

Submission to LG Review - 27 February 2023

This submission sets out the core points gathered from two open Citizens Assemblies in Hamilton and follow-on conversations in response to the current Local Government Review.

The impact of Cyclone Gabrielle has fuelled the discussions throughout the month and provided frightening evidence of infrastructure failures along with rich reminders of community and neighbourhood resilience and the Kiwi culture of manaakitanga, kotahitanga, and kaitiakitanga. As well as the ongoing social malaise of family violence and expedient crime.

The question is now *“How to mitigate in the longer term against such disasters with better urban design, better infrastructure, and better planning...”* (Tracy Watkins, Sunday Star Times)

Our Hamilton assemblies were hosted by the University of Waikato Management School (Professors Frank Scrimgeour and Tom Roa) and the Waikato Chamber of Commerce (CEO Don Good and Liam Rodden) with audience participants in person and zoom connected on 2 February and 14 February 2023. The format included the Local Government Review Group’s webinars, a panel of experts, and open public discussion. The panellists were Michael Bassett (Local Government Minister for the 1989 reforms), Sandra Lee (LG Minister for the 2002 Act reform), David Shand (2007 Rating Review, 2010 Royal Commission on Auckland), and Grant Kirby (former Local Government Commission chair, Rodney District commissioner, and senior official Auckland City Council). Forum facilitator was Tracy Watkins (Editor Sunday Star Times/Stuff).

Overview:

The most consistent public view identifies cumbersome policy and processes avoiding community input as the interconnected core reason for public disdain and disinterest in council business affairs, leading to disengagement.

The time-consuming council operating environment is also a disincentive for established community and sector leaders (who would volunteer part-time public service). Full-time professional councillors lack ongoing community engagement (and knowledge) essential to local democracy and have enabled bureaucratic control. *“Assassination by a thousand pages”* ... *“too much prescriptive detail”* ... *“Nobody could read all this stuff in the time allocated.”*

Other core issues identified include inaccessibility (councillors who are merely ‘signposts’ to staff, staff who can’t provide answers...), poorly maintained & inadequate infrastructure, resistance to innovation/deficient planning & engineering, increasing costs/poor financial monitoring, and comms-spin rather than clear information. Excessively complex and wordy legislation and regulation pouring out of Central Government bulked up the problems.

***“Think differently”* is the clear call to Government, the LGRG, LGNZ and Local Bodies.**

Specifically - *“Shred Three Waters and abandon the Natural & Built Environment and Spatial Planning Bills and this LG Review. Slow down and listen up. Begin again...”* (Sandra Lee)

Focus on action, prune out all the clutter and prescriptive padding in governance policies and processes to enable knowledge and common sense to come home. This will free up resources and time for matters of public significance now and for the future.

- Recognise that Local Government might mean well but has (generally) become bogged down in the swamp and seem unable to pull themselves out of the internalised corporation mindset to develop strong listening relationships with their public.
- Central Government has expanded the swamp, churning out cumbersome prescriptive laws and regulations ... flooding Local Government
- And despite the Public Services Act 2020 (“to build a unified, agile and collaborative public service grounded in a commitment of service to the community”) these “good intentions” have failed to dam the bureaucratic flood.

Cyclone Gabrielle brings a new opportunity to bring together our ‘best brains’ in the public, private, philanthropic, academic and community sectors to act quickly, together; to access global & local knowledge, to innovate & develop wellbeing services for the future.

David Shand *“The cost of cleaning up, fixing both infrastructure and people’s lives, & providing resilience for the future will be a mammoth and expensive task involving all sections of our community.”:*

Big Ideas:

Gabrielle clean up - recruit for Police, Defence, and Civil Defence, offering training (cadets upwards) and ‘on-this-job’ experience. Training Base available at Waiouru Camp?

Not just Climate Change - restoration of ‘public good’, social & cultural renewal to combat incompetence & hierarchical greed, life-long civics education to promote participation & accountability and the role of the Treaty of Waitangi, plus open and transparent financial reporting. Set up integrated local offices (CABs for government advisory & advocacy services including local ombudsmen & ‘circuit breakers’) while we work through a major Constitutional Review.

Background:

“So while there is an understanding about the role of local government in communities, many citizens do not have trust or confidence in their local government. A change is needed in the system, especially to the processes and mechanisms that strengthen community participation, to address this gap and build trust between councils and communities. We are mindful to ensure, in using new innovative practices, that socio-economic inequity is not a barrier to participation (LGRG 2.4)

“Councils want to play a key role in community wellbeing and place-making. They want local government to genuinely give effect to the principles of Te Tiriti o Waitangi, and they want a broader and more diverse range of people actively participating to shape their communities. They want a joined-up collaborative system that draws on the strengths of multiple partners and attracts capable and visionary leaders to enhance the mana of their communities. And they want a high trust relationship with central government that ensures they have the financial capacity to address the everchanging needs of their communities.” (LGNZ submission to the Review of LG, 2022)

Our Submission

1. Strengthened local democracy

Leadership: “It’s not the pay. It’s public service, not a job.”

Council processes/time expectations are the main barrier discouraging recognised local leaders from seeking election to represent significant sectors - community/NGOs, business & professions, academics. the arts, education & health etc

Public concern at trend towards professional politicians & further electorate disengagement (“don’t know any of the candidates”).

Managerialism:

Council executives grow their empires & salaries while public Infrastructure & services diminish. “Managerialism/New Public Management” has distorted organisation roles and costs, added bureaucracy and reduced accountability to the public (“Who thought up this terminology? We are not customers? Our elected representatives should not need a democracy advisor”) Governance training has become a business and perpetuates discarded & inhibiting concepts.

Grant Kirby: “We’ve got confusing, anonymous, inaccessible and largely irrelevant bodies who have built a wall between themselves and their communities. Residents find it nigh impossible to talk directly with a responsible person...endless consultation rarely goes anywhere...frequent infrastructure and environmental failures...Fiddling with what is already in place will accomplish nothing and be even more confusing and counter-productive.”

Voters & Voting:

No to votes for 16-year-olds, but yes to practical civics education (many international examples (eg model school councils starting at primary to understand choice of representatives and decision-making, UN Association Model Assemblies where student teams take up nation-state identities to debate key issues, plus Young Citizen Assemblies to canvas particular agendas....)

Yes to legal requirement to vote nationally and locally (consistent with Australia)

Yes to online/digital voting (Digital Age, but also continue provision for personal on site voting)

Evaluate introducing ‘no confidence voting benchmark’ followed by new election (eg where no confidence vote exceeds 50% of votes cast for an individual candidate)

Evaluate introducing a consistent cross-government Oath of Office – the ‘public contract’, the promise to serve the people in accordance with the Law and blah blah blah (many international examples eg Finland)

Evaluate introducing a Recall Provision (from public petition calling for independent judicial/JP review) to extend public accountability provisions for both elected representatives and appointed executives (including CCO boards)

No to longer terms (unless Recall Provision introduced)

Recommendations

Simplify and focus council processes:

- Ensure Standing Orders are controlled by the Mayor/Chair and Councillors rather than Council staff.
- Insist on ‘brevity’ in all reports & communications

Sandra Lee: “The old Town & Country Planning Act was 57 pages of clear plain language, the RMA 880 pages relentlessly amended from inception, and now the NBEA is 900 pages & more....”

Refer Winston Churchill 1940 War Cabinet memo on ‘Brevity’.

- Adopt provisions in the Plain Language Act 2022 for clear concise language in all communications (but no ‘designated officers’)

“The purpose of this Act is to improve the effectiveness and accountability of public service agencies and Crown agents, and to improve the accessibility of certain documents that they make available to the public, by providing for those documents to use language that is (a) appropriate to the intended audience; and (b) clear, concise, and well organised...”

- Consult/engage community first (“don’t leave it up to staff to draft”)

Sandra Lee: “That’s why we called it the Long-Term Council Community Plan – to ensure it came out of community priorities first...”

- Restructure annual reporting process to “incentivise public interest”

Michael Bassett: “Early December CEO to report on staffing changes & costs plus major projects progress, changes & forecast, then late February Mayor/Councillors set aside two days for public/community input so the public has a better idea of what happens to their rates... staff costs are 65-70% of expenditure...evidence aplenty that councils are overstaffed...”

- Ensure Mayor/Chair/Councillors have access to resources for independent advice

Staff are too reliant on contracting out and the Big Four consultancy corporates...lack now of council institutional knowledge & archives. Recommend MOUs with universities and Crown Research Institutes to access expertise...

- ‘Cleanse’ Standing Orders & remove ‘managerialism’; ensure Mayor/Chair approve agendas & reports; enable access for the public to meetings for briefings, submissions, discussion and debate (eg ‘togetherness’ conversation not just submission).
- Ensure Council political structures, committees and delegations, along with the development of policies, plans and strategies reflect democratic traditions (introduction, discussion, debate, conclusion) and the rights of the public (openness, engagement, participation), with due & proper account given to public input.

Review/Reform public voting rights as outlined in Voters & Voting (above):

- Introduce legal requirement to vote in both national and local elections, plus increase public accountability mechanisms including the ability to recall democratic representatives for failure to meet the terms of their election (& officials their contracts).

2. Authentic relationship with hapu/iwi and Maori

Ongoing community/public conversations essential on just what ‘co-governance’ means; ‘Thinking globally & acting locally’ reminds of the long human history fighting for democracy, human rights, & ‘one person one vote’. ‘Civics’ links to ‘civilisation’ and ‘civility’ while ‘tikanga’ translates to ‘common sense’. Defuse current anger with knowledge & understanding.

Professor Tom Roa – “A visit to the Williams dictionary (p.416-17) gives various definitions of ‘tikanga’ including rule; custom, anything normal or usual, reason, authority, control, correct, right ... It is somewhat akin to common sense - which often is hardly ‘common’!!”

Is the public debate on co-governance & the Treaty of Waitangi inhibiting clarity on what we want from democracy, ‘two cultures, one waka’, ‘citizen-led democracy’, ‘for the common good’, our history pioneering political equality for women & children’s rights, our sense of egalitarianism? Is ‘rangatiratanga’ enabling the emergence of a new iwi upper class/aristocrats and widening the gap for people at the bottom? Concern over the disproportionate ‘high deprivation’ statistics etc. Can/should marae become our ‘common community centres’ for the future. Build back better together? Or separately?

Recommendations:

- Stop shouting but keep talking & listening. Together. Marae visits. Promote knowledge of mana whenua alongside other local cultures.

3. Stronger focus on wellbeing

Need to better understand what has kept us back – ongoing conflict between what are ‘core services’ versus ‘village services’ by LG, rates v tax, and the need to extend taxation partnerships for both ‘hard’ & ‘soft’ services. The call for ‘more holistic strategies’ and ‘broad shift in mindset’ is whispering in the wind. Are Maori definitions of wellbeing “different from other NZers” or reflect/remind of humanity’s shared values of People, Place, and Planet (refer UN Sustainable Development goals)?

Recommendations:

- Show the way with integrated LG/CG community-based projects eg building villages around schools as 24/7 community centres as ‘One Stop Shops’ with comprehensive public services including libraries, pools & sports grounds...bank & postal services...CABs...local Ombudsmen. (Refer Big Ideas below)

4. Genuine partnership between local and central government

Structural changes required. Too many unfulfilled promises of ‘working together’ (particularly social service agencies & infrastructure development/maintenance). Increasing concerns at quality & cost of ‘contracted out’ services – not delivering what’s expected. Politicians and officials must be available to their public. Local/regional assemblies must become the first stage of policy & regulatory reform – ‘no surprises’.

Recommendations:

- CG/LG community-based projects & integrated ‘One Stop shops’
- Local/regional leadership assemblies to review allocation of public services – who does what best.

5. More equitable funding

Although ratepayers grizzle, the consistent issue identified in research (including LGNZ) is the loss of trust in the ‘way’ in which councils (and CG) spend the money. The concept that ‘tax must be understandable to the common person’ has become lost within complexity – an example clearly illustrated by HCC’s development levy system & a recent court case which found against the council. Also, the trend has been against a simple rating system based on Capital Value towards constant add-ons making financial monitoring and public accountability complex and therefore difficult. The search for new funding sources leads to little rationale in introducing ‘user pay’ and efforts to cut costs though lack of maintenance are currently publicly obvious. The KISS principle (Keep it simple....) has long gone. The public has become hugely disadvantaged.

Within Councils there is frequently a disconnect between engineering, financial, planning and consultation documents. There is no adequate public unit upon which the public can call for financial accountability and/or forensic research in the face of Council/elected member disinterest (apart from the hugely costly Judicial Review process). Internal Affairs, the Ombudsman, the Auditor General, the Police...who else? The entire financial reporting system also needs an overhaul.

There is also a need for consistency in ‘Partnership Funding’ and a new LG/CG agreement that all ‘wellbeing matters – projects and programmes’ will receive CG taxation support (noting arts, culture and heritage dependency on Lotteries funding).

Recommendations:

- Immediate need - infrastructure maintenance & upgrading fund.
- Require significant planning and financial documents to include evaluation statements from senior engineering and financial staff showing evidence of appropriate internal and external review and providing information that enhances public understanding of the technical and financial basis for recommendations.

Big Ideas

- **Time for a major constitutional review**

Negotiate a cross-party cross-community Constitutional Review to determine the Governance Structure and Public Sector requirements to best serve the collective public interest and democracy for the future at national, regional, local, and community levels – geopolitically, environmentally, culturally, and socially.

Central, regional and local government & how they fit together, noting that a single model does not always fit with local conditions. A popular grassroots model: Republic, bi-cameral House of Representatives (Parliament) in a federal structure (provinces/regions) plus local councils and community boards. An Upper House of directly elected constituent MPs, the Assembly of provincial/regionally elected ‘mayors’ who would also chair their local elected councils, and at the local level, city/town and village councils with Community Boards as required. The requirement of quarterly provincial/regional assemblies to promote and assess policy & legislative concepts prior to sign-off in the House.

General Conversations

There is support for the initial LG review focus “to achieve a resilient and sustainable system of local democracy and governance...” But an overall Government/Governance reset is indicated. And our call is for the public conversation to begin. Seriously.

LGNZ - “We need to boldly reimagine the role that our councils play in the wellbeing of our communities, our society, and the future of Aotearoa. The Future for Local Government Review is timely, not only because of the Government’s wider reform programme, but also because we’re seeing an increasing number of citizens losing trust in their governing institutions both at home and abroad. Local government must be equipped with the institutional and statutory frameworks to achieve enabling, accountable, inclusive and citizen-centred governance. Political trust begins at the flax roots, in our neighbourhoods, towns and cities. The Review is an important opportunity to reimagine our public service by putting the needs of communities at the heart of planning and delivery and enabling a joined-up approach to delivering to those needs...”

We have had half a century of formal warning about environmental damage and climate change (1972 UN Stockholm Declaration, 1992 Rio Declaration, 2007 Kyoto Protocol ...), three decades since NZ’s 1980s government structural reforms plus a handful of global economic shocks, and the 2020 Public Service Act reset. Today there are widely recognised concerns about underperformance in Health and Education, and Gabrielle illustrated the nation’s infrastructure and planning inadequacies.

We say:

Ditch the current review & start again...

'Build Back Better' – Our citizens' response to 2023's catastrophic weather events. These exposed interconnected weaknesses & failures - public policy & regulations, planning, infrastructure builds & maintenance, lack of institutional knowledge (government) & disregard for local/grassroots connections & awareness, inadequate management practices, technical services, & construction (housing on the swamps, roading, forestry & slash etc).

But grassroots social resilience & our helping hand culture was there.

The question is now *"How to mitigate in the longer term against such disasters with better urban design, better infrastructure, and better planning..."* (Tracy Watkins, Sunday Star Times)

'Integrated Government/Local Government Services' – transport, police/defence/civil defence, social services, housing, health, education, ...Maori development etc.

Promised so many times. Not delivered.

NOW. This cannot wait until overall structural reforms.

Transport includes roading, rail, air, river, sea/ports – No more rerouting aircraft from Auckland flooding to Christchurch with 'on call' Customs & Immigration services, and small airports spending zillions to promote themselves (Hamilton, Nelson, Rotorua...) Set up new integrated boards/CCOs with requirements to consider sustainable transport options regionally/and nationally, initially reporting to existing regional councils...

Re-housing (post-Gabrielle & post Covid) – set up new integrated boards/CCOs with requirements to provide wrap-around social development services, initially reporting to existing regional councils. All current out-sourced NGO contracts to be audited for clarity & effectiveness.

Re power, digital phone connectivity, & water supply - Immediately set up a research-based taskforce to report on best practices for sustainable future options on these essential services, taking into account power company profits, undergrounding services, solar/micro generation etc, micro-water holding & treatment systems, urban stormwater bunds & ground soakage systems and rescind 3Waters legislation & RMA replacement.

"No unfunded mandates" from central to local government.

CCOs, & external services

Concerns at an emerging influence (& cost) of the 'Big Four' global consultancies – the new corporate aristocracy/Mandarins/Oligarchs ([Big Four accounting firms - Wikipedia](#)) In July 2020, the UK [Financial Reporting Council](#) told the Big Four that they must submit plans by October 2020 to separate their audit and consultancy operations by 2024.^[2]

This also has impact on public sector recruitment/retention/remuneration etc... as 'the best and brightest' are hauled into this corporate sector, further bruising the 'public good' concept.

Recommend focus on NZ's publicly funded universities & Crown Research Institutes for independent research & advice, to build sustainable national institutional knowledge & research base in the global context, & open opportunities for both academia and postgraduate students.

Local government should explore MOUs & contract development for sustainable research & knowledge development with NZ's tertiary education & research sector. This could/should include Mataranga Maori.

Finance

Include public project costs (& increases) in all media & public notices – post-Gabrielle rebuild plus post-Covid impact (Waka Kotahi & Kainga Ora etc...)

Increase public understanding of public finances by simplification and clarity of financial plans and reports provided to Councillors and the public. This includes provision of a concise annual budget (1-2 pages) that is consistent with professional accounting standards and is understandable by citizens/residents, Councillors, and Council staff, and reveals Council choices on both the revenue and expenditure side.

Increase scrutiny & accountability

NB Many LG and CG examples of obfuscation/lack of clarity eg public housing & transport examples (social housing, motels, & purchases...national road safety campaign & highway art, Hamilton's roundabout upgrades, Te Awa cycleway bridge & Cobham-Peacocke bridge, weeds/weeds/weeds...).

Councillor remuneration

No to 'more pay', & current system of elected member remuneration - Restore element of 'public good' (& base-line of 'living wage'?).

Time-wasting - current council processes are excessively time-consuming & a barrier to citizens with outside interests/responsibilities (employment, business, community affairs). "We don't want full-time councillors. We want 'representatives'... not those who just want the job..."

No to term extension (unless new provision for public Recall)

Conclusion

We offer this submission and summary of issues raised through our Citizens Assemblies to prompt further public interest and discussion on what our democracy and system of leadership should look like for the future.

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