



**RANGITIKEI**  
DISTRICT COUNCIL

Submission by:



To:



Te Arotake i te Anamata  
mō Ngā Kaunihera  
Review into the Future for  
Local Government

In relation to:

**He mata whāriki, he matawhānui**

**Draft report**

23 February 2023

*Making this place home.*

## 1.0 Introduction

- The Rangitikei District Council (RDC) welcomes the opportunity to make submissions (the submission) on the Review Panel's (the Panel's) draft report (the report) released in October 2022.
- RDC has followed the progress of the Inquiry with great interest and engaged with the Panel back in March 2022, particularly in relation to the five key shifts the Panel identified for consideration at that time.
- It notes the report is not a 'draft' of the Panel's final report, providing a significant amount of information on the Panel's thinking, an initial set of recommendations, and asking a range of further questions.
- RDC has considered the report in some detail applying the lens of the five key shifts on which most of the chapters are based, as well as discussing the structure examples set out in the report.
- To avoid duplication and provide a rounded RDC response, the submission notes the key points made back in March 2022 and builds on these with further feedback for the Panel to consider.

## 2.0 Revitalising citizen-led democracy & Replenishing and building on representative democracy - Chapters 2 & 7

### ***What RDC said to the Panel in March 2022 about "Shift 1" - strengthening local democracy:***

- *Rangitikei District Council is a district with only 16,500 people, but multiple small towns, eight iwi and a large land area. We are now experiencing growth which is putting significant pressure on land, housing, and services; all these provide a representation challenge in hearing the voice of the community:*
- *If RDC was to end up under a larger entity, with responsibilities similar to that of a Community Board, it would have limited ability to strengthen local initiatives and community involvement.*
- *If the Panel suggested a larger population base is required for Local Government in future, it will be even harder for decision makers to understand the needs and challenges of each community...currently there is a significant part of the population who are excluded/not engaged with Local Government, this would be more difficult at a larger scale.*

### **February 2023:**

- In October 2022 the RDC welcomed two newly established tangata whenua ward representatives and four new general ward Councillors to the Council of 12 representatives, including re-elected Mayor Andy Watson.
- Rangitikei also has two community boards and four community committees, the latter covering each of four towns, as well as an active Youth Council.
- RDC has closely considered the Panel's quite specific recommendations about representative democracy as these need, in the Council's view, to be coordinated with what might change at a national level as a result of the current Independent Electoral Review.
- *Electoral Term* - The Council sees advantages and disadvantages in lengthening the term to four years. In itself it won't necessarily 'strengthen local democracy'. There may be efficiency gains, but much depends on what happens at a national level and when; and, also how the planning requirements such as the three-yearly long-term plan reviews are dealt with.
- *Voting age* - At this time a reduction in voting age to 16 years is not generally supported by the Council. A key concern is the need to better civics education generally and in schools particularly, as the basis for any future move in this respect.

- *Universal Single Transferrable Vote* – The Council generally sees merit in a single system across local government, but again much depends on what might happen at a national level. It may be that STV provides a better representation of peoples’ overall preferences across the electorate, but it can be challenging when there is a large number of candidates.
- *Employment provisions of chief executives* – RDC does not have a strong view on this matter, but sees merit in it being addressed, noting that the Public Service Act provides for a CE to have a term for 5 years and can have multiple terms, while under the Local Government Act Council CE roles must be advertised after the 5/7 years. Although incumbent CEs can reapply, many have an inbuilt expectation to only live so long in the role. RDC agrees that it is important for overall Council performance for the CE to have a positive employment relationship and sense of security, which is not always the case under such provisions.

### **3.0 Allocating roles and functions in a way that enhances local wellbeing & Local Government as champion and activator of wellbeing - Chapters 4 and 5**

#### ***What RDC said to the Panel in March 2022 about ‘Shift 2’ - stronger focus on wellbeing:***

- *Frameworks and funding for achieving community wellbeing need to be simplified and administered locally to allow the different agencies to work together on achieving shared outcomes, this will require additional government funding. From a wellbeing perspective, the key issues that Local Government must and can influence are:*
  - *Employment outcomes, including the link between non-mainstream education and training*
  - *Community’s link with MSD and other wellbeing support services*
  - *Cross-agency health outcomes*
  - *Social housing and funding*
- *As well as focusing on the potential new remit for Local Government, it is important that the Panel also considers how to best continue to deliver existing core services such as rural based roading, which are critical to the social and economic wellbeing of our community.*
- *Local Government is the best avenue for providing localism into big picture economic decision-making by:*
  - *Advocating for its communities, and*
  - *Understanding how policies will work on the ground and how to customise these to result in better outcomes for specific communities.*

#### **February 2023:**

- There is a huge ‘PR’ exercise required to get the public ‘attuned’ to councils and understand that councils focus is increasingly on local wellbeing. Presently there is a disconnect between the local council and people’s daily lives, in the role councils play.
- As previously indicated the opportunity is there for councils like RDC to be more influential in local wellbeing, more opportunities to be involved; but this is subject to more funding and resourcing at the right level.
- RDC believes that there is an opportunity to collect community views on dimensions of wellbeing that they want council to focus on, instead of a pre-determined definition provided centrally. Everybody has a different perspective of wellbeing across society, and this includes a Te Ao Māori perspective.
- The reinstatement of the four wellbeings gives a wider scope to consider supporting activities that otherwise would not be relevant under the LG Act, e.g., social housing. Councils can choose what to invest in, but wellbeing gives the opportunity and mandate.

- RDC notes the core principles set out in the report in relation to any review of the future allocation of roles and functions. Council supports recognising and giving consideration to these values in Council decision-making, but not an implication that this would be mandatory.
- RDC has previously indicated that as well as considering new remits, it is important to consider how Council will deliver existing services. If Councils' take on additional responsibilities, there is a risk of losing sight of core responsibilities or finding funding does not stretch far enough.
- RDC notes that a number of councils have expressed a desire to have a first principles review to consider what is the right level for each function.
- But it also notes concern across the sector around unfunded mandates. If Central Government requires more services from Councils, funding should be provided. Councils have already seen things being devolved without funding coming alongside. Funding alignment should be a core principle.

#### **4.0 A Tiriti-based partnership between Māori and local government - Chapter 3**

##### ***What RDC said to the Panel in March 2022 about 'Shift 3'- authentic relationship with Hapū/Iwi/Māori:***

- *The future relationship needs to be shaped considering the Māori world view and the principles of kaitiakitanga which has a different meaning and emphasis than co-governance*
- *The future Local Government system should provide clearer guidelines on what an effective iwi partnership looks like*
- *Rangitikei has the resources of eight iwi with huge participation potential if the system is set up to support this, however*
  - *Iwi/hapū capacity and capability need to be addressed and resources need to be made available to support this*
  - *Reform of the Pakeha – Māori relationship is needed all the way up to central government.*

##### **February 2023:**

- RDC supports consideration of Māori worldviews as part of decision making, but the system needed clearer guidance on what the future partnership may look like. Clarity is sought about what co-governance means and how it might be appropriately expressed in Council actions.
- It is important to note that the Council, like others, has developed strong existing relationships and it doesn't want to destabilise what is already working, nor undermine it with a new system.

#### **5.0 A stronger relationship between central and local government - Chapter 5**

##### ***What RDC said to the Panel in March 2022 about 'Shift 4'- genuine partnership between CG/LG:***

- *The reality and needs for residents in small town New Zealand is substantially different from those in Wellington. Local Government is close to its community and understands their issues and needs. One-size fits all CG policies often do not fit those needs*
- *Regulation and reform outcomes should be considered for the impact they will have on someone in Taihape as well as for someone in Auckland. There should be a mechanism for Local Government's knowledge and voice to be better utilised when Central Government is designing new policies. This will enable a practicality/sense check from a local implementation perspective.*

- *Central and Local Government have different perspectives and need to act in the interests of their respective communities. This will naturally result in differences in opinion from time to time. However, this must be underpinned by a high trust model in both directions. Local Government feels threatened by Central Government's willingness to assert authority but has no ability in return to meaningfully oppose additional regulatory burden, responsibilities, and constraints.*
- *The boundaries problem needs addressing... it prevents RDC and the region from developing a consistent geographical presence that can collaborate across agencies. This collaboration will be critical if Councils are expected to take on a broader remit for wellbeing and respond to issues that cut across health, justice, social development, and local community services.*

#### **February 2023:**

- There are several avenues for local government to engage with, and influence, Central Government. Councils make individual submissions and participate in the remit process through LGNZ, but there is no requirement that Central Government has to respond. RDC would like to see a requirement that Central Government actively consider remits, even if they cannot be bound to action them
- By comparison there are a range of proposals that come out of Wellington-based agencies or inquiries that have attached a requirement for government to respond, and for that response to be tabled in Parliament
- RDC suggests that remits passed by LGNZ, as the organisation that represents the interests of local government, be given the same status (consideration) as reports or recommendations from central agencies; including the opportunity for the house of representatives to give consideration to such 'submissions' in the same way Councils are required to give consideration to submissions on their planning documents.

## **6.0 Building an equitable, sustainable funding and financing system – Chapter 8**

### ***What RDC said to the Panel in March 2022 about 'Shift 5'- more equitable funding:***

- *RDC believes that the current rating system should be substantially reduced as the primary way of funding Local Government*
- *There should be a distribution of taxation from Central Government, as this:*
  - *Allows for progressive tax principles;*
  - *Is better suited to delivering social and community wellbeing rather than property-based services. Delivering social services via a property-based rate is unlikely to be equitable;*
  - *Is needs based, not just population based*
- *Local assets, including rural roads, are key supporting elements of placemaking and wellbeing and will continue to require funding – which could remain via a rates-based funding system*
- *Sources of external funding, sponsorship and partnerships must also be explored*
- *Equity between different groups of ratepayers (e.g., urban, rural, and business) must be maintained in any new system. Equity between districts is also important, as already recognised via Waka Kotahi Financial Assistance Rates and this should be considered in the design of any new funding system.*



### **February 2023:**

- In relation to the appropriate basis and process for allocating central government funding, RDC believes more consideration should be given to where government income is generated from, on a district basis.
- The Council believes that Government should pay rates on a consistent capital basis, noting that some districts are only rated on land value.
- While rates are the dominant source of funding, should there be additional service delivery functions by local councils such as RDC, then consider having these funded from sources other than rates.
- RDC supports the long-held local government sector viewpoint that GST on rates is a tax on tax, that offends the principles of fair and appropriate taxation and that GST should go back to the district of origin.

## **7.0 Designing the local government system to enable the change we need – Chapter 9**

- Currently unitary councils vary greatly in size and the smaller ones seem to work well. This should be an option retained for the future and not necessarily aligned with existing regional boundaries. These are catchment based whereas there a range of existing social and economic factors that should be accorded more weight in the future
- Unitary authorities provide a one stop shop, avoiding times where a resident is unaware which council to approach or how responsibilities are split, and may find themselves referred between the two as there is uncertainty which Council should be resolving an issue.
- They can also simplify administration and consultation. The community aren't worried who provides the services, as long as things are done. Integrating rules and policies stops confusion between areas.
- There is however still a need to retain the local voice and while the report implies more of a regional scale (and that there isn't consideration of the option to stay as is), it has been demonstrated elsewhere that the unitary approach works at a district scale.
- However, the positives of a smaller number of bigger entities (be they unitary or combined authorities) in making partnership with central government easier are noted.
- Regardless of structure it is important to note the number and wide range of 'bilateral and multilateral' relationships between councils and other agencies and not try to fix something that is not totally broken.
- RDC is concerned about how Three Waters and Regional Planning Committee boundaries line up? Three Waters are already not aligned with existing Horizons boundaries, and the Water Entity scale is too large for a local voice. There is a presumption that RM reform will reflect existing boundaries, but this may not be correct.
- It is important to note that Three Waters is separating RDC from Manawatu District Council which doesn't reflect current water services delivery arrangements (managed by MDC for RDC under contract) and also regional relationships.
- RDC believes Option Three, whereby local councils retain a local voice but the combined authority delivers appropriate regional services, has merit – it has the potential for the best of both local and regional councils.

## 8.0 System Stewardship and the Pathway Forward – Chapters 10 and 11

- RDC supports a more integrated or comprehensive stewardship system that is a partnership between local and central agencies.
- It believes the Panel needs to chart a more specific pathway forward that accounts for the number and range of reforms affecting Councils and the lack of alignment, with only short timeframes to shape proposals and then implement them. There are real risks in this approach.

Ngā mihi



Andy Watson

**Mayor of the Rangitikei**

