

Waimate District Council

Response to

He piki tūranga, he piki kōtuku

Future for Local Government Panel Final Report 2023

August 2023

LOCAL DEMOCRACY AND RURAL NEW ZEALAND FORGOTTEN AGAIN A COALFACE RESPONSE

Foreword

1. Waimate District Council is a small rural council amongst a number of regional and provincial councils which expected the final report of the Future for Local Government Review Panel (FFLG Panel) to set a new and positive direction for local government.
2. We looked for a report that exhibited the results of a true and honest examination into local government which would build on the strengths and capabilities of existing councils and focus on removing the many current barriers frustrating their ability to do a better job for their communities. Instead, we have got a report which, despite its rhetoric, seems infused by a distrust of existing councils, and a strong commitment to further centralisation of government control.
3. There are some welcome recommendations such as those on global funding for councils, and on entrenching the purpose and role of local government. Our view is unchanged from the draft report around the failure of the FFLG Panel to undertake a first principles analysis of the root causes of the current uncertain state of local government, and to draw on extensive international research on the role and place of communities, and the nature of wellbeing. It is a particular irony that the same report can both advocate for entrenching the purpose and role of local government and then make recommendations on structure and scale which would significantly reduce community input by shifting the centre of power and decision-making away from the very communities that receive them.
4. In this report Waimate District Council first sets out the approach it had hoped for from the review and then examines a number of areas where the FFLG Panel has fallen well short of expectations for a well-reasoned, practical, affordable and community-oriented approach to local democratic reform.

Introduction

5. The agreement between the Minister for Local Government and Local Government New Zealand on the establishment of the Future for Local Government Review created an opportunity to reassert the pivotal importance of local governance.
6. The report makes 17 key recommendations, which amongst these recommendations is the statement from the FFLG Panel, that the current system of local government in New Zealand is not fit for purpose.

The key recommendations are:

Theme	Recommendation
Embedding local government's purpose and wellbeing focus	<ol style="list-style-type: none"> 1. Entrench the purpose of local government, as set out in the Local Government Act 2002, to embed intergenerational wellbeing and local democracy at the heart of local government 2. Introduce statutory provisions to reinforce and give effect to the purpose of local government in the Local Government Act 2002, by: <ul style="list-style-type: none"> ▸ councils setting wellbeing goals and priorities each term, in conjunction with community and hapū/iwi and Māori ▸ central and local government committing to align wellbeing priorities and agree place-based investment plans.
Growing authentic Te Tiriti-based partnerships	<ol style="list-style-type: none"> 3. Introduce new provisions in the Local Government Act 2002 that explicitly recognise local government as a partner to Te Tiriti o Waitangi and te ao Māori values to strengthen authentic relationships in the local exercise of kāwanatanga and rangatiratanga. 4. Introduce a statutory requirement for councils to develop partnership frameworks with hapū/iwi and Māori to give effect to new Te Tiriti provisions in the Local Government Act 2002 that create new governance arrangements and complement existing ones. 5. Central government leads a comprehensive review of requirements for engaging with Māori across legislation that impacts local government, considering opportunities to streamline or align those requirements. 6. Amend the Local Government Act 2002 to require councils (elected members and chief executives) to prioritise and invest in developing and strengthening their capability and capacity in the areas of Te Tiriti o Waitangi, te ao Māori values, mātauranga Māori, tikanga, and the whakapapa of local government in order to make local government a better Te Tiriti partner.
System renewal	<ol style="list-style-type: none"> 7. Initiate a reorganisation of local government to strengthen, support, and resource councils to plan for and respond to increasing challenges and opportunities, and to set local government up for a more complex future.

	<p>8. Establish a dedicated Crown department to facilitate a more effective working relationship between local and central government that focuses on:</p> <ul style="list-style-type: none"> ▶ a relational-based operating model to align priorities, roles, and funding ▶ brokering place-based approaches and agreements to address complex challenges and opportunities ▶ research, development, and innovation capability that equips local government to maximise intergenerational wellbeing for its communities. <p>9. Establish a new local government stewardship institution to strengthen the health and fitness of the system. This entity should:</p> <ul style="list-style-type: none"> ▶ provide care for and oversight of the local government system, including the health of local democracy and local government's future-fit capability and capacity ▶ foster common purpose and relationships ▶ support and enable the health of the Māori–local government relationship ▶ incorporate the current roles and responsibilities of the Local Government Commission.
<p>Strengthening local democracy and leadership</p>	<p>10. Local government and councils develop and invest in democratic innovations, including participatory and deliberative democracy processes.</p> <p>11. Enhance local democracy in order to increase access and representation by:</p> <ul style="list-style-type: none"> ▶ providing for a 4-year local electoral term ▶ adopting ranked voting (also known as single transferrable vote or STV) as nationwide method for local elections ▶ lowering the threshold for the establishment of Māori wards ▶ enabling Te Tiriti-based appointments to councils ▶ lowering the voting age for local elections to 16. <p>12. Local and central government coinvest to build adaptive leadership capability focusing on:</p> <ul style="list-style-type: none"> ▶ leading change and system renewal

	<ul style="list-style-type: none"> ▶ valuing civic leadership and public service ▶ partnership and collaboration ▶ innovation and experimentation.
Increasing funding	<p>13. In order to prioritise and deliver on wellbeing, central government makes a greater investment in local government through:</p> <ul style="list-style-type: none"> ▶ an annual transfer of revenue equivalent to GST charged on rates ▶ significant funding to support local priorities, place-based agreements, and devolution of roles. <p>14. Central government pays rates on Crown property.</p> <p>15. Central government develops an intergenerational fund for climate change, with the application of the fund requiring appropriate regional and local decision-making.</p> <p>16. Cabinet is required to consider the funding impact on local government of proposed policy decisions.</p> <p>17. Central government commits to enabling the future transition with funding to:</p> <ul style="list-style-type: none"> ▶ resource a transition unit to support the change and system renewal of local government ▶ supplement local government capacity funding to enable hapū/iwi and Māori to partner with councils ▶ support councils to: <ul style="list-style-type: none"> ▶ build Te Tiriti and te ao Māori capability and grow hapū/iwi and Māori relationships ▶ lift their immediate capacity and capability to innovatively deliver wellbeing priorities for their communities ▶ trial and grow participatory and deliberative democracy practices.

7. The FFLG Panel has commented that local government should lead the reform process and the proposed 15 Resource Management Act (RMA) regional boundaries should be the starting point for discussion. **The FFLG Panel also stated that “in the event that councils within a region cannot find a solution, then decisions would need to be made on their behalf.”**

8. The following statement from the terms of reference suggested a government commitment to reaffirming the significant role of local government. It was a welcome counter to the widespread impression, from current central government policy initiatives, central government believed it was the entity best placed to understand and meet the diverse needs of New Zealand's many different communities:

“Government acknowledges local government's critical role in placemaking and achieving positive wellbeing outcomes for our communities. Stronger local democratic participation, active citizenship and inclusion will support local government in this role. There is an opportunity to strengthen the role of local participation in governance and continue to foster the strength of our open, transparent, and connected democracy.”

9. The terms of reference also suggested that government was aware its own actions and those of its predecessors had significantly contributed to the declining capability within local government. This has included repeated failures to consider the impact of many of its decisions on the workload of local government, and a failure to ensure local government had access to a level of resources appropriate to its responsibilities (the inability of some councils to adequately fund water and wastewater infrastructure is an obvious example).
10. Waimate District Council was one of a number of councils which welcomed what seemed to be an emphasis on strengthening local governance, and recognising that it was for communities themselves to make choices about how they should be governed, including perennial issues such as structure and scale. The report has comprehensively disappointed this expectation.

What do we believe went wrong?

11. Instead of a report which should have been a blueprint for how best to enable and strengthen local governance, the FFLG Panel's report, when considered closely, looks much more like an extension of central government's emphasis on complete centralisation. There are substantive failures in the analysis undertaken by the FFLG Panel. Taken together, these failures make a strong case local government, with the support of the incoming central government should put the report to one side and develop its own strategies for addressing the measures needed to ensure good and community inclusive local governance, including strengthening relationships with mana whenua. Among the failures Waimate District Council identifies are:
 - a. Inadequate inquiry into the origins of the present state of local government.
 - b. Insufficient awareness of the impact, and the underlying causes, of growing citizen distrust of institutions of government.
 - c. An apparent lack of awareness of the extensive international research, and changing practice, on the role and nature of communities, their place in achieving good wellbeing outcomes and what this means for local governance.

- d. Recommendation 8 and 9: The FFLG Panel recommends the creation of a new Crown department and the addition of a stewardship institution (this would absorb the existing Local Government Commission) to provide oversight of the proposed new local government system, with its function to look at the health and capacity, and to provide oversight of local government and Māori relationships. Waimate District Council is deeply concerned that this establishes more bloated centralised bureaucracy similar to tertiary education, health, three waters entities and the RMA reforms.
- e. No attention to the pressing need to address the lack of understanding and practice of good governance in the sense of having in place the understandings and support required so that elected members are able to act collectively as a genuine governing body.
- f. The exclusive reliance on legislation as the means for driving implementation of the changes the FFLG Panel proposes, a reliance which suggests an inbuilt distrust of the willingness or capability of councils (and their communities) to respond to the need for change without being compelled to do so.
- g. A fixation on scale which both denies the right of citizens within New Zealand's small and medium-sized councils to exercise governance over their own place, and ignores the significant contributions which the communities of those councils have made over many decades. **The report reflects a deep-seated New Zealand paradox that the country as a whole is dependent on exports generated by the populations of its smaller and medium-sized councils whilst at the same time New Zealand's decision-making structures increasingly exclude their voices from meaningful influence.**

Overview

- 12. In this, the substantive part of our commentary, we take each of the failures we have identified, dissect them and set out the implications.

Origins of the present state of local government

- 13. History matters. The present state of local government can and needs to be traced back directly to the rationale for the local government reforms of the late 1980s when the government through the Local Government Commission, undertook the most comprehensive reform of local government, with the number of local authorities reduced from 800 to 87. For approximately 150 years prior to those reforms New Zealand local government operated as primarily an expression of local governance exercising very considerable influence and relatively immune from government intervention.
- 14. This changed dramatically with the economy-wide reforms of the Lange/Douglas Labour government. Local government reforms which would almost certainly have faced major public resistance had they been a government's main reform initiative,

were just another and by far from the most significant of a huge range of reforms (sound familiar?).

15. The local government reform process included consideration of the principles which should underpin its role. The key principle was set out by Roger Douglas, as Minister of Finance, in his December 1987 economic statement:

“As a fundamental principle it is agreed that local or regional government should be selected only where the net benefits of such an option exceed all other institutional arrangements”.

16. This was a fundamental change. The basic rationale for local government shifted from the admittedly somewhat undeveloped understanding of the principal role of local government as primarily one of local governance to one of local government as an instrument of government policy. As a principle it provided the justification for the acceptance within central government, ever since the reforms of the late 1980s, that it can intervene in local government when and however it chooses.
17. As recent work by the Productivity Commission has highlighted, this understanding still infuses much of central government’s attitude towards and treatment of local government. Addressing it needs to be up front and centre in developing any recommendations on how to better manage the central government/local government relationship or for that matter how to exercise any stewardship role in relation to local government.
18. The absence of this understanding from the report’s recommendations for new government-controlled institutions to oversee local government carries with it the risk those institutions will be imbued with the same culture as has infused central government in its relationships with local government since the reforms of the late 1980s.

Citizen distrust of institutions of government

19. The FFLG Panel’s own research included a paper from Local Government New Zealand’s principal adviser on the theme ‘Structures and roles for enabling local authorities to maximise their contributions to community wellbeing and adapt to meet future challenges’. That paper observed:
 - a. Local government reform in New Zealand is occurring at a time characterised, in the views of many commentators, by a “democratic recession”. The trigger for such concerns is not just the rise in nationalist populism but a gradual loss of trust in established democratic institutions, indicated in many countries by a decline in voting. Citizens seem to be “switching off”. One of the reasons for this alienation is economic and political marginalisation. Communities that don’t vote tend to be poorer, have less education and live in areas that have been badly affected by what is described as the “neo-liberal” model of the last few decades of the last century.

- b. Contributing to the sense of voicelessness is the belief that political and technical elites have lost touch with the needs of so called “ordinary people” - often associated with the rise of “managerialism” and the propensity to place public services into arms-length corporate bodies resulting in a narrowing of the policy space in which democratic politics can operate.
20. Trust in the institutions of democratic government is more than just an ideal to aspire to; it is a prerequisite for building/maintaining social cohesion, for respect for legal and social norms, and for the legitimacy of government decision-making and action at both a central and a local level.
 21. The FFLG Panel’s response focuses entirely on suggested steps councils could take to build trust and confidence in the council as an institution, including the use of participatory and deliberative methods. There is no discussion of the role councils could and should play in supporting their communities to have a say in influencing the design, targeting and delivery of central government services delivered in their place. This is despite substantial evidence the absence of a community voice in shaping central government services goes to the heart of problems such as declining social cohesion, growing inequity and distrust in government.
 22. Crucially, in terms of assessing the report, this approach by the FFLG Panel implicitly reaffirms the role of local government as limited to those services and activities which are its formal responsibility, or does it? When you consider the FFLG Panel are fully aware of the Three Waters and RMA reforms which claim to have councils, as representatives of, and accountable to the ratepayers (who bought and paid for by these communities assets over many generations) as owners with no influence over asset maintenance, asset replacement, water pricing, performance, general operations or, in the case of the proposed RMA changes, land planning, one needs a great imagination.
 23. Among other things, it ignores the reality that improving wellbeing, the government’s stated central purpose of public policy, necessarily means working closely with and understanding the needs, preferences and circumstances of individual communities.

The role and nature of communities and what this means for local governance

24. The final report comments on the existing model of local government as being “not fit for purpose” This description of local governance is so broad as to be virtually meaningless and lacks any guidance in terms of considering the place, role and significance of local governance in terms of achieving wellbeing and other outcomes for communities. More importantly it overlooks incredibly significant research and practice internationally which focuses on the nature of local governance as including ‘voice, choice and control for communities over decisions which affect their place’ with a particular emphasis on providing a voice for those seldom heard by our public institutions. This research and practice includes how best to enable what are increasingly thought of as self-identifying communities and best practice in capacity and capability development for communities including engagement, communication,

and adequate resourcing. It is without question that within the proposed amalgamation of the existing 67 local governments, and centralisation of councils into 15 unitary regional councils, that no such local voice will have the opportunity to be expressed and heard.

25. This research and practice highlights the importance of empowered communities for reasons ranging from improved social cohesion, to reversing the decline of trust in public institutions, providing the networks and knowledge essential for improving community wellbeing outcomes and enabling ongoing partnerships between councils and their communities in ways which encourage co-production and co-decision-making. The absence of any discussion of how to enable and empower ongoing strong communities is a very serious gap in the report's discussion of local governance.
26. Equally important is the failure to recognise the pivotal role which councils, together with their communities, should be playing in enabling horizontal discussions within communities about how central government's services are best designed, targeted and delivered to suit the needs, preferences and circumstances of individual communities. This role will become increasingly important as current initiatives in central government policy become more embedded. Examples include localities planning within the health sector reforms, addressing the social determinants of health, and the role of regional public service commissioners with their mandate to:

“Bring together, coordinate and align central government decision makers (supporting and building on existing groups) across the social, economic, skills and workforce, and environmental sectors, as it relates to regional leadership, planning and delivery of wellbeing outcomes for communities in their regions.”

27. Consideration of the international research on the role, nature and place of communities, and of the nature of wellbeing makes it clear that without being able to tap into the knowledge and networks generated by self-identifying communities, it will be extremely difficult for regional public service commissioners (RPSC) to deliver on their mandate for planning and delivery of wellbeing outcomes for communities. They simply will not have the knowledge, or the networks required. Despite the importance being attached to the RPSC initiative by the Public Service Commissioner (set out in his December 2022 state of the public sector report), the FFLG report makes no mention whatsoever of the role of regional public service commissioners or what that initiative implies for the relationship between central government and councils/communities.

Good governance: Elected members being able to act collectively as a genuine governing body

28. The quality of council governance is often held up as one of the most significant problems with local government.

29. Pre-reform (1980s), the elected council had been the employer of all council staff and it had been very common for councillors to intervene directly in the day-to-day work of staff, often on behalf of constituents. Consistent with the principles which the then Labour government was applying across the entire public sector, local government reform included establishing a formal separation between the respective roles of elected members and management. Elected members would be democratically responsible for the decisions of the council and a new position, chief executive, was to be the sole employee of the council, the employer of all staff, and responsible for matters such as implementing council decisions and advising the council.
30. This was presented as replicating for local government what was common practice in the corporate sector; a separation of governance and management.
31. There remains a tension between the wording of the Local Government Act and the practice which many councils wish to follow which should have been highlighted by the FFLG Panel. The nature and composition of the workload of elected members, and the resources and support they have available to them in order to discharge their role, should all be determined by the council as a governing body. Regardless of the complexity of reports presented to them by the chief executive, and the quantum of expenditure involved, elected members are left to their own personal resources to determine what they make of the report and what their judgements and decision should be.
32. Governance needs to be addressed on a first principles basis. The 'Four Pillars of Governance Best Practice' developed by the New Zealand Institute of Directors provides some useful guidance on the respective roles of governance and management:
 - **governance** sits with the board which is responsible for the strategic and overall direction of the organisation, including the development of strategic policies to achieve its goals. Good governance is about providing the organisation with the big picture to help enable good management decisions be made.
 - **management** is responsible for implementing the policies set down by the governing body and co-ordinating the day-to-day activities to achieve the organisation's goals. Management operationalises the guidance and strategic direction that is set down or agreed to by the governance function.
33. Shareholder-owned corporates and councils are naturally focused on different objectives – optimising shareholder wealth, and the public interest respectively – but the principles of good governance should apply equally in both arenas. Despite this, the question of how best to ensure councils are able to function as genuinely governing bodies has been unasked since the reforms of the late 1980s despite the extraordinary increase in the complexity and responsibility of the elected member role.

34. Life, as might be expected, is not as easy as this. Councillors within local authorities, and more so in rural councils like Waimate District Council, much more than ministers in central government, are in close touch with individual ratepayers or groups of ratepayers who look to them to deal with the detail of specific council activity. It is very common for ratepayers to expect their individual councillors, particularly under a ward system, to act as advocates on their behalf and to deliver specific outcomes. What is suggested by the FFLG Panel make no such provision for these local interactions.
35. Addressing this has to be one of the major tasks of reform. No legislative intervention is required. The imbalance or tension between the role of elected members and the role of the chief executive can be addressed by councils adopting a policy on the good governance of the council. Building a culture of good governance, based on a membership approach, could either be developed as a core activity of Local Government New Zealand, or perhaps as a separate activity within the New Zealand Institute of Directors.
36. An immediate task, as part of adopting a policy on the governance of the council, is to focus on what the job of the elected member should be. The overarching focus should be on enabling the council, as a governing body, to provide strategic leadership including determining how best councils manage the many risks and challenges they face.
37. Among the necessary but currently absent requirements are that being an elected member can be combined with an external career (as with company directorates), a strong focus on what decisions must be taken by the council, and what can be delegated to management (including robust arrangements for monitoring and evaluation) and a rethinking of how compliance arrangements are handled. The Long Term Plan provides a good example. Currently it's a massively intensive exercise for staff and elected members, and a highly unsatisfactory one for a council's communities if the standard procedures are followed.

Exclusive reliance on legislation as the means for driving implementation

38. Following its presentation to the 2022 Local Government New Zealand conference the FFLG Panel put out a press release which stated:

"If we are to have thriving and prosperous communities and have a system of local governance and government that we are proud to leave as a legacy to our children and their children, change needs to start now."
39. This was a clear invitation to local government it should start exercising the powers it already holds to build a system of local governance to meet the needs of today's and tomorrow's communities.

40. New Zealand councils already have, in the combination of sections 10 and 11 of the Local Government Act, what is almost certainly the most extensive mandate for enabling and empowering local democracy of any developed country jurisdiction.
41. In sharp contrast to that invitation, and what it implied, the FFLG Panel's final report relies almost exclusively on legislation to enable and/or compel the changes it proposes ranging from introducing some provisions for participatory democracy to greater involvement with mana whenua to creating what the FFLG Panel believes should be the future structure for local government based around 15 regions.
42. It is an approach which suggests a high level of distrust in councils, and a willingness to see government ride roughshod over local community preferences regarding the structure of local government (via what will almost certainly be a Crown entity – it is highly unlikely any government would transfer the functions of the Local Government Commission to a body which was not subject to ministerial control). It is also a highly uncertain approach for reasons which include:
 - It is clear recommendations from the report will not reach government until after the general election in October 2023 which may see a different government in power.
 - It is far from certain local government reform will be among the top priorities of the next government.
 - Even assuming the next government decides to give priority to responding to the report's recommendations there is no way of judging at this stage which recommendations will be given priority, if any, or what the outcome will be.
 - Local government is unlikely to have any real influence over either what recommendations are accepted or not, and in what form, or over the subsequent legislative process.
 - It is quite likely that the legislative route could take as much as four or five years to reach an outcome when many of the challenges confronting local government and its communities need to be addressed within the next one, two or three years.
43. Another problem with the legislative approach is it risks creating one size fits all solutions for each of the issues it addresses. New Zealand's councils are responsible for the local governance of districts which have widely different circumstances, socio-economic and demographic make-ups, different physical and financial resources and challenges and much more. They are best placed to find solutions which meet their own local circumstances.
44. Relying on the legislative approach not only signals a high level of distrust in councils and their communities, but it also overlooks the very considerable amount of innovation already taking place across local government. As an important example the relationship between councils and mana whenua within their individual districts is maturing rapidly with a number of councils putting in place quite innovative approaches

very unlikely to have resulted if they depended entirely on complying with directive legislation.

45. A good example is the relationship recently negotiated between Taupo District Council and Ngāti Tūrangitukua, a hapū of Ngāti Tūwharetoa, which has mana whenua status for Turangi township and the surrounding area. The two have entered into a Mana Whakahono a Rohe based on the provisions in the RMA but extending coverage far beyond resource management and decision-making processes under the RMA. Its practical effect over time will be to substantially transfer the local governance of the area covered by the agreement from the council to the hapu.
46. There are aspects of the Local Government Act which ideally should be tidied up including a number of the rules regarding decision-making and consultation. These are only a significant problem in the absence of a strategic approach by councils to the effective management of working with their various communities. As already noted, there are councils taking a completely different approach to working with their communities in developing their Long Term Plans.
47. Otherwise, councils by virtue of the provisions of sections 10 and 11 of the Local Government Act already have the legislative mandate to address virtually every issue currently confronting them except those uniquely within the path of central government such as the provision of new sources of funding. The urgency of addressing what are quite genuine concerns such as the relationship between councils and communities demands action now, action developed in conjunction with communities, and not imposed through legislation especially given the unacceptable delay this would involve.

Scale

48. The FFLG Panel's assumption that there will need to be significant structural change to local government for it to be fit for purpose needs to be subject to critical examination. First, a number of the problems which the FFLG Panel identifies are better seen as a consequence of the failure to deal with the question of good governance than as inherently a function of the size of a council. One obvious one is the reluctance on the part of many councils to participate in shared services arrangements. When this reluctance is examined it all too often turns out to be a result of local parochialism and the absence of any governance level strategic assessment both of the proposal itself and of how best to ensure it's in the interests of the council in its communities. Rather than rushing to structural change, the first priority should be addressing the question of governance.
49. Next, the efficiency case for structural reform overlooks one major and serious impact; local councils, especially in smaller communities, are a pivotal enabler of local economic capacity and capability. There is considerable evidence that a focus on scale strips out capacity and capability from smaller communities with significant negative impacts on their ongoing sustainability.

50. The efficiency argument fails on another front as well; that bigger is necessarily better in terms of cost of service. It's a popularly held view but one which has recently been challenged in research carried out by the New Zealand Infrastructure Commission. In July 2022 it released 'Does size matter? The impact of local government structure on cost efficiency.' Its findings were summarised in these two paragraphs:

“Does council size affect cost-efficiency of service provision in New Zealand? We investigate this question using data on the cost to provide three standardised types of local government services: road maintenance, building consent processing, and overhead costs for governance and support services. These categories of activities represent over half (52%) of total local government operating expenses.

In all three cases, we find that council size (as measured by number of council residents) is neutral for cost efficiency: council size does not decrease or increase cost-efficiency.”

51. The FFLG Panel assumes that combining councils together at a regional level under one of two different models can be done in ways which will preserve community voice and local placemaking. That should be treated as an empirical proposition and embraced only if there is evidence providing confidence that this will work in practice. The New Zealand experience of what will inevitably be hierarchical organisations is almost invariably that hierarchy rules. The only constraint which a new unitary or combined council would face is through the electoral process. There is no reason to believe that would have any practical impact.
52. The better approach by far is to focus first on addressing the question of good governance of councils so that future decision-making about inter-Council collaboration is taken by bodies which do have a strong strategic focus and the capability to support that. With that in place, the main barrier to a strategic approach to shared services should be at least minimised.
53. Another matter which the FFLG Panel has not considered is the implications for role and structure as councils enable and empower their communities to take voice, choice and control in relation to public services delivered within their place. This implies major change in overall policy settings with a much stronger emphasis on the importance of community. This is the very wrong time for councils to be directed to focus on regional level structures. It is much more important, especially from a wellbeing perspective, to focus on how best to strengthen individual communities.
54. Finally, the following quote from the FFLG Panel's report raises serious questions about the FFLG Panel's understanding of the impact on councils and their staff, especially in today's contested labour market, of continual change:

Multiple simultaneous reforms have left both central and local government stressed and struggling to implement major change. Advancing the recommendations in this review will require a reorientation of effort and strong commitment from both local and

central government to re-examine operating models and build a new culture of working together.

55. Councils confronted with the impact of multiple changes on staff morale and retention are very aware that many of their staff are approaching breaking point. The FFLG Panel's recommendations, especially regarding structural change, simply add additional stress even prior to any steps to implement them. The comment on advancing the recommendations in this review seems both meaningless and dismissive of the human impact which the FFLG Panel's report could have.

A final note – where to?

56. At Waimate District Council we recognise that changes are needed. As readers of this analysis will realise, we do not believe that the FFLG Panel's report is a suitable blueprint for change. Instead, we see it as a real threat to local governance, especially to rural and provincial communities which, under the FFLG Panel's proposals, risk being absorbed under the direction of larger entities with a very real loss of local voice and control.
57. We also recognise it's important to do much more than simply criticise. Instead, we believe it's time individual councils and, ideally, local government as a whole, took heed of the FFLG Panel's statement in its press release following last year's Local Government New Zealand conference that "if we are to have thriving and prosperous communities and have a system of local governance and government that we are proud to leave as a legacy to our children and their children, change needs to start now."
58. Waimate District Council encourages other councils, especially smaller rural and provincial councils, to stand up and fight for rural New Zealand in developing council and community driven solutions especially in areas such as the governance of councils, empowering and enabling communities, and strengthening relationships with mana whenua. We have already looked at a number of possibilities and are confident they are doable, effective, and would significantly increase our effectiveness as councils and the strength of our relationship with both our communities and with mana whenua.

Conclusion

59. It is disappointing and frightening that local government and all the local assets that accompany the sector (roading will be the next golden goose) is being pulled apart and replaced with a largely centralised, non-democratic system of governance. Further, as the report recommends, and New Zealand's local and regional councils are amalgamated into the suggested 15 RMA regional boundaries, the centre of power and accountability will be far-removed from citizens that receive and pay for the services.

60. The New Zealand public have never been asked to approve or are fully aware of this profound constitutional shift. Yet it is obvious that we now have “democracy with New Zealand characteristics” sanctioned at the highest levels of government.
61. Sub-regional boards created at the local level will not be allowed to vary programmes or services coming from the proposed regional centre. Even when it is evident that the policy would not work under local conditions, permission must be sought from the centre before changes could be made. Such a situation does not allow those at the local level to take initiatives and interest will fade; maybe that’s the intention.

Further information

62. For further information or to answer any questions about this document, please contact stuart.duncan@waimatedc.govt.nz or phone 03-689-0000.

Stuart Duncan
CHIEF EXECUTIVE