 of the LGA 2002, and ensure standing orders provides for items such as the *“free exchange of information and expression of opinions by elected members”* as proposed in this Bill.
- 5.3. The bigger issue across local government is training in standing orders, which can be complex for new councillors to understand. Council also questions whether the Department of Internal of Affairs will have the capacity to create standardised documents.

**Recommendations or requested amendments:**

- i. Council requests that the Government consider more effective sanctions and enforcement provisions in regard to the standardisation of codes of conduct.
- j. Council asks that the Government carefully consider to how/if standardised standing orders can effectively provide for a range of contexts, from large cities through to small rural community boards.
- k. In addition, in the development of standardised standing orders, the Secretary of Local Government should consider the governance principles in section 14 of the Local Government Act (LGA) 2002, and ensure standing orders provides for items such as the *“free exchange of information and expression of opinions by elected members”* as proposed in this Bill.

### Governance principles

- 5.4. Council notes two governance principles are proposed to be added to section 14 of the LGA focused on free exchange of information and expression of opinions, and the responsibility for elected members to work collaboratively. Council supports the addition of these principles, but notes the issues these two principles are seeking to address have not been experienced in the Rangitikei District.

### S42 (Chief Executive)

- 5.5. Council is generally supportive of the proposed additional responsibilities for section 42 of the LGA that requires the Chief Executive to ensure elected members have access to information required for them to perform their role. However, we note the issue this proposed change is seeking to address has not been experienced in the Rangitikei District.

## **6. Regulatory Relief**

### Section 17A reviews

- 6.1. Council supports the removal of the requirement to undertake section 17A reviews. While we agree with the need to ensure the cost-effective delivery of services, the reviews required under section 17A do not achieve the aim they set out to achieve. We agree with the Taituarā submission that the principles of local government in section 14 of the LGA provide this direction.

### Public notice

- 6.2. Council also supports the proposed changes to public notice requirements, repealing the definition of public notice in the LGA and instead relying on the definition in the Legislation Act 2019. The Legislation Act 2019 provides a more permissive approach to giving public notice, which means notice can be given in a way that is more flexible and appropriate based on the specific needs of communities.
- 6.3. The number of newspapers is declining. In the Rangitikei District this is noted in the recent closure of the Feilding-Rangitikei Herald. This means there is only one free paper that is distributed across most of the district on a weekly basis. Other newspaper options are subscription based. In addition, advertising in newspapers is expensive and often not the most cost-effective option.
- 6.4. Council supports the submission by Taituarā that this change is also made across other legislation including; Impounding Act 1955, Land Drainage Act 1908, Local Government Act 1974, Local Government (Rating) Act, and River Boards Act 1908.

### Section 118 Amendment

- 6.5. Council supports the proposed amendment to section 118 that enables an Acting or Interim Chief Executive to sign certificates of compliance. Council considers this to be a needed update to the LGA to enable the effective operation of Council business.

### Chief Executive term

- 6.6. Council supports the proposed amendment outlined in clause 25(14) to amend one of the provisions relating to the appointment of chief executives of councils. The Bill provides a greater degree of certainty for chief executives by empowering councils to

employ a competent chief executive for a second full term. This will support local government to effectively recruit and retain high quality chief executives.

Tikanga Māori in the appointment of board members for Council Controlled Organisations (CCO's)

- 6.7. The Bill proposes the removal of section 57(3) related to the employment of directors for CCO's *"When identifying the skills, knowledge, and experience required of directors of a council-controlled organisation, the local authority must consider whether knowledge of tikanga Māori may be relevant to the governance of that council-controlled organisation."*
- 6.8. Council does not support the proposal to remove the requirement in section 57(3) to consider whether knowledge of tikanga Māori may be relevant to the governance of that CCO. Council considers the proposed removal risks diminishing our relationship with iwi and undermines our treaty obligations. The wording of the clause is not overly directive, in that it simply requires the consideration of whether knowledge of tikanga Māori could be relevant for the employment of directors.

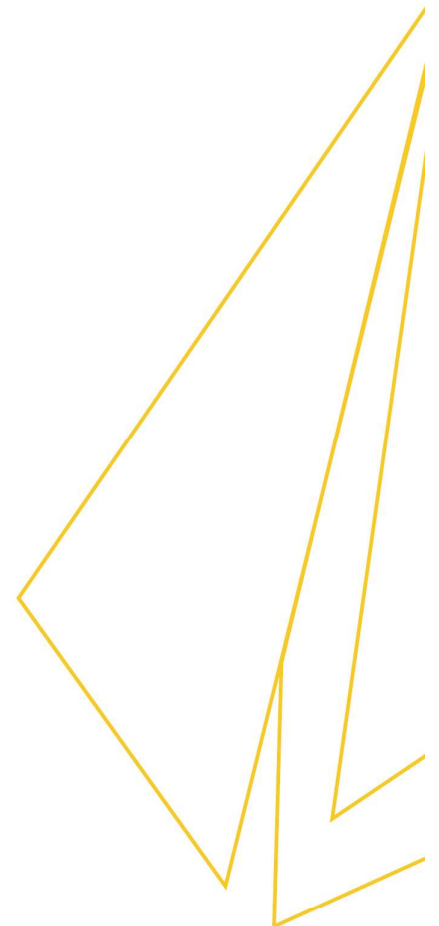
**Recommendations or requested amendments:**

- l. Council requests that section 57(3) be retained.

Ngā mihi,



Andy Watson  
**Mayor of the Rangitikei**



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