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Greater Wellington Regional Council Submission on the *Draft Proposal for Reorganisation of Local Government in Wellington*

INTRODUCTION

The Greater Wellington Regional Council (GWRC) welcomes this opportunity to respond to the Local Government Commission's *Draft Proposal for Reorganisation of Local Government in Wellington* (draft Proposal). The submission below was agreed by resolution at the Council meeting held on 25 February 2015.

In general, GWRC supports the draft Proposal.

This submission:

- Provides an overview of GWRC's response to the draft Proposal
- Summarises the reasons for the Council's support
- Recommends that the Commission consider a number of refinements to the draft Proposal, and
- Notes some issues with accuracy of the Commission's information.

OVERVIEW

The GWRC acknowledges the significant research the Commission has considered to arrive at its draft Proposal. This research has confirmed that current local government arrangements in Wellington require a significant overhaul in order for the region to meet future challenges, especially on a regional scale.

The region needs a local government organisational arrangement that will enable critical current and future issues to be addressed with speed, certainty, sustainability, good funding and equity, while still providing for effective local decision-making.

The proposed single Wellington unitary authority with eight Local Boards is a shared decision making structure that starts from the premise that all matters should be considered and decided locally, except where there is reason for them to be considered regionally. The proposed eight Local Boards,

with the broad functions and responsibilities signalled in the draft Proposal, will provide for local communities to make decisions that affect them directly and will protect their local identity. At the same time, the model will enable regional-scale matters and those matters requiring an integrated 'whole of region' approach to be addressed by the proposed Governing Body.

In summary, we believe the proposed model:

- Enables strong regional leadership on regional scale issues, while preserving local decision-making on local issues
- Provides a platform to address the region's future challenges, including issues relating to our aging infrastructure, environmental management, social needs and economic growth
- Enables good local government and creates an appropriate representative structure
- Benefits from the lessons learned from Auckland.

REASONS FOR SUPPORT

The primary reasons for supporting the draft Proposal are outlined below.

Aging infrastructure

Amongst the significant issues we will face as a region is the large cost of replacing aging infrastructure. We also have demographic changes ahead, including the increasing proportion of elderly who will have a reduced ability to contribute to the cost of this infrastructure. These two factors alone reinforce the critical need to put in place a structure that enables the region to set clear priorities, share costs and achieve economies of scale.

The recent decision by five of the councils to combine their water operations into a jointly-held CCO is an improvement on the previous situation but is still sub-optimal because the assets remain in the ownership and control of the respective councils which will continue to make all future decisions individually on asset upgrade and replacement. The region needs to be more cohesive at managing infrastructure.

Plethora of planning instruments and bureaucracy

While there are many benefits for the region under the draft Proposal, one of the most significant will come from reducing the plethora of planning and regulatory instruments and bureaucracy. The current myriad of plans across multiple jurisdictional boundaries for managing and regulating land and water use, cause duplication of effort, result in inconsistencies, slow down necessary decision making and do not enable the region to plan, regulate and manage our natural and infrastructural resources in a fully integrated and consistent way.

Currently the three Wairarapa Councils have a combined District Plan but all other territorial authorities work within their own spheres under their own District Plans and GWRC also has its own regional plans.

Spatial planning

The proposed single unitary authority with Local Boards will provide for the development of a binding and comprehensive spatial plan, with alignment to financial decision-making. Development of this spatial plan will enable the region to make the best use of the natural, built and infrastructural resources available to the region and prevent unwanted duplication, wastage and competition between local authorities.

At present there is no legal ability for any agency in the region to develop and promulgate a regional spatial plan.

Resilience and environmental quality

The region faces some daunting environmental challenges. There is a critical need to build resilience into our communities in ways that will reduce the impact of climate change and natural hazards, including responding to the increasing impacts of drought and storm events and rising sea levels. There is also a growing demand for improved water quality in our rivers, lakes and coast.

The current local government arrangements, with the regional council largely controlling water quality and use, and the territorial authorities controlling land use, do not support integrated management of the environment. A single unitary authority with Local Boards will better enable this need to be met, with the Governing Body managing the broader catchment-based issues and the Local Boards managing local places which are important to the sense of local identity.

Leadership

The Wellington region must lift its global and national competitiveness if it is to survive as a successful economy. The greater Wellington region must be a dynamic place where talent wants to live, work, play and visit.

The draft Proposal overcomes the fragility of existing collaborative decision-making arrangements between the region's local authorities. It will empower an elected single mayor to exercise a strong leadership voice to advocate for the region's interests with Government and investors.

Good local government

We believe the draft Proposal will enable better democratic decision making by and on behalf of the current and future residents and communities of the region through the following provisions:

- Clearer alignment of decision-making with the communities who are interested in and affected by the decisions
- Resolution of the sometimes confused boundary of responsibility between the functions of the territorial and regional councils
- Improvement to the consistency, robustness and speed of delivery of core services including regulatory services
- More integrated Māori participation in local government decision making.

RECOMMENDED REFINEMENTS TO THE PROPOSAL

There are a number of matters outlined in the draft Proposal that require further attention. These relate to:

- The powers of Local Boards
- The proposal for the appointment of members of the Governing Body to Local Boards
- The arrangements for Māori participation
- The speed and resourcing of the transition arrangements.

Powers of Local Boards

As noted above, GWRC believes one of the strengths of the proposed model is the role of Local Boards in representing local interests and making decision on local matters.

The Local Government Act (the Act) specifies functions that the Local Boards must undertake and the principles for the allocation of other non-regulatory functions by the Commission as part of a reorganisation scheme. Regulatory functions may also be delegated by the Governing Body.

GWRC has received legal advice that confirms that the Governing Body cannot unilaterally change the allocations made by the Local Government Commission and it must adequately fund the Boards to carry out their statutory, allocated and delegated functions. The Act includes a dispute resolution process in the event that a Local Board and the Governing Body do not agree on the allocation of decision-making responsibilities and decisions about bylaws proposed by the Local Board. This includes ultimately, referring the matter to the Local Government Commission for a binding determination.

The Act sets out the processes for funding Local Boards. Funding policies are adopted as part of the Authority's long term plan, which includes a formula for the allocation of funds to each Local Board. The formula must be in accordance with the considerations in section 48M of the Act, which essentially sets a minimum level of funding (i.e. the policy must provide for equitable resources, support and capacity to enable the local boards to enhance the wellbeing of the communities).

Each Board prepares a Local Board Plan which sets out its priorities and preferences for activities to promote community wellbeing. Annual Local Board Agreements are the vehicle for setting the levels of service and funding. These are agreed between the Local Board and Governing Body.

We note that the Act does not include specific provisions for the resolution of disputes regarding Local Board agreements. However, there is provision in the Act for the Local Government Commission to include in a reorganisation scheme (schedule 3, cl 42(1)(e)) "*any arrangements the Commission considers necessary or desirable for the purposes of the reorganisation*". It is vital, for credibility's sake, that the Commission included a dispute resolution process for Local Board Agreements under its reorganisation scheme for Wellington to give the community comfort that any disputes over levels of service and funding will be dealt with fairly.

The Local Board funding policy could include provision for Local Board allocations that are not tied to specific projects for each Local Board. This “discretionary fund” could be set on a population, or similar, basis. While the Commission cannot set the funding policy, it would be appropriate for the Commission to include in the Final Proposal some guidance for the new Authority to consider this type of funding to give Local Boards some flexibility and enable them to respond to community needs that might arise through the year.

The Act also provides for the power to make use of a targeted rate for all or part of a Local Board area as a local revenue source to fund a Local Board’s activities not otherwise provided for in its funding allocation in the Long Term Plan. The Local Board funding policy, again, could include a presumption in favour of such a rate if a Local Board was to make a request for such funding. The Commission could provide guidance as part of its Final Proposal on a policy that could give the Local Boards confidence that if they were to request targeted rates funding the Governing Body would need to agree to the request unless there was a compelling reason to turn it down.

GWRC submits that consideration be given by the Commission to inclusion of a dispute resolution process for Local Board agreements in the final Proposal, and for guidance to be provided for the future Local Board funding policies, especially the possibility of discretionary funds and targeted rates.

Governing body representation on Local Boards

The draft Proposal recommends that two councillors from the Governing Body be appointed as members of each of the Local Boards. These appointed members would be drawn from the ward in which the Local Board is located. We understand this recommendation has been made to promote communication, coordination and consistency between the Governing Body and each of the Local Boards.

The merit of this arrangement is recognised, but it runs the risk of the governing body dominating or having an undue influence on the thinking and decision making of the Local Boards. This risk is compounded in four of the eight wards by the fact that appointed members of the Governing Body would have one quarter of the voting power on the Board. There are also risks associated with the potential for conflicts of interest based on pre-determination where members of the Governing Body will make decisions affecting the Local Board on which they are members. An example would be Local Board Agreements.

GWRC does not support the appointment of Governing Body members to Local Boards. We believe each Board should be left to decide how it provides for its relationship with the Governing Body’s ward representatives, as is the case in Auckland.

GWRC submits that the appointment of Governing Body members to Local Boards should be removed from the final proposal.

Māori participation

The LGC proposes that a three-fold approach be adopted as the best means for providing for Māori participation in the decision making of the Greater Wellington Council. This is the establishment of:

- A committee to be called the 'Māori Board' to assist the Greater Wellington Council to meet its statutory responsibilities to Māori
- A committee called Te Upoko Taiao to promote sustainable management of natural and physical resources
- Informal arrangements, as appropriate, between Local Boards and iwi and hapu as well as local *taura here* groups

While GWRC strongly supports the continuation of Te Upoko Taiao and a Māori leadership forum, the draft Proposal is unclear as to the boundary of responsibility between the proposed committee and the Māori Board. We assume the Māori Board is a way of formalising the current regional Ara Tahi leadership forum established by the Greater Wellington Regional Council and iwi, but this is uncertain. It is worth noting that Ara Tahi is positioned as a *partnership* between the iwi and the council. It is not a standing committee and is therefore not bound by the standing orders and the legislative meeting requirements that apply to committees.

It also appears the Commission has modelled the Māori Board proposal on that established in Auckland. In the Auckland case the Board is a body corporate separate from and independent of the Council. This is not what is proposed in Wellington. It is unclear how the proposed Board in Wellington would operate as a committee of the Governing Body. It is also noted that committees are by their nature governance bodies and do not undertake operational activities for which funding is required.

GWRC recommends that the Commission seeks the views of all iwi in the region before locking down a preferred arrangement for Māori participation. GWRC reserves its views on the merit of the proposed arrangement until that has occurred.

GWRC submits that the Commission directly seeks the views of all iwi in the Region, and clarifies the proposed role and statutory arrangements for the Māori Board.

Transition arrangements

The experience with the formation of the new Auckland Council is that it takes a long time for the benefits of change to exceed the costs of change. It is therefore important that change is made without undue delay.

The need to move quickly is compounded by the comparatively short time between the date of closure of receipt of submissions on the current draft Proposal (2 March 2015), followed by the convening of hearings, the making of a final decision and the implementation of all transition arrangements, and the October 2016 local government elections.

The only way that such a large array of tasks could be completed is to ensure that the Commission moves at speed. In moving at speed, however, it is important that those who wish to participate in the process are given a fair and reasonable opportunity to have their views heard.

The Transition Board also needs to be adequately resourced.

The proposed transition arrangements are generally supported by GWRC and the Council recommends they be recorded in the Commission's final Proposal.

GWRC submits that the Commission progresses the reorganisation process without undue delay.

ACCURACY OF COMMISSION'S INFORMATION

We note that the Commission has conducted a very thorough assessment of the case for change and the best local government model for Wellington. However, it has become clear that there have been inaccuracies in some of the data relied on by the Commission. While we do not believe these inaccuracies would alter the conclusion arrived at, we strongly urge the Commission to ensure that any data used to support a Final Proposal is checked carefully for accuracy.

CONCLUSION

GWRC agrees with the finding of the Commission that there is a case for change to local government arrangements in the Wellington Region and that a single unitary council for the whole of the Wellington Region, together with eight Local Boards, is the best of the reasonably practicable reform options available. This is therefore the preferred option.

We wish to appear before the Commission at public hearings.



Hon Fran Wilde

Chair

Greater Wellington Regional Council

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