

**Submission to the Review  
into the Future for Local  
Government Draft Report**  
*He mata whāriki, he matawhāni*

**23 January 2023**

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# 1. General Feedback

- 1.1 There are some basic assumptions and gaps in the draft report which in Waimate District Council's (WDC) view have shaped the report's findings in ways which do not take adequate account of the mandate and powers of New Zealand local government, developments in and understanding of local governance and important developments in New Zealand government policy.
- 1.2 The report acknowledges the statutory purpose and role of New Zealand councils but falls short of recognising it is without question the most comprehensive mandate, indeed requirement, for local government to enable local democracy of any developed country jurisdiction. This results from the combination of sections 10 and 11 of the Local Government Act 2002 (LGA) which provide:
- 10 Purpose of local government
- The purpose of local government is
- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.
- 11 Role of local authority
- The role of a local authority is to—
- (a) give effect, in relation to its district or region, to the purpose of local government stated in section 10; and
- (b) perform the duties, and exercise the rights, conferred on it by or under this Act and any other enactment.
- 1.3 This is in practice turbocharged by the provision from section 12 dealing with status and powers:
- (2) For the purposes of performing its role, a local authority has—
- (a) full capacity to carry on or undertake any activity or business, do any act, or enter into any transaction; and
- (b) for the purposes of paragraph (a), full rights, powers, and privileges.
- 1.4 In WDC's view, the draft report should have been focused on how better to enable councils to discharge their statutory purpose and role, including the promotion of well-being, and noticing the significance of the word 'by' in relation to democratic local decision-making and action.
- 1.5 Such a focus WDC believes would be consistent with the following paragraph from the terms of reference for the review:
- The 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.*

- 1.6 WDC believes the Panel should have started with considering how the existing purpose and role of local government could be drawn on to meet the objectives of the review as stated in the previous paragraph. Had this approach been taken WDC believes the draft report instead of being largely an outline of proposed vague legislative initiatives, would have been much more in the nature of a programme and action plan for strengthening the role of local government and, with that, local governance. The focus would have shifted from legislative intervention, which almost certainly has a timeline of at least five years, to immediate action, helping provide a sense of purpose and direction for councils as they cope with a number of major central government policy interventions (WDC recognises that there are some proposals which, if adopted, would require legislation, including the shift from the three year to a four year term, as well as some of the proposals regarding the relationship between councils and Māori).
- 1.7 Such an approach would also have avoided another difficulty with the report; the emphasis on local government as a set of statutorily enabled institutions with the implications that:
- Central government may at any time, and to suit its own purposes, impose whatever changes on the structure, role, and function of local government it sees as appropriate to meet its purposes.
  - Local government is inherently in a position of dependency always concerned that its very existence is subject to the whim of central government, and effectively disempowered from being a strong and effective voice on behalf of its rich and diverse communities.
- 1.8 The Panel's interim report drew this distinction between local government and local governance, a distinction repeated in the draft report:
- Local government, in the context of this review, refers to the local authority structures established by statute. Local governance refers more broadly to the system by which communities are governed – in essence, who makes decisions, how they are made, and who the decision-makers are accountable to. In any place or community, local governance can involve many decision-makers including central government, local authorities, iwi, hapū and Māori organisations, business and community organisations, volunteer organisations and others.
- 1.9 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 well-being 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 and home' 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.

- 1.10 Importantly, international research includes evidence on the value of developing strong communities in areas ranging from social cohesion, to improving decision-making about local services, infrastructure and so forth. The many sources for this research and practice include examples from the UK think tanks such as the Carnegie UK Trust, New Local, Locality, Local Trust especially its research on the response to Covid-19 and the Centre for Local Economic Strategies and from the US think tanks such as Public Agenda and the Kettering Foundation, and university centres such as the Centre for Public Service at Portland State University.
- 1.11 As will be discussed below, this understanding of local governance is pivotal for enabling the effective design, targeting and delivery of central government’s well-being initiatives.
- 1.12 WDC believes that it is absolutely critical for the future of local government and local governance, and for that matter the good governance of New Zealand, to recognise the diversity of our vastly different communities, districts and regions, iwi and hapu. There is high risk of total failure with the use of a legislative approach to drive change of arriving at a ‘top-down, one size fits all’ centralised answer when the real need is to enable each individual community to express its own differences and needs in ways which ensure that they are appropriately understood and addressed by both central and local government – an imperative which applies equally to all communities including mana whenua who are the original communities of place within their rohe. Later in this overview WDC proposes a non-statutory way in which the role of Māori in working with local government can be properly recognised and enabled.
- 1.13 Finally, in our preliminary comments, the Future for Local Government Terms of Reference excluded any examination of amalgamations/viability, although the Panel having a full understanding that during the period of this review into the future of local government, was fully aware of the direction and the impact of the Three Waters Reform, and what the mandatory separation of balance-sheet impacts will have on all councils regardless of size. It is astounding to have a review on the future of local government and ignore the greatest legislative reform to impact the sector in over 40 years and not include a specific section in this review.

### **The specifics of the report**

- 1.14 The remainder of this overview highlights aspects in the draft report, chapter by chapter, on which WDC wishes to comment.

## **2. Chapter 1**

- 2.1 The preliminary comments above address much of what is covered by chapter 1. WDC has the following additional points to make:
- A focus on well-being needs to be more than a focus on the impact of what councils decide to do (or not) and how. Crucially it is also to focus on the outcomes from central government activity, including the implications of the well-being budget approach.

- The Panel’s approach to incorporating a new legislative framework for Te Tiriti in local governance is a major change in New Zealand’s constitutional arrangements. Te Tiriti is an agreement between the Crown and Māori. It does not impose obligations on local government. No group based on ethnicity should *have entitlements of access to and involvement in local government beyond those of all other ratepayers or local interest groups. Any changes to current requirements for the election/establishment of local authorities must never include unelected appointments without majority public support and be available to the entire community without priority. Local government is charged with the responsibility to promote opportunities for all members of the public to contribute to its decision-making processes*
- 2.2 WDC recognises the importance of working closely with tangata whenua but does not believe the Panel’s approach is either legitimate or helpful. It is important to recognise the differences between separate places, and those who hold mana whenua within different rohe. As discussed below, WDC believes there is a better option than the proposed statutory intervention, and one which will be more effective over time in building successful and close relationships between local government and Māori.

### 3. Chapter 2

- 3.1 WDC recognises there are complexities in the detail of the consultation and decision-making provisions of the LGA. It does not accept, however, that these are an inherent barrier to councils working more effectively with communities.
- 3.2 The basic issue is the top-down culture which too many councils have inherited from central government, and which has been exacerbated by the lack of focus on the proper role of local elected members as a genuine local governing body. Page 178 – Maximising the Capability of Councils and the panels preference for Option C – *“Develop a comprehensive mechanism allowing for a number of appointments on both a Tiriti and a capability basis” and the additional number of appointed members should be capped at an additional percentage (50%) – for example, a council with 10 elected members could have a maximum of 15 members, with 5 being appointed by an independent Statutory body. The draft report (page 179) states - “Appointments would be made for a specified term, although councils could remove appointees (following due process) where circumstances/needs change. An exception would be for Māori organisational appointees, where joint agreement would be needed for removal”.*
- 3.3 WDC is deeply concerned about the erosion of democracy and to suggest that 5 members of a 15-member council could be appointed by an independent statutory body, and, the council could remove appointees, but would need agreement from the Māori organisation to change/remove their appointees, at best, sets up an assembly of people that will struggle to agree on anything, and worst, is a severe overreach of the State and a total erosion of local democracy.
- 3.4 The draft report’s discussion of the place of the significance and engagement policy has a surprising omission; the failure to discuss the importance of this provision from section 76AA (which sets out the requirements for the significance and engagement policy) “how the local authority will respond to community preferences about

engagement on decisions relating to specific issues, assets, or other matters, including the form of consultation that may be desirable.” It is necessarily inherent in this provision that the local authority must take steps to understand community preferences, rather than as is the case with most significance and engagement policies, simply assuming, or for that matter not paying attention to community preferences. This is one of a number of examples where the immediate and obvious solution is promulgating guidance on good practice.

3.5 WDC supports an emphasis on better participation but notes:

- By far the most effective means of promoting greater participation is enabling and empowering self-identifying communities and devolving to those communities the authority and resources to deal with what are inherently local matters. The numerous councils which have already taken this approach elsewhere have done so as part of building an ongoing collaborative relationship with their communities to the mutual benefit of both.
- There is merit in looking at specific participatory tools including tools such as citizens assemblies, citizens juries, referenda... None, however, deliver anything like the benefits in terms of increasing democratic engagement that come from empowering communities. WDC notes also that the panel’s discussion of participatory tools omits discussion of participatory budgeting which in a number of jurisdictions has been adopted precisely because it is seen as a highly effective tool for increasing democratic participation.
- For example, Watercare has used a ‘deliberative democracy’ process to get input from Aucklanders on future water sources for the region (post 2040). Deliberative democracy goes back to the 1960s and criticisms of “minimalist” approaches to democracy, which assumed citizens’ democratic responsibility started and stopped at elections. Critics argued that democracy’s missing piece was broad and empowered citizen participation in matters that concern them. A local example for WDC is the participatory budgeting approach Council took with 4.2 hectares of trees in a public reserve in Glenavy, where the trees were removed for safety reasons and an assembly of Council, volunteers and locals were established to make decisions on the design and rebuild of the area. The Waimate example is minor compared to the Watercare project, but the participatory budget approach is the same, local solutions by locals to local issues.

## 4. Chapter 3

- 4.1 WDC agrees with the Panel that there is potential for increasing involvement by Māori in decision-making and that there are benefits for the population from doing so. It does not agree with the Panel’s emphasis on co-governance and embedding Te Tiriti in the statutory framework for local government.
- 4.2 The treaty relationship is between the Crown and Māori. It is appropriate for the Crown to encourage different elements within society including local government, the private sector, the third sector and other stakeholders to consider opportunities for effective engagement between themselves and Māori. It is not appropriate to impose

a fundamental change in New Zealand's constitutional arrangements without a broad-based public mandate for doing so.

- 4.3 WDC believes that trying to impose such a fundamental change through legislation without such a mandate risk both being highly divisive and discrediting the role and significance of local government.
- 4.4 WDC believes that several problems identified in this chapter by the Panel flow directly from broader issues in terms of local governance and are best addressed not by seeking to impose a statutory framework but by adopting a best practice of local governance approach which will enable individual councils and mana whenua to develop relationships which best suit their own local circumstances. Such an approach is outlined in the comments on chapters 5 and 6.

## 5. Chapter 4

- 5.1 WDC agrees that there should be a much greater emphasis placed on the principle of subsidiarity. We would add to the points made by the Panel the importance of being able to draw on local knowledge, and the commitment of communities, in dealing with matters which have significant local impact. We also note that in several areas such as public health, and climate change, progress is only likely to the extent there is local 'ownership' of the issue and the proposed means of proceeding. This means communities which cannot only contribute to wider discussion but are sufficiently established to enable 'horizontal' discussions between community members to inform their input into wider policy development and implementation.
- 5.2 WDC does not agree that as a core principle te ao Māori values should underpin decision-making. There will be circumstances, especially on matters of high importance for Māori within the district, where this will be an entirely appropriate approach to take. There will be others where it is less so. The overarching principle should be one of having regard to the values of all the interests represented within a particular community for which a role and functions decision is being made.
- 5.3 WDC believes that there is a further and significant issue which the Panel should have stressed. This is that central government, when making decisions on which roles and functions should be placed where, and what requirements should be imposed by central government, should act in an entirely disinterested manner as between central and local government. The driving principle should be one of ensuring that, wherever a role or function is placed, or a requirement imposed, the decision and its implementation reflect the best interests of the affected public, and that central government ensures that when obligations are imposed, those obligations are accompanied by appropriate resources, or means of accessing appropriate resources, which will enable the effective discharge of those obligations.
- 5.4 The standout illustration of why this matters is the major mismatch which has persisted for many years between the obligations on local authorities for the development, operation and upkeep of three waters infrastructure, and the revenue sources available to local government. It has long been known both by central government and by local government that rating powers by themselves have not been adequate for this purpose. Despite this, central government rather than addressing its



obligation to ensure an appropriate match of revenue capacity and service obligation (because these are statutory matters, only central government can do the ensuring), has repeatedly criticised local government for its failure to invest.

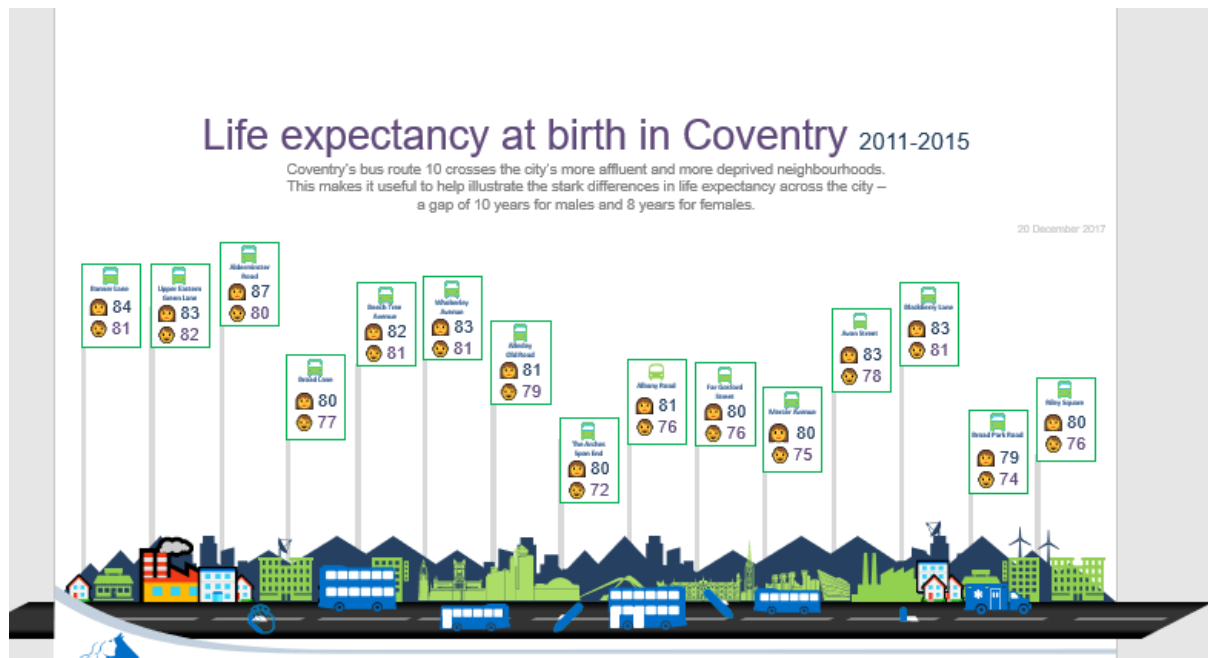
## 6. Chapters 5 and 6

- 6.1 WDC considers these two chapters together as there are major common themes which apply to both and suggest the need for a significant reconsideration.
- 6.2 The centrepiece of well-being policy and practice in New Zealand is the government's well-being budget, and the Public Finance Act requirements governing its preparation, which include setting out the well-being objectives which will guide the government's budget decisions well in advance of the budget and then, in the fiscal policy statement which accompanies the budget, providing an explanation of how well-being objectives have guided the government's budget decisions.
- 6.3 There is no discussion in the draft report of the relationship between local government's purpose of promoting community well-being, and government's well-being policy and practice including the significance of the well-being budget.
- 6.4 Nor is there any reference to the now extensive international research on the nature and significance of well-being, including the pivotal importance of community well-being. In essence this research demonstrates that a crucial element of well-being is that the people of a community know that their well-being preferences and priorities have been taken into account in shaping the design, targeting and delivery of services within their community. This research also establishes that communities for this purpose are recognised by the people of the place as 'their community'. In practice this means the people of the community itself are the people who determine what the community is.
- 6.5 The draft report does recognise government's adoption of a regional system leadership framework and within that the appointment of senior public servants within New Zealand's public-sector regions as regional public service commissioners (RPSCs). It does not, however, explore the implications of the mandate they have for what the Panel describes as convening cross-agency decision-making fora. The actual mandate is:

convene: 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 well-being outcomes for communities in their regions. If requested, act as a central government representative for other public service agencies (in consultation with agencies) on issues that cut across domains.
- 6.6 The key words in the mandate are "delivery of well-being outcomes for communities in their region". Drawing on the international research on the nature of well-being and of communities makes it clear that delivery on this mandate requires RPSCs to have a knowledge of the needs and circumstances of each individual community within their region. The reason is simple. Well-being outcomes on any significant indicator can

differ markedly between contiguous communities. Reliance on regional indicators (the main output of the living standards framework) suffers from the reality that averages conceal the truth.

- 6.7 An example from the English city of Coventry provides a superb illustration. The following graphic was produced by the city, within its public health work, to demonstrate differences in life expectancy at birth between different communities along the city's number 10 bus route which traverses the city running through both wealthy and poor communities:



- 6.8 Of particular interest is that for the same period as this graphic demonstrates markedly different life expectancy for children born in different parts of Coventry, Public Health England reported that for the city of Coventry as a whole, life expectancy had increased by 1%. So, on the regional measure everything looks good with a significant improvement. At the local level, community by community there are obvious and major problems which need urgent attention.

- 6.9 There is also another difficulty with relying on the kind of indicators which tools such as the living standards framework produce. This is the question of whether the indicators properly reflect the values and understandings about well-being of communities themselves. Arthur Grimes, professor of well-being and public policy in the school of government at Victoria University of Wellington and co-founder of the world well-being panel in a recent presentation had this to say:

***There are promising wellbeing approaches to policy***

***Dashboards with many indicators & targets are not of much use for prioritising policies but can show where certain groups face disadvantages for specific domains.***

***Subjective wellbeing (SWB) offers a way forward to understand what really matters for people's welfare based on people's own evaluations and to use those results in cost wellbeing analysis.***

What Professor Grimes is suggesting is that to understand well-being to assist in the design targeting and delivery of public services, it is important to listen to the communities who will be receiving those services and understand their needs and preferences and to fully understand the unmet need of the service/s being measured.

- 6.10 The challenge for RPSCs is that the international evidence suggests communities, in the sense of places recognised by the people of the place as their community will normally have a population in the order of 5000, 7000, 9000 even in large cities (Portland Oregon, which is the exemplar for councils which have encouraged the recognition of individual communities found that across a city of 600,000 people it had 94 separate communities). It's clearly an impossible task for each RPSC to develop close relationships with each individual community within their public service region when there are likely to be between 50 and 70 separate communities within their region (and even more difficult for an RPSC to work through the process of determining how to recognise individual communities).
- 6.11 WDC believes that the draft report should recognise current international research on issues such as well-being and the nature of communities. This points to the future role for local government as including enabling and empowering local communities and working with them to present their concerns to individual RPSCs. There would clearly be some work to be done in determining how this could best be managed so that RPSCs had a sufficient understanding of what mattered in each community, but without that task being too onerous.
- 6.12 WDC has drawn on scoping work done to determine how local government could best manage enabling and empowering local communities in this way. There is a growing practice of recognising self-identifying communities in both the UK and the US. In the UK the Scottish government has recently implemented legislation empowering community bodies to prepare local place plans. The way the legislation is written the community bodies are in essence self-identifying communities (the legislation includes some simple criteria those bodies would need to satisfy to demonstrate they do represent the community they claim to represent). There is recognition that there should be some resource support for community bodies in developing local place plans.
- 6.13 In New Zealand the mandate for local democracy in sections 10 and 11 provides a sufficient power for councils to adopt a policy of enabling and empowering self-identifying communities. There is long-established practice which provides ample evidence of what constitutes good practice in capacity and capability building to ensure that communities can function effectively and over time. Portland Oregon provides a particularly good example from working with its recognised residents' associations over some 40 years or more. The Centre for Public Service at Portland State University is a repository of much experience with self-identifying communities from across the United States.

- 6.14 Supporting and empowering self-identifying communities is an obvious role for TLAs given the nature of their relationship with their communities through the many functions they undertake which engage directly with individuals, families and businesses. It offers what is probably the only practical way in which RPSCs, and central government, can have some assurance that the convening role of RPSCs is genuinely delivering well-being outcomes for communities which meet their local needs and circumstances.
- 6.15 WDC believes this approach has another and incredibly significant advantage to it. Mana whenua are the original communities of place in New Zealand. The opportunity to develop local place plans could become a highly effective way of building relationships between Māori and councils without the complications, including legitimacy, of the Panel's proposed approach for incorporating Te Tiriti in Council governance.

## 7. Chapter 7

- 7.1 WDC believes there is a direct connection between voter turnout, and voters' perceptions of the relevance of councils. The suggested parallel with turnout for central government elections is not appropriate. The nature of the choices are very different. Apart from the occasional election bribe, such as interest free student loans, voters are being offered a relatively simple choice between a low tax small government approach and a high tax expansive service approach. There is no similar simple choice situation within local government. The research evidence suggests that most people most of the time are interested in what happens in 'their place', rather than the district of the council. The local electoral process is extremely ill-suited to dealing with these especially as individual candidates, no matter how attractive their promises, have no means of assuring electors they will be able to deliver on them.
- 7.2 WDC supports the Electoral Commission taking over responsibility for managing local government elections and addressing a number of the problems highlighted by the 2022 elections including that many electors seemed not to receive their voting papers or received them extremely late, and many had no straightforward way of returning them. WDC however also cautions against moving away from paper-based voting. A recent Citizens Advice Bureau report suggests some 20% of the population have no digital access or significant difficulty with digital access. Placing them on electronic voting could amount to disenfranchisement. WDC also notes experience suggests that changing the method of voting may result in a slight upward blip for the next couple of elections but then be followed by a return to the trend of decline.
- 7.3 WDC does not support the adoption of a four-year term or extending the franchise to 16-year-olds. We consider there are some potential issues to do with age and maturity, and 18 is a very symbolic cut off point, it is the age of adulthood and full acceptance of responsibility for your actions in adult society. WDC also acknowledge that the age of responsibility varies greatly under New Zealand law, and there are many areas where the age of maturity is generally deemed to be 18, for example contract law, making wills, getting married, and the criminal justice system. We believe if we want stronger voter turn-out, and better educated voters (including youth), we should look to improve civic education.

- 7.4 WDC agrees there is a need to make council governance more representative. It takes a different view from the Panel on what needs to be done. WDC considers that the basic problem is the failure, since the reforms of 1989, to pay any attention to the prerequisites for ensuring that councils are able to function as genuine governing bodies more representative of their communities. As an example, for most councils' remuneration is not the issue. The issue is that the nature of the job of councillor makes it exceedingly difficult to combine that role with normal paid employment. Effectively this shuts out the overwhelming majority of people on a career path. Increased remuneration, by itself, is not going to encourage someone to step aside from a developing career. WDC understands that there is an initiative currently under discussion to develop a template policy for good governance which could be adopted by councils without the need for any legislative intervention and would amongst other things make the job of councillor much more feasible and attractive.
- 7.5 WDC believes it would be premature to consider the suggestions set out in the section of this chapter dealing with maximising the capability of councils before addressing the issue of good governance. WDC is especially concerned at the suggestion for appointed members which it sees as a direct attack on local democracy and a statement of lack of confidence in communities.
- 7.6 Other concerns, including trust in councils, will be considerably assisted by adopting the local governance approach discussed in relation to chapters 5 and 6.

## **8. Chapter 8**

- 8.1 WDC supports a few of the process changes proposed in this chapter such as the process of setting rates and for developing, consulting and auditing long-term annual plans.
- 8.2 It considers that the primary theme of this chapter should be the fundamental obligation on any central government to ensure that there is an appropriate match between the responsibilities placed on any part of the public sector, and the revenue sources available to deliver on those responsibilities.
- 8.3 It is simply unacceptable that successive central governments have ignored the impact on local government of practices such as the unfunded mandate, the failure to pay rates on central government property (a failure which incidentally is absolutely inconsistent with the principles which Treasury has long articulated about the importance of the proper allocation of the costs of activities) and the failure to recognise the impact of the ongoing failure to ensure that local government has revenue sources adequate to the infrastructure obligations it has.
- 8.4 WDC believes that this has been very much a function of an approach on the part of successive central governments which is government can do the feasting and local government can have the crumbs. This is inconsistent with the obligation on central government to ensure that all public services are adequately, or at the very least, proportionately resourced.

- 8.5 There is a very simple mechanism which WDC believes should be highlighted by the Panel; this is setting aside a portion of the government's total GST revenue to be allocated to individual councils by an independent entity (the equivalent of the long-standing grants commissions in Australia) in accordance with a set of principles designed to achieve horizontal equity. This simple approach gets away from the complications arising from suggestions such as remove GST from rates, hand over to councils the equivalent of the GST paid on building and construction activity, give councils a share of GST generated within their district (a particularly problematic one as GST is often returned from a single national point). The Australian experience shows that this type of approach is robust and legitimate. What it does mean for central government is that the lowest priority projects of its different ministers would likely suffer so that local government, serving the same set of people, can deliver high priority infrastructure and other services to the extent required.
- 8.6 A similar approach could be adopted for the panel's suggested intergenerational fund to tackle climate change. The criteria for this approach would need to reflect judgements about the relative impacts of climate change on different districts, and the risk of any perverse incentives associated with reducing the local costs of mitigation.

## 9. Chapter 9

- 9.1 WDC does not support giving priority to changing the structure of local government. Improving the governance of local government and enabling genuine local governance as set out in this overview's discussion of chapters 5 and 6 will go a long way to improving the capability and performance of individual councils. So will the adoption of an additional revenue source like the proposed GST sharing option.
- 9.2 WDC believes that the emphasis on the capability of smaller councils among other things seriously underestimates the importance of attachment to place. Waimate is a relatively small council with a single population centre of any significance, Waimate town, with approximately 3,600 residents, and a large rural hinterland. Any restructuring would shift decision-making possibly 100 km away and seriously reduce representation and the sense of local identity. There are a number of other small councils in a similar situation.
- 9.3 It is also important to remember that council staff in smaller centres are not just involved with council services as such. They are also often active in their communities within sports clubs and other NGOs, on school boards, local churches and other community facilities. Their loss could seriously damage local civic infrastructure.
- 9.4 There is a great deal of merit in looking creatively at shared services activity, including a focus on building centres of capability which might service an entire region. Building consents and inspections are one possibility. Individual councils could provide video conferencing facilities for applicants to talk directly to a remotely located building inspector and facilitate the electronic transfer of documentation. Matters such as on-site inspection could, with care, be managed through centralised planning.
- 9.5 There is also an opportunity through encouraging a better understanding within local government of the use of Council controlled organisations. The New Zealand CCO model was designed as an accountability model but has been wrongly understood

and interpreted as a separation model. Too often sources such as the media emphasise that these are council activities being run by unaccountable unelected private sector people. The interpretation is wrong, but the impact is major. A better use of CCOs is something which could feed into an anchor institution strategy and start underpinning a genuinely local focus on economic development.

- 9.6 WDC is interested in the Panel's suggestion there needs to be a more deliberate shift towards a joined-up public service across central and local government. There is certainly merit in initiatives which would help ensure that people working in either level of government have a good understanding of the other level of government.
- 9.7 However, there are also significant differences between the two levels of government in areas such as accountability, focus (local government, especially if WDC's suggestions are followed, will be very much more place based than central government).
- 9.8 Rather than putting too much of a focus on an integrated system, WDC suggests the focus should lie on ensuring that people within each level of local government have an opportunity to understand the workings and culture of the other level. A programme of secondments, and training initiatives such as shared workshops on the nature of governance and public service would be worth considering.

## 10. Chapters 10 and 11

- 10.1 WDC shares many of the concerns expressed by the Panel in this chapter. From WDC's perspective the principal problem which needs to be addressed is the lack of cross-party commitment to supporting a strong local government system. Too often local government has been seen as something of a political football to be kicked around in each three-year term completely ignoring the reality that local government is in the business of delivering services which typically have a 30+ years' time horizon.
- 10.2 WDC shares the concerns expressed in chapter 11 under the heading of embedding local government's purpose that there needs to be greater certainty and stability around the purpose of local government. One mechanism, not explicitly mentioned, is to amend the Local Government Act by including a section which would require a supermajority to amend sections 10 or 11, and that new section itself.
- 10.3 WDC agrees there needs to be some mechanism in place, free of political influence, which can provide an overview of legislation, practice, and political intervention against a set of criteria intended to support a robust and relevant local government system. It also agrees that this role would not sit appropriately in a government department or ministry – that would be too close to the risk of political intervention.
- 10.4 WDC sees merit in the suggestion of establishing a Parliamentary Commissioner of Local Government with a mandate to provide oversight of the local government system itself, and of the relationship between central and local government. This oversight should be against a set of criteria representing a robust system. It should also include a requirement that the Commissioner be consulted whenever central government adopts a policy, or proposes a regulatory or legislative change, which will have a more than trivial impact on local government (the extent to which different



government initiatives impact on local government is so widespread that there needs to be some form of cut-off so that not every initiative was required to come under review).

- 10.5 Generally, the role of the Commissioner would be to report at least annually on the health of the local government system, and any emerging trends which the Commissioner believed could have a negative impact when considered against the criteria for a robust system.
- 10.6 WDC believes there is another initiative which would make a valuable contribution to stewardship of the local government system. This is encouraging New Zealand's tertiary institutions to make the study and teaching of local government policy and practice part of their core offerings within disciplines such as economics, management, and public policy. New Zealand is something of an outlier amongst tertiary institutions throughout the Commonwealth in lacking any serious academic teaching or research interest in local government.

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