

30 August 2021

Future for Local Government Review Panel  
Email: [futureforlg@dia.govt.nz](mailto:futureforlg@dia.govt.nz)

Dear Sir/Madam

**SUBMISSION ON THE FUTURE FOR LOCAL GOVERNMENT REVIEW PANEL SCOPING PAPER**

Waipa District Council appreciates the opportunity to make a submission on the focus and scope of the Future for Local Government Review Panel's Scoping Paper. Please find *attached* a copy of the Council's submission electronically submitted on 30 August 2021.

Please accept our apologies for the delay in submitting this, unfortunately, we experienced technology issues following a Microsoft incident on Friday 27 August 2021.

Please note that due to timing constraints, this is a staff submission that has not yet been reported to and/or endorsed by, the Elected Members of Waipa District Council.

The submission was electronically submitted on 30 August 2021.

Please contact me in the first instance with regard to any queries/clarification required in respect of the submission. I can be contacted by email: [Garry.Dyet@waipadc.govt.nz](mailto:Garry.Dyet@waipadc.govt.nz) or mobile: 0275720043.

Yours sincerely



Garry Dyet  
**Chief Executive**

**Attachment: Waipa District Council Submission on the Future for Local Government Review Panel – Proposed Focus and Scope of Scoping Paper**

# Submission

**Future for Local Government Review Panel –  
Proposed Focus & Scope of Scoping Paper**

**August 2021**



# Submission to the Future for Local Government Review Panel – Proposed Focus and Scope of Scoping Paper

**By: Garry Dyet, Chief Executive, on behalf of Waipa District Council**

**30 August 2021**

## ***Introduction***

Waipa District Council (the Council) welcomes the opportunity to provide comment on the Proposed Focus and Scope of the Future for Local Government Review Panel’s Scoping Paper.

This submission is made with the purpose of encouraging the Future for Local Government Review Panel (the Panel) to take an aspirational approach to the scope for the review, recognising that it has a unique opportunity to consider how best to reshape and strengthen the governance of New Zealand’s communities.

Previous reviews of local government in New Zealand have focused primarily on institutional arrangements and the structure and function of designated bodies, primarily councils themselves.

## ***The Good Governance of New Zealand’s Communities***

Institutional arrangements matter, but are primarily a means towards an end, the good governance of New Zealand’s communities. We invite the Panel, in setting the scope for the review, to place its primary focus on what will best enable good governance of New Zealand’s communities, and to consider the role and function of councils in terms of how they can best contribute to that outcome.

We see this as entirely consistent with and reflecting the Minister’s statement of the overall purpose for the review as set out in the terms of reference: “The overall purpose of the Review is, as a result of the cumulative changes being progressed as part of the Government’s reform agenda, to **identify how our system of local democracy and governance needs to evolve over the next 30 years, to improve the wellbeing of New Zealand communities** and the environment, and actively embody the Treaty partnership.” (Emphasis added).

The statement of purpose gains additional force from the paper which the Minister took to the Cabinet Social Well-being Committee in August 2019 following the restoration of the purpose of promoting community well-being in the *Local Government Act 2002*.

In that paper, the Minister set out some very clear views on local government's contribution to well-being as enabling communities to best determine and influence their well-being priorities:

Central government makes a significant contribution to community well-being through its delivery of services at a local level. But local government operates at the interface of people and place, and its contribution to well-being is essential because, beyond the 'universal' needs, different communities need different outcomes to maximise their well-being. We will not realise intergenerational well-being solely through central government initiatives or by reference to national indicators.

At present, however, aspects of how councils work, and the way central government works with them, limit their ability to contribute. In our most vulnerable communities, councils describe the lack of central government collaboration as exacerbating a social crisis. In addition, the Three Waters Review and the Productivity Commission Enquiry into local government funding and financing are raising questions about the relative focus of councils on infrastructure versus other services. Having a clear view on the way councils and communities can best determine and influence their well-being priorities will ensure more integrated conversations about these programs.

The Committee, in adopting the Minister's recommendations:

6. Noted that better central-local collaboration and alignment on well-being priorities will encourage community participation in local governance, and improve the quality, targeting, alignment, and impact of public services for central and local government;
7. Invited the Minister of Local Government to explore ways to improve central government's engagement with local wellbeing priorities, and provide a more meaningful, efficient role for local government in the design, targeting and (where appropriate) commissioning of centrally-held services that impact on local priorities;

Despite the Committee's apparent endorsement of the Minister's proposals for strengthening the role of local government in well-being, nothing further eventuated. It does seem that at the time, her colleagues had other priorities.

It's both timely, and very desirable, that the Panel, as it develops its work, recognises the depth of the Minister's commitment to her previously stated understanding of the role of local government and perhaps more importantly of local governance, and ensures its scoping report reflects the views the Minister has so strongly expressed.

To provide some further background for the Panel, the appendix to this submission is a separate submission to the Productivity Commission made by local authority chief executives of the Waikato Region on the terms of reference for its *Fair Chance for All inquiry*. It makes the case that this should include a review of the way in which New Zealand currently handles the

development and implementation of well-being policy to enable local government to play a much more central role in working with its communities on well-being.

### ***What this submission will cover***

- The local government/community relationship, noting the growing interest internationally in how to improve participation and community engagement.
- The conflation of local government and local governance, with councils being treated as though they are the embodiment of local governance. This part of the submission highlights the difference, including the fragility of councils as creatures of statute subject to random intervention by higher tiers of government, in contrast with communities which have their own identity outside the realm of statutory enablement.
- Enabling resilient communities, proposing that a primary emphasis of the work of the Panel should be on the role of local government in enabling resilient communities. An assessment of current New Zealand experience, including the relative lack of engagement with communities, and the often negative impact of statutory consultation is proposed. It contrasts this with the benefits of genuine engagement and argues that part of the Panel's role should be demystifying engagement. It then contrasts the circumstances of local government in New Zealand and other countries regarding working with communities, arguing that New Zealand councils have what amounts to an advantage in building close relationships with communities because they are not involved in the delivery of major social services. The Panel is invited to include within its scope developing options to assist councils understand how best to enable resilient communities.
- The future for local government is now. This part of the submission argues that rather than wait for the findings of the review, and government decisions on those findings, councils should start working with their communities on community well-being matters now. They have the requisite legal powers, and doing so will help mitigate the potential damage to councils which could result from a long delay in responding to the impact of the major reforms taking place now. The Panel is invited to see this as a benefit; an opportunity for testing different possible options the Panel might wish to consider.

### ***The local government/community relationship***

New Zealand is one of many countries currently reflecting on the role of local government and the relationship between local government, the communities it serves, and higher tiers of government. Almost invariably, a central theme is how to improve participation and community engagement. Recent examples include:

- The Scottish government's current review of local government which has included scoping practice in seven representative jurisdictions across the globe.

- The report of UK's Association for Public Service Excellence's Local Government Commission 2030 (an extensive 18 month review), and the work of a number of leading UK think tanks including New Local, Locality, the Carnegie UK Trust, the Royal Society for the Arts, the Local Government Information Unit, the David Hume Institute at Glasgow University and a number of others.
- The Localization of the Global Agendas: How local action is transforming territories and communities which is the Fifth Global Report on Decentralisation and Local Democracy from United Cities and Local Governments, the world's largest membership organisation for local government.
- The ongoing work of US bodies such as the National Civic League with its mission "to advance civic engagement to create equitable, thriving communities" and the Kettering Foundation with its core hypothesis that democracy requires a all community, or a society of citizens, that can work together to address common problems.

### ***Conflating local government and local governance***

Much of the work referenced above conflates local government and local governance. Councils are spoken of as though they are the embodiment of local governance, effectively reducing the role of communities in decision-making to one of dependency on councils.

We invite the Panel, in its scoping report, to recognise there is a fundamental difference between local government as a network of formal statutorily enabled institutions, and local governance for the communities which it serves. Both the history of local government over the centuries, and current research, establishes that communities have a separate identity and a separate although often frustrated interest in governance, especially as it affects their own place<sup>1</sup>.

Councils have a role to play in enabling community governance - local governance in action - ensuring that communities have the resource and capability needed to express their preferences and, in the words of the UK think tank Locality, are able to exercise "voice, choice and control" over decisions which affect their place (a principle which in New Zealand clearly of course includes the place of mana whenua and how their role interacts with the place making approach at the heart of local governance). Councils themselves however are artificial constructs whose very existence often is at the whim of a higher tier of government. Communities in contrast, although they may ebb and flow as people and activities come and go, for the most part have a much greater degree of permanence.

Local governance (sometimes referred to as community governance) as a concept can seem messy. Unlike local government, it's not a creature of statute; instead it is a creature of the

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<sup>1</sup> this is often obscured by the fact that in most if not all jurisdictions there are few recognised ways of recognising the existence of separate communities other than artificial constructs such as electoral boundaries.

unique conditions of each community so that although basic principles will be much the same, the actual expression of those can differ from community to community.

The importance of highlighting the distinction between local government and local governance is emphasised when reflecting on statements such as this from the Minister's report to Cabinet on the Future for Local Government:

One of my aspirations for this work is that it leads to enduring action beyond the current parliamentary term. The sector's support and commitment to transforming our system of local democracy and governance following the Review will be crucial to ensuring the work is enduring. We increase our chances of achieving this by enabling the sector to collaborate and contribute throughout the process in a way that fully explores an enabling function for local government.

This is reflected also in the focus of the terms of reference for the review. The past 30 years has seen enormous swings in central government's understanding of the role and place of local government - from an aspirational emphasis on councils being driven by outcomes identified by communities themselves, back to an instrumental focus on councils as local infrastructure companies and then again back to the promotion of community well-being.

As the Panel considers research on overseas experience it will find widespread recognition that higher tiers of government tend to treat local government as something which they can change almost at will.

The conclusion increasingly drawn is the best protection for local government is in fact strengthening communities so that they come to value the role of local government and are themselves able (at least within democracies where governments are politically accountable) to exercise a strong voice in defence of local government.

### ***Enabling resilient communities***

This submission proposes that a primary emphasis of the work of the Panel should be on the role of local government in enabling resilient communities, by which we mean communities which have a sense of identity; a way of being recognised as a 'community' by people and organisations not part of the community; persistence over time; and the capacity and capability to collaborate on and arrive at decisions about matters affecting their place including how they would prefer those decisions to be implemented and by whom.

#### **New Zealand experience: current practice**

New Zealand councils have limited experience in working with communities as such. Where there are exceptions, this is typically the result of informal relationships which have grown simply because everyone is part of the same community, rather than because of formal policy decisions on the part of the council.

For the most part, relationships between councils and their communities are the consequence of formal requirements, such as the obligation councils have to consult on a number of different matters, and do not normally result in ongoing and positive collaboration. Local Government New Zealand's 2017 survey found two of the areas where the public thought local government performed least well were councillors displaying sound and effective leadership and listening to the needs of the people.

The statutory consultation process, when first introduced, was done so in the belief that it would lead to improved engagement between councils and their communities. The outcome has been somewhat different. At a council level, typically it has created a deep-seated belief that engagement with communities is costly and carries the risk of damaging public confidence in councils because of the way it necessarily operates. At a community level it can both increase distrust of councils, and divisions within communities themselves especially on controversial issues. These impacts are consistent with research findings which argue that on balance this type of consultation does more to damage relationships than it does to resolve issues,

In practice, genuine engagement in the sense of a dialogue process both between councils and communities, and incorporating opportunity for dialogue within communities about issues, can both substantially increase trust, and result in quite significant benefits both financial and non-financial. Councils who understand this find they have eyes and ears in the community able to alert them to problems before they become too serious, and also to act as a sounding board for issues such as appropriate service level standards and timing of asset upgrade/renewal.

**On this issue we argue that part of the Panel's scope should be demystifying engagement** so that both councils and communities understand there are very real benefits; that proper engagement should be treated as an investment from which both council and communities can expect a significant and positive return.

#### International comparisons: a way ahead for New Zealand?

We expect the Panel will want to draw extensively on overseas research and practice in considering different options for New Zealand councils to explore for enabling resilient communities within their own districts. Some of the more prominent sources are discussed in the appendix to this submission. As noted in the appendix they are simply a small sample of a very substantial body of work highlighting a wide range of innovative practice through which individual councils have worked closely with and enabled community activity.

It's important to recognise all of those examples are drawn from experience of individual councils and have a strong relationship to the context in which they are based.

What is common between the New Zealand context for local government, and the context in most other developed countries' jurisdictions, is the growing recognition that effective engagement with communities is becoming increasingly important for reasons including enabling



improved community well-being, improving social cohesion, mitigating inequality and addressing other problems ranging from housing affordability to climate change.

There is however one very major difference between New Zealand and every other jurisdiction we have considered. New Zealand is the only developed country in which local government does not have at least some significant social service delivery responsibility. Even in Australia, whose state local government sectors most resemble New Zealand's in their range of responsibilities, councils are involved with childcare and care for the elderly.

Councils whose responsibilities include major social services have natural and compelling reasons to be closely involved in working with at least elements within their all communities. The typical English, Scottish or Welsh council will have quite widespread involvement with the Voluntary Community and Social Enterprise (VCSE) sector, so much so that when councils think about working with their communities they typically think about working with the VCSE sector rather than with the community as a community of place.

New Zealand councils are much better placed than their counterparts in most other jurisdictions to play a very positive role in enabling communities to exercise voice, choice and control in relation to services affecting their place. A council's incentive to do so aligns naturally with the interests of the communities it serves, especially once the council realises the collateral benefits which empowering communities will bring.

**We invite the Panel to include within its scope developing evidence/practice based options to assist councils understand how best to enable resilient communities as part of their role of promoting community well-being.**

### ***The Future for Local Government is now***

The Panel's terms of reference appear to be based on the assumption of a progression from scoping (by 30 September 2021) to research and the development of a consultation paper outlining its proposed findings and recommendations (by 30 September 2022) to a final report to the Minister on 30 April 2023 and on to consideration by the Minister and then cabinet before any recommendations will be implemented. With a general election due later in 2023, this suggests that cabinet decisions, if any, will not be made until early in 2024.

The government's major reforms are already impacting on the day-to-day operations of councils and on how they manage critical elements such as workforce recruitment, development and retention. What is potentially a two and a half year hiatus could do very significant damage to the viability of councils.

The major initiatives which this submission contemplates taking place in areas such as enabling resilient communities are already within the legal scope and authority of council activity by virtue of the provisions of sections 10 and 11 of the *Local Government Act 2002* - almost certainly the

most extensive mandate for enabling local democracy and community governance of any local government sector in the developed world.

We invite the Panel to acknowledge the practical reality confronted by councils as they consider the future, post three waters and resource management law reform, and turn this into a plus for the Panel's work. This could be done by recognising that councils already have the requisite legal authority for radical change in the way in which they work with the communities. Furthermore, it's simply prudent management for councils to start determining and implementing what their post reform activities should be sooner rather than later so as to mitigate the damage that a two-year plus delay in responding to major change could bring. From the Panel's perspective this could provide a very real opportunity for testing, in the New Zealand environment, different possible options for, in the words of the terms of reference, identifying "how our system of local democracy and governance needs to evolve over the next 30 years, to improve the wellbeing of New Zealand communities" including protection/management of the environment and embodying the Treaty relationship.

### ***Conclusion***

The Panel has an unparalleled opportunity to point the way for local government to become genuinely the enablers of good governance of the communities it serves. It also has a unique advantage compared with any other New Zealand review of the role and function of local government.

As the terms of reference make clear the main purpose of the review is to focus on how our system of local democracy and governance needs to evolve. The scoping of international experience and practice which underpins this submission and the submission set out in the appendix supports the view that New Zealand councils already possess all of the legislative authority they require to become enablers of local governance for their communities, partnering with them to ensure they are able to exercise voice choice and control over decisions which affect their place.

We conclude by commending to the Panel that it take an aspirational approach to its role of considering how New Zealand's system of local democracy and governance should evolve. It has a real opportunity, in collaboration with local government and central government, to enable New Zealand to become a world leader in demonstrating how genuine local governance can be embedded as a critical part of democracy.



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