

30 January 2020

Local Government New Zealand
PO Box 1214
Wellington 6011

Mike.Reid@lgnz.co.nz

Christchurch City Council submission on Local Government New Zealand's Reinvigorating Local Democracy discussion paper

Introduction

1. Christchurch City Council (the Council) thanks Local Government New Zealand (LGNZ) for the opportunity to provide comment on the Reinvigorating Local Democracy discussion paper.
2. The Council also acknowledge and thank LGNZ for their ongoing commitment to encouraging stronger democracy in New Zealand and support for local government.
3. Please find attached the Council's feedback to the 15 questions posed in the discussion paper. These include recent findings and examples where pertinent.
4. The Council would like to highlight the value of close partnerships and cooperation we have with central government. We also highlight the value of similar partnerships with a diverse range of local communities and organisations. We believe that the best results happen when we work together, in partnership.
5. The Council's broad feedback on the discussion paper are:
 - a. The Council supports the overall vision of Localism to create a streamlined process for local councils and communities to develop negotiated partnerships with central government jointly agreeing, "What needs to be done and who is best placed to do it". Accordingly, the Council's preferred approach is for a negotiated process that is initiated and led by local government in partnership with their communities and confirmed through mutual agreement.
 - b. Any changes to roles and responsibilities for decision making and/or the provision of services (referred to in the paper as devolution) must be accompanied by sufficient funding, resources and decision-making authority to ensure there is the highest probability of success.
 - c. The Council supports the concept of a regulatory reform bill review process allowing local government to request the removal or amendment of legislation and regulations that constrain councils from acting in the best interests of their communities. It is important that, for every proposed change, all the implications are identified and mitigated, up front, to allow sustainable outcomes.
 - d. The Council is broadly supportive of local well-being plans influencing the national budget process. This should be embedded as part of the triennial Long Term Plan process, and must have reciprocal reassurance that the well-being report will not

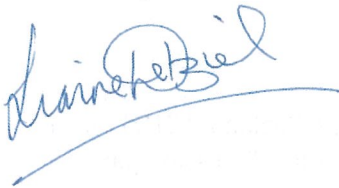
only inform the budget process, but will also impact on the delivery and allocation of central government funding.

Conclusion

Thank you for the opportunity to provide this submission.

For any clarification on points within this submission please contact Head of Community Support, Governance and Partnerships John Filsell (John.Filsell@ccc.govt.nz).

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Lianne Dalziel', with a horizontal line underneath.

Lianne Dalziel
Mayor of Christchurch

LOCALISM SUBMISSION FEEDBACK:	
Question:	CCC Response:
<p><i>1. Do you agree with the three recommendations in this section, devolution, negotiated devolution and removing constraints?</i></p>	<p>LGNZ Proposal: The LGNZ discussion paper makes three recommendations</p> <ol style="list-style-type: none"> 1. Devolution - Services, including the appropriate funding, should be transferred to local government (or an appropriately accountable local agency, such as an Iwi/Maori organisation), where it can be shown that improvements in efficiency and effectiveness will be achieved. 2. Negotiated devolution - A framework should be established to enable councils to apply to “take over” or run a function that is currently provided by a central government department or agency within their local jurisdiction. 3. Removing constraints - All constraints on councils and other providers that limit their ability to craft policies and programmes to address local issues should be systematically and cautiously assessed and removed if they prove unnecessary. <p>The discussion paper suggests a gradual process that begins with the transfer of functions and funding to areas that have both the will and capability to undertake them.</p> <p>CCC Response: We broadly agree with the three recommendations:</p> <p><i>Devolving local services</i></p> <ul style="list-style-type: none"> ▪ We support the devolution of decisions about services that benefit local communities. We agree that where preferences for services vary between localities and the benefits of those services are experienced locally, then responsibility for determining service levels should also be local. ▪ These decisions should be made or supported at the level of government as close as possible to those affected, and with provision for community participation in the planning and decision-making

processes. Because of councils focus on place and local knowledge, they are in a strong position to shape public expenditure in their role and mobilise local organisations, such as iwi/Māori, businesses and community groups, as well as citizens themselves, in order to identify local priorities and establish meaningful partnerships (Reid 2019). Local citizens and communities understand local issues and have the greatest interest in the decisions being made, so should be involved in the decision-making. Our communities have proven their competence to act and should be empowered, rather than be frustrated when excluded from decisions that impact them.

- Following the Christchurch earthquakes central government created multiple agencies, such as the Canterbury Earthquake Recovery Authority (CERA), to work on the city's recovery. Unfortunately, prior to establishing CERA there was not an assessment on what mechanisms or processes that existed, and what should remain after the initial response and recovery had been completed. New structures and mechanisms were created by the response agencies, supplanting or duplicating existing mechanisms and networks. As responsibility returned to Council, and central agencies departed and their networks and meeting structures discontinued, there were partnership and networking voids that needed to be re-established. The net effect of this was a lack of strong partnership at a time of great need that left communities feeling unsupported.
- By contrast, the response to the 15 March terrorist attack was delivered effectively through existing partnerships between central and local government. Communities and citizens that needed support were better represented, and through using the established networks there has been a continuity of services and personal contacts that have ensured that the support has been ongoing and targeted at those who need it most.

Negotiated devolution and removing constraints

- We propose amending the recommendation to focus on a negotiated approach to devolution and the removal of constraints.
- The devolution of services or decision-making should be led by local government, undertaken in negotiation with local communities, organisations, mana whenua and central government agencies. The same principle applies to the removal of legislative or other constraints; it should not be applied unilaterally by central government; this should be elevated from local government.

2. *If not what would you change?*

LGNZ Proposal:

LGNZ are seeking the CCC view on what changes we would make to the three recommendations presented in Question One.

CCC Response:

Community engagement, participation and activation

- We note that the discussion paper identifies that localism is not just about shifting decision-making from central government to local government, it also involves giving citizens themselves the ability to be directly involved in the decision-making process. We want to devolve power to communities through a reform of the local government system, not a devolution of power to local government per se.
- We believe that the recommendations should have a greater focus on community engagement, participation and activation.
- Communities must have influence over the strategic decisions which affect their services, as well as matters of implementation and delivery. We believe that localism /devolution should be accompanied by:
 - Citizen engagement and participation
 - Community empowerment and activation, including local organisations, such as hapu/iwi/Māori, businesses and community groups
 - Resourcing of communities
 - Collaborative, community-focused culture.
- This will require the adoption of more participatory and deliberative approaches to decision-making, and the establishment of a mechanism for community empowerment.
- One route to that engagement is through a genuine community governance partnership with community boards.

Central-local Partnership

- We note that the forward to the discussion paper highlights the importance of collaborative partnerships between central and local government. This concept is not empathised in the recommendations.
- There have also been some excellent examples of close partnership between central and local government that highlight the importance of working together.
- We recognise that strong, connected and active communities lie at the heart of community well-being. A collective partnership approach is required to address national and community mental well-being in an increasingly interconnected region. In 2017 the Community Resilience Partnership Fund was established through a partnership between Christchurch City Council, Ministry of Health, the Canterbury Psychosocial Governance Group, and neighbouring Councils. The three year project remains ongoing, with central government providing \$3 million, matched by the same level of funding from the Christchurch City Council. This initiative has been an excellent example of a flexible partnership delivering significant results for community well-being, including funding support in the wake of the 15 March terrorist attack.
- The Christchurch Housing Accord was a partnership between Christchurch City Council and central government, and ran from 2014 to 2018. The intent was to increase the supply and affordability of homes in Christchurch given significant level of damage and destruction following the earthquakes. The Accord's purpose was to incentivise private investment in housing development, better use council and crown assets, and work with partners to encourage the development of affordable and social housing.

Te Tiriti o Waitangi.

- We recommend that all future thinking should also consider how to best recognise and encourage diversity of communities, including how localism aligns with the commitment to Te Tiriti o Waitangi.

Equity

- We believe that the principles of equity and fairness between local governments, regardless of size, are key to the concept of a negotiated devolution. Any shift towards communities having greater control will likely need the support of policies, practices and structures to ensure equity and equality of access to core services, regardless of the size or prosperity of the community.

	<ul style="list-style-type: none"> ▪ It is also worth noting that local governments and communities are usually focused on achieving tasks and maintaining services, and may not have conducted any assessment of the opportunities available with a devolution framework. Assessing opportunities should happen during the Long Term Plan development phase as this would be a substantial piece of work that should be deliberately linked to ongoing plans.
<p>3. <i>What, if any, functions currently provided by central government should be devolved to councils and other local organisations like iwi/Maori and not for profit organisations?</i></p> <p><i>And</i></p> <p>4. <i>What, if any, central government responsibilities would be more effective if your council, or other local organisation, applied to take them over under the negotiated devolution approach?</i></p>	<p>LGNZ Proposal:</p> <ul style="list-style-type: none"> ▪ The LGNZ discussion paper suggests that the high level of centralisation in New Zealand means there are significant opportunities for specific functions to be devolved from central to local government. Under devolution, these opportunities would be identified and initiated by central government, and passed to local government. ▪ LGNZ have provided some functions to consider but there are likely to be region or city specific opportunities to raise for discussion, including: <ul style="list-style-type: none"> ○ Training and Education ○ Welfare services ○ Mental health services ○ Social housing ○ Public health ○ Integration and coordination of social services (including "fragmented social services") ○ Services enabling older citizens to "age in place" ○ Urban development ○ Employment ○ Services for young people not in employment or training ○ Regulations around pre-fabricated buildings, regional public transport, and Resource Management Act exceptions

	<p>CCC Response:</p> <ul style="list-style-type: none"> ▪ We believe that there should not be a defined set of functions or services for devolving to local government, Iwi, organisations or community groups as this sets unnecessary parameters that limit the ideas and possibilities that could be developed. ▪ Being flexible regarding what can be devolved allows groups to identify local solutions to local problems, reinforcing the benefit of a 'bottom-up' approach, and empowers our communities. ▪ The test of whether a service should be devolved needs to be whether community wellbeing would be promoted by a collaborative or devolved approach. What passes the test in one community may not in another. Being flexible enough to respond to issues and opportunities is far more important than having a fixed suite of functions that would/could be devolved. ▪ For example, central government contracts the New Zealand Red Cross to cover refugee resettlement across the country. In Christchurch the Council works with numerous organisations involved in refugee support, and believe there is an opportunity for the Council to take the lead with an umbrella model that helps provide context for supporting networks, and better utilise the strengths of each organisation. We believe that central government could consider the umbrella approach in similar cases in the future, rather than instituting a centrally managed national contract.
<p><i>5. Can you identify legislative and regulatory constraints on councils and other local organisations that limit their ability to be responsive to local needs?</i></p>	<p>LGNZ Proposal:</p> <ul style="list-style-type: none"> ▪ The discussion paper identifies that the ability of local services to meet the needs and preferences of communities is not only constrained by the degree to which they are centralised but also, in some cases, by the presence of regulations that limit or distort local decision-making. ▪ The discussion paper suggests giving communities the right to have a meaningful say in how their areas develop and removing the more egregious rules and regulations that limit what councils can do. LGNZ proposes that local government have the opportunity every five years to propose a regulatory reform Bill for the purpose of removing or amending legislation and regulations that constrain the ability of councils to act in the best interest of their communities.

CCC Response:

- There are a number of legislative and regulatory constraints on councils that limit their ability to be responsive to local needs. In many cases a one-size-fits-all approach across varying territorial authorities is not efficient or effective, and policies may need to be tailored by local governments to meet their unique local area needs. Some examples are outlined below.

Introduce Infringement Regulations

- Since 2002 the Council has consistently submitted that the infringement regime provided for in the Local Government Act must be made operative through the introduction of regulations. We recommend that central government consider enabling local government to enforce offences under the Local Government Act (and when a bylaw provision is breached) through the issue of infringement offences and the collection of instant fines. Council already has experience of this approach as it currently occurs for breaches of traffic bylaws, freedom camping bylaws and for many Resource Management Act and Building Act offences.
- Bylaws can be thought of as ‘local’ laws, they reflect local concerns about place-based issues. Enacting a bylaw is a considerable local investment that is responsive to local needs. However, not being able to efficiently and effectively enforce a bylaw is a constraint that limits Council’s ability to be responsive to local needs. Examples include water wastage and water race offences (s224 and 228), obstructions offences (s229), failure to comply with notices or directions (s230, 231, 238) and damage to Council property (s232).
- The current dynamic requiring local governments to prosecute is time consuming and expensive, and is not fit for purpose. It places an additional burden on the community, both as a result of offences not being enforced due to the high cost of bringing a prosecution, and if a high cost prosecution is pursued.

Location and Density of Fast Food Outlets

- The Council had limited regulatory options to respond to recent and ongoing community concerns about the proliferation of fast food outlets in low socio-economic areas, particularly near schools. Legal opinion was that there is a high risk of judicial challenge (with costs) associated with the development of a bylaw or control through the District Plan because of the current legal framework.

- For example, the Resource Management Act (RMA) and the Council's functions under it, do not enable the regulation of the location of fast food outlets to manage the health related effects of fast food through the District Plan. While there are relatively wide bylaw making powers in section 145 of the Local Government Act 2002 (LGA 02) and section 64 of the Health Act 1956, legal opinion was that a bylaw is likely to 'in effect' contravene section 12(6) of the Food Act 2014. Both the Food Act 2014 and the Local Government Act 2002 expressly state that a Council must not make a bylaw that is inconsistent with the Food Act 2014.

Local Alcohol Policies

- The Sale and Supply of Liquor Act 2012 legislation enabled councils to develop Local Alcohol Policies (LAP) in order to reflect the communities' preferences for where and when alcohol can be sold. However, the 'reasonableness' test able to be applied to LAP provisions via an appeal, largely renders local preferences ultra vires as community preferences must be based on a robust foundation of evidence which can be difficult to obtain. Having undertaken significant local consultation and engagement the biggest difficulty is the wide ground on which a LAP can be appealed and the costs councils face in defending appeals. As a result, the majority of LAPs so far developed have been appealed by alcohol industry groups and, in most cases, have resulted in LAPs that reflect only the national legislation, rather than local community preferences.
- Recently, in Christchurch, the council developed a provisional LAP and entered a mediation process with all 19 appellants. While the Council eventually resolved 17 of the 19 appeals, one appellant successfully filed judicial review proceedings against the Council. After more than \$1m in costs (mostly incurred during the mediation process) the Council decided not to proceed with a LAP.
- The Sale and Supply of Alcohol (Renewal of Licences) Amendment Bill (No 2) is currently before the House and, while this Bill will address the practical issue of introducing new maximum trading hours, it does not address the lack of weight able to be given to community preferences in getting a LAP through the appeal process to final adoption.

Registration of short term accommodation providers

- The explosion in the use of online booking platforms for short term accommodation (such as Airbnb) is proving difficult for councils to manage effectively and efficiently with existing regulatory frameworks. For example, it is virtually impossible to monitor and enforce regulations, including District Plan rules, without legislative requirements such as compulsory registration. The lack of

	<p>resolution means there are high costs for councils who choose to monitor and enforce and creates frustration for residents and formal accommodation providers impacted by the lack of regulation.</p> <ul style="list-style-type: none"> ▪ This council put a remit to the LGNZ conference to seek legislation requiring registration and effective tools to deter non-compliance. However, there has been little progress in this area, and the situation is deteriorating. <p>Other</p> <ul style="list-style-type: none"> ▪ We note the RMA review that is currently underway and believe this provides the opportunity for some of the changes identified here in pursuit of improvements of local government practices to be introduced. ▪ It is also worth noting the district plan change process which is often seen as slow and time consuming. It is recommended that this be reviewed to become streamlined and less burdensome on local government. <p>The issues identified here are unlikely to be the last, as technology develops beyond existing policy levers. We recommend that central government consider proactive means for greater collaboration with local government to respond to these emerging challenges.</p>
<p><i>6. What additional form of funding or tax should councils have access to in order to meet community expectations and address future challenges?</i></p>	<p>LGNZ Proposal:</p> <p>The proposal identifies that that a key challenge for localism is funding; community ownership for solutions to local problems requires fiscal discretion. The current funding mechanism for councils does not incentivise a tax base growth to invest in new services, amenities and infrastructure. LGNZ suggest some examples for consideration:</p> <ul style="list-style-type: none"> ▪ Introduction of a local tax specific to the local authority, which could be done through various means, including a redistribution of GST spent in the local authority territory. ▪ Creation of a "tax swap" whereby central government agrees to share a proportion of its GST income with incomes in exchange for a share of rates. This would create an incentive to promote local economic growth to increase GST returns.

CCC Response:

- We believe it is critical that any transfer of functions is accompanied by:
 - funding necessary to plan and provide the services, or
 - the means by which the responsible agency can raise the necessary revenue.

- We recommend that this should be referred to the NZ Productivity Commission, particularly noting their report on Local Government Funding and Financing which presents a comprehensive suite of options. We note that funding available to central government comes from the larger tax base than what is drawn from property value tax, so any transfer of services or projects needs to carefully consider funding mechanisms.

Options of particular interest to this Council include:

- **Central Government transfers** to fund costs incurred by local government when undertaking mandated community engagement, strategic and service planning, service delivery and impact monitoring and reporting. The transfers should be sufficient to cover all costs incurred to deliver wellbeing improvements (over an alternative delivery method) with no call on council rates. An example of where this happened for a brief period to great effect was in HPA funding a facilitator to manage the implementation of the Christchurch Alcohol Action Plan, a collaborative approach to reducing alcohol harm and which included input from Council, Canterbury District Health Board, Community and Public Health and NZ Police amongst others. Following withdrawal of the funding and the consequent lack of a dedicated facilitator, this programme has stalled.
- **Fees and charges to recover certain policy development and implementation costs.** Two policies that are a significant cost on ratepayers but should be funded by the beneficiary/exacerbator are the development contributions policy (for which policy development, implementation and administration should be funded by developers rather than existing ratepayers) and the local alcohol policy (which should be funded from license fees rather than by ratepayers).
- **Local visitor levy.** Councils should have the ability to charge a levy on visitors via a bed tax to fund infrastructure and services provided to meet visitor demand and/ or level of service expectations. The ability to charge a visitor levy should be provided for under the LGRA rather than through

	<p>bespoke legislation. The process QLDC are undertaking without resolution highlights the need for central government to be more receptive to local needs. Visitor levies are used around the world and provide an efficient means of having visitors pay a fair share towards the infrastructure and services they use.</p> <ul style="list-style-type: none"> ▪ Resource royalty. This particularly applies to water for this Council. To achieve this there would need to be clarity around resource ownership and/or control of water resources (or other natural resources that might fall under a potential royalty regime). ▪ GST transfer. A share of GST collected in each district should be returned to the relevant council by the Government with no constraints on how it is spent (communities should decide this for themselves). This is, in our view, the most viable form of “buoyancy tax” available to help fund local government on the basis of local economic performance. There are many examples around the world where central government shares revenue with local government. ▪ Road tolls. Councils should be free to apply road tolls on any road they control. Tolls are an effective method of revenue generation as well as providing an effective mode shift tool for councils. Given the responses to climate change required from councils and communities this type of tool is likely to prove to be a necessity going forward. ▪ Congestion charges. Exactly the same rationale applies as for road tolls.
<p>7. <i>What process should councils go through in order to implement a new levy or tax?</i></p>	<p>LGNZ Proposal:</p> <ul style="list-style-type: none"> ▪ LGNZ are proposing that local governments be able to develop locally specific funding tools targeting sectors of note. These could include developing a local levy or tax to meet exceptional demands (such as tourism), or the establishment of resource rental taxes or royalty taxes (such as on mining). <p>CCC Response:</p> <ul style="list-style-type: none"> ▪ We believe that Councils should be able to implement new levies or taxes that can be collected by the council itself (or on its behalf). Central government could approve the broad parameters for local government initiated levies or taxes, which would then be implemented by local government in a manner specific to local conditions in line with appropriate community engagement. ▪ We note that central government funding sporadically falls short of projected budget requirements on some projects. When funding will be insufficient and local government is required to pay for the

	<p>additional expense, it is important that the spirit of partnership between central government, local government and the community is maintained, to ensure there is a mandate for any new levies, taxes or expenditure from rates.</p>
<p><i>8. Do you agree that the government's annual well-being budget process should be informed by priorities set by each community?</i></p>	<p>LGNZ Proposal:</p> <ul style="list-style-type: none"> ▪ LGNZ note that central government budget priority setting has shifted to a holistic approach to inter-generational well-being. ▪ The discussion paper suggests the citizens need the opportunity to identify priorities that are relevant to their communities. It identifies that options for achieving this might include: <ul style="list-style-type: none"> ○ Encouraging councils, working collaboratively with local partners, to prepare local well-being plans setting out well-being priorities ○ Ensuring that well-being plans are an input when the Government is preparing its annual well-being budget ○ Strengthening accountability and effectiveness by having councils report on their economic, social, cultural and environment activities, in their annual plans, much the same way that publicly listed companies do in relation to their targets. ○ Requiring central government to also complete its own “well-being annual report” ▪ This supports local government's focus on the well-being of communities, but the views on how to achieve well-being may not be consistent between central and local government. <p>CCC Response:</p> <ul style="list-style-type: none"> ▪ Local government is ideally positioned to assist central government to better understand and prioritise local investment in well-being. ▪ We believe that devolution should be underpinned by the government's desire to shift to a well-being orientation, as this is designed to drive a more joined-up and less-siloed approach to public policy (Reid 2019). ▪ The principle of local well-being plans informing the national budget embodies the partnership ideal that we see as critical. As such, we support in principle the prospect of local government informing

	<p>the priorities of the well-being budget. However, we note that changes in well-being at the local government level can be difficult to assess across a one-year period, and a significant amount of data is accrued over multiple years.</p> <ul style="list-style-type: none"> ▪ Accordingly, we would like to identify the opportunity for local governments to inform the central government budget process as part of their Long Term Plan review. This would typically allow local governments the opportunity to inform national priorities and develop our own priorities at the same time, without additional burdensome reporting in the interim periods. This could also align with project timelines and finalised negotiated devolution services. ▪ We also note that any budget priorities informed by this process consider a separate allocation for local priorities where appropriate. This furthers the positive partnership concept through allowing local government and communities to address specific needs, without compromising the national level project.
<p><i>9. What roles could councils play to ensure that government spending on well-being addresses local needs and priorities?</i></p>	<p>LGNZ Proposal:</p> <ul style="list-style-type: none"> ▪ LGNZ propose that local government could play a key role in ensuring local needs and priorities are included in national budget setting. ▪ Citizens need the opportunity to identify community priorities that require greater investment or attention. ▪ For example, greater local government involvement in budget setting could reduce short term policy and programme trials that are not sustained upon completion. As communities better understand what is required, much of the trial research would not be required as community knowledge would enable better targeting of resources and project delivery. ▪ Examples for greater citizen engagement could include: <ul style="list-style-type: none"> ○ Encouraging local government to prepare local well-being priorities or plans. ○ Ensuring local government well-being plans are formally acknowledged as input to the national government well-being budget.

	<ul style="list-style-type: none"> ○ Strengthening accountability by councils reporting on their economic, social, cultural and environment activities in their annual plans. Central government would also release its own annual well-being report to highlight achievements rather than simply spending decisions. ● LGNZ have asked what role local governments could play to ensure central government spending addresses local needs and priorities. <p>CCC Response:</p> <ul style="list-style-type: none"> ▪ Local government would play a significant role for national well-being under a negotiated devolution process due to expert knowledge of local issues and possible solutions. A collaborative approach between central and local government would see an improved service delivery with more accurate budget setting, with superior targeting for communities most in need. ▪ We note that the central government budgetary process often leads to the funding of pilot or short-term projects conducted in local government jurisdiction. We agree with the proposal that these shorter projects do not address the long-term issues that local governments often face. Greater local government involvement in the targeting of central government spending will increase the opportunity for projects to have long-term impacts, introduce greater financial prudence through use of local resources, and meet local government priorities that have been set by the community.
<p>10. Do you agree with the suggestion of local well-being plans and reports?</p>	<p>LGNZ Proposal:</p> <ul style="list-style-type: none"> ▪ LGNZ have proposed that local governments consider developing local well-being plans which would become formal input to national budget setting. Local well-being reports would help shift the focus from financial decisions to better explore the societal impacts. <p>CCC Response:</p> <ul style="list-style-type: none"> ▪ The concept of local well-being plans and reports is broadly welcomed, but the inherent complexity in developing and maintaining these means these should not be compulsory across local governments, and should not have a prescriptive format – they should be flexible to suit the local

	<p>government and community needs. Their development should be done in partnership with central government to ensure they are designed in a way that can support the national well-being budget.</p> <ul style="list-style-type: none"> ▪ Appropriate funding would need to be allocated as part of the devolution process to enable this to happen. ▪ To support this partnership, central government should develop a nationally agreed and consistent data set of wellbeing indicators that councils can access to inform the plans and reports.
<p><i>11. What additional approaches could be used to strengthen participation in local government decision-making?</i></p>	<p>LGNZ Proposal:</p> <ul style="list-style-type: none"> ▪ LGNZ note that democracy is under pressure with fewer people voting, and trust in democratic institutions declining. It suggests that a key reason for this "democratic recession" is the growth in the number of citizens who feel marginalised and excluded from social and political life. ▪ LGNZ proposes that the solution to disempowerment is more democracy, particularly at a "grass roots" level in the communities will allow citizens to have a meaningful say in the way their town or city develops. This is particularly relevant if local government is given additional roles, functions or funding. ▪ The discussion paper suggests that localism is not just about shifting decision-making from central to local government, but also involves giving citizens a greater ability to be directly involved in decision making. This may be a shift away from the pure "representative" model of democracy currently in use. LGNZ have provided some examples: <ul style="list-style-type: none"> ○ Sub-municipal bodies – strengthening the community board networks. ○ Participatory budgeting – individual community wards set shares of the local government budget. <p>CCC Response:</p> <ul style="list-style-type: none"> ▪ Greater emphasis should be given to the value of sub-municipal bodies such as Community Boards, as they offer a relatively unique approach for instituting Localism due to their proximity and close relationship with the community. The role of Community Boards should be supported by the

	<p>consistent and long-term delegation of powers. This will promote Localism by empowering sub-municipal bodies, allowing longer term planning and investment in capacity.</p> <ul style="list-style-type: none"> ▪ As noted in the first question, this Council is in the process of instituting a Governance Partnership Agreement between Community Boards and Council, which ensures greater inclusion of community needs into Council planning and recognises the importance of Community Board Plans as strategic documents. This confers reciprocal responsibilities on Council and community boards to keep each other informed of consultative processes by third parties. This approach will strengthen participation in local government decision-making, by creating greater opportunities for community issues to be elevated. ▪ We also note that there is an opportunity for better public education through greater community-led decision making. It is apparent that there is little public awareness or knowledge of the role of Community Boards and the functions they undertake. It would be worth noting in this proposal that there are various models of local government in New Zealand, particularly around the role of Community Boards. The proposal would benefit from highlighting some of the different models and how the recommendations might work across this variety. ▪ Christchurch maintains seven different Community Boards who have direct engagement with citizens and community organisations, while Wellington City Council has one and the Far North District Council Community Boards are given delegations into areas such as parking meters and related fees. This variety highlights that there cannot be a one-size-fits-all approach to local government support to communities.
<p><i>12. What needs to change to strengthen relationships between councils, Iwi/Maori, business organisations and the community/voluntary sector?</i></p>	<p>LGNZ Proposal:</p> <ul style="list-style-type: none"> • LGNZ note that increasing democratic participation in local government decision making requires strong relationships with all interested parties. Empowering civic society to be engaged with civic society decision-making will drive improvements. • The submission notes that all models will likely be local in scope, as each community will require bespoke solutions to unique challenges. • LGNZ are seeking CCC views on how local government can improve relations between council, Iwi/Māori, the business community, and citizens and community.

	<p>CCC Response:</p> <ul style="list-style-type: none"> ▪ We believe that the principle of partnership needs to be the underlying factor that strengthens relationships across the community sector. This approach within a negotiated devolution environment would necessitate a close working relationship between community boards, council, Iwi, organisations and the community. ▪ We also believe that a streamlined funding and service delivery process between central government and communities, with local government support, would encourage stronger relationships and public participation.
<p><i>13. Do you agree that legislation will solve the unfunded mandates and cost shifting problem?</i></p>	<p>LGNZ Proposal:</p> <ul style="list-style-type: none"> ▪ The discussion paper suggests that unfunded mandates and cost shifting are the result of central government projects or services that fail to provide the necessary funding. Local government authorities can be left to provide funding to ensure these services do not negatively impact local communities, but can end in a situation whereby central government receives the credit for success, with local government blamed for increased rates. ▪ This situation can also occur when central government institutes national level changes that carry financial impacts for local government, such as dog control. ▪ LGNZ believe that preventing cost shifting and unfunded mandates is important, as they stem from arbitrary interventions from central government without partnering with local government. The lack of partnership reduces the willingness of citizens to be further involved in local decision making. ▪ LGNZ propose that legislation is drafted to stop cost shifting and unfunded mandates, or require that new measures: <ul style="list-style-type: none"> ○ Require central government officials to disclose the impact on local tax payers ○ Oblige central government policy makers to provide sufficient funding, or ○ Provide a local tax or levy sufficient to enable councils to pay for any new duty or enhanced levels of service.

	<p>CCC Response:</p> <ul style="list-style-type: none"> ▪ We agree that legislative changes could solve some of these issues if introduced. We recommend that regulatory impact statements are given more recognition in the legislative process to clearly identify and address unfunded mandates and cost shifting. ▪ We have seen examples where central government funded projects are not provided sufficient funding or resources as determined by project scoping documents, particularly in youth justice and health initiatives. As a result of shortfalls in central government funding, Christchurch City Council is regularly approached for funding to be drawn from community support funds. This results in our ratepayers funding a project that local government did not initiate or have any decision-making power over. We believe that projects should be initiated as a partnership with local governments to support superior targeting and budget projection.
<p><i>14. Are there other measures that you would recommend to reduce costs being imposed on councils?</i></p>	<p>LGNZ Proposal:</p> <ul style="list-style-type: none"> ▪ LGNZ have included this open question for CCC to provide additional input on preventing additional costs being imposed on local government that is not related to legislative amendments. <p>CCC Response:</p> <ul style="list-style-type: none"> ▪ We recommend that any negotiated devolution process be required to include mechanisms for the transfer of resources and funding, or a 'charge-back' process to central government. This would reduce the likelihood of unexpected costs for councils and communities and would ensure service provision matched agreed resourcing.
<p><i>15. What else could be done to protect the constitutional status of local government?</i></p>	<p>LGNZ Proposal:</p> <ul style="list-style-type: none"> ▪ LGNZ note that a constitutional safeguard may be required to strengthen the separation of powers between central and local government. This would be subject to any changes surrounding the unfunded mandate issue. ▪ A safeguard would provide voters the reassurance for transparency and accountability at both levels of government.

- | | |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none">▪ As a formal constitution is not an option available to New Zealand under current arrangements, an unfunded mandate act would be the most appropriate option for establishing formality around the relationship between central and local government. |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

CCC Response:

- We have nothing additional to add; this question is covered in previous answers.