



Waikato District Council Submission on *He mata whāriki, he matawhānui*

24 February 2023

A. Executive summary

Whakaraapopotanga matua

1. This is a high-level submission. Specific details can be worked on depending on how the views expressed herein are taken forward by government and in conjunction with Council's partners and stakeholders.
2. WDC supports a more Te Tiriti-centric approach to local government based on the understanding that Te Tiriti o Waitangi is a partnership between Tangata Whenua (the indigenous people of Aotearoa New Zealand) and Tangata Tiriti (all non-indigenous New Zealanders).
3. Our submission recognises our existing Joint Management Agreement partnerships with Waikato-Tainui and Ngāti Maniapoto¹ which we have nurtured with our partners since 2010 and 2012 respectively.
4. The high-level structure for local governance in the Waikato proposed in this submission builds on the success of the Future Proof partnership model between local councils, central government, and iwi, the Regional Leadership Group and Co-Lab².
5. Council support's Co-Lab's principles for local government reform which is particularly relevant to regional issues that the reform needs to consider. The work of Co-Lab in the Waikato region is significant because individually we lack economies of scale, but Co-Lab has given us a body who can pursue procurement and other shared service functions on behalf of all the councils. This is something that should be strengthened.
6. No change to existing territorial authority boundary for the Waikato district is being proposed in our submission.
7. The submission does not propose changing the six existing community boards created by WDC or their boundaries. However, it notes that community boards and community committees perform a vital role in our district by enabling a level of governance at the community level (both rural and urban).

¹ Council had reached out to Ngāti Maniapoto when engaging on *He mata whāriki, he matawhānui*.

Material for discussion was shared at that time and as requested by Ngāti Maniapoto, but no feedback on the documents were received. Council has also shared its submission with the tribe.

² A shared services provider owned by 12 councils in the Waikato region which is driving collaboration, shared procurement and improved performance and efficiencies.

8. The submission recommends that legislation explicit enables that boundary of community boards be demarcated by considering relevant hapuu or ruunanga (in addition to communities of interest and population size). Population size should not be the defining criteria (as it is currently).
9. We are not in favour of reducing the voting age from 18 to 16 until government has initiated and completed a civic education programme for the country with local government involvement. We also recommend that the voting age be the same for both local body and national elections.
10. We strongly recommend that voters for both local government and national elections go to the polls on a designated polling day i.e., a poll-based voting system. The recently (2022) concluded local body election highlighted the deficiencies with advanced voting through our postal system as many people did not receive their ballot papers.
11. We share the concerns of central government regarding online voting but agree central government should continue to periodically review the security, technical feasibility, and public support for online voting.
12. We also recommend that the Electoral Commission be responsible for running both national and local elections.
13. Council supports a four-year term for local government, but we recommend that a four-year term needs to be the same for central government as well. Like the voting age, we should not have two different requirements for central and local government if we are aiming to be a seamless governance system. Local government elections should be held the year *after* central government elections in a four-year term cycle for each so that local government can respond accordingly to central government policy directives over a four-year period.
14. We are not in favour of the Single Transferrable Vote (STV) voting system and instead favour the retention of the First Past the Post (FFP) system for our district.
15. A funding model based on trust and an implementation partnership with central government which is delivered through the Future Proof partnership and Council's Long Term Plan (LTP) is proposed. This can be done through a 'partnership deal' between central government and the Future Proof councils.
16. The current local government rating model is past its used by date as councils such as ours simply cannot afford to meet our challenges. This submission therefore proposes the initiation of a central government funding model based on a district's geographic size, strategic location (e.g., growth corridor), strategic industries (e.g., dairy and horticulture), support for community resilience planning and managed retreat, and the extent of social deprivation within a district. The population size of a district should not be a defining criterion.
17. Additionally, a more equitable Waka Kotahi Funding Assistance Rate (FAR) model funding is proposed by placing greater weight on the geographic size of a district and the total extent of the district's roading network.
18. There is a need for greater uniformity in remuneration of elected members at a council level which is in line with the remuneration of members of parliament.
19. We are concerned with the current approach to government's reform agenda with Resource Management Act, Three Waters, Emergency Management preceding local government reform. However, with some of the reform initiatives having been progressed by government, it is important that the necessary amendments are made to those pieces of legislation if local government reform provides an opportunity to simplify processes and remove unnecessary bureaucratic red tape and facilitate the outcomes sought. If this alignment is not done, we

will never meet the outcomes sought from these reforms because it will lead to a fragmented policy landscape coupled by local government and central government working in silos.

B. Key submission points

Taapaetanga matararahi

20. Structure and system

- I. WDC's submission is premised on the retention of the existing Council and its boundary, as well as the retention of the Waikato Regional Council, the city council (Hamilton City Council) and other district councils and their associated geographical boundaries as they were when this submission was made. Any change to territorial authority boundaries can be done through the Local Government Act based on strategic land transfer processes between the relevant TLAs and an Order of Council as and if necessary.
- II. WDC has a Joint Management Agreement Partnerships with Waikato-Tainui and Ngāti Maniapoto since 2010 and 2012 respectively. It is important that these partnerships are recognised and strengthened in any new local governance arrangement.
- III. Besides focussing on the health and wellbeing of the Waikato and Waipaa rivers (and their catchments) these partnerships can be used to discuss community wellbeing matters as well.
- IV. WDC proposes the creation of a sub-regional governance entity based on the Future Proof³ model. Waikato District Council, Hamilton City Council, Waipaa District Council, Matamata-Piako District Council, Waikato Regional Council, Waka Kotahi, Central Government Ministers (Local Government, Housing, Transport, Social Development, Health, Education, Business and Innovation and Iwi) would collectively govern growth management and wellbeing outcomes for this sub-region. This sub-regional model would respect local council autonomy, but it is proposed that the head of this entity be a sub-regional mayor appointed from one of the partner local councils. This model would enable joint governance but guarantee local autonomy. It is also proposed that Members of Parliament whose jurisdiction falls within this sub-region also be invited to be part of the governance entity but with no voting rights.
- V. We advocate that the role of the Regional Leadership Group be recognised as a key regional co-ordinating body in a future structure. This group was initially established in relation to our COVID response and includes the Regional Services Commissioner, community leaders, local government, central government, emergency services, Iwi, Pasifika.

³Future Proof | Te Tau Tiitoki is a joint initiative set up to consider how the Waikato, Hamilton, Waipaa and Matamata-Piako sub-region should develop into the future. The partnership was established in 2009 and re-launched in 2019 to include central government, Auckland Council, and iwi. The mayors and deputy mayors of the territorial local authorities and the chairperson and deputy chairperson of the Waikato Regional Council represent their respective councils at the governing table. The participation of Auckland Council in this partnership is only for matters related to cross-boundary issues. Whilst the partnership was established to focus primarily on growth management and related infrastructure issues, if the structure contained in this submission is supported, it is envisaged that it will also have a wellbeing focus through in a new local governance system.

- VI. We also support the following regionally significant themes of local government reform, as identified by Co-Lab.
- a. Revitalising citizen-led democracy
 - b. A Tiriti-based partnership between Māori and local government
 - c. Allocating roles and functions in a way that enhances local wellbeing.
 - d. Local government as champion and activator of wellbeing
 - e. A stronger relationship between central and local government
 - f. Replenishing and building on representative democracy
 - g. Building an equitable, sustainable funding and funding system
 - h. Designing the local government system to enable the change we need.
 - i. System stewardship and support
- VII. Within this context, the ability to organise regionally but also sub-regionally (i.e., flexibility in organisational structure) is important in the Waikato. Regions contain diverse groups with diverse interests, and sometimes different axes of organisation will be the most appropriate way of representing those interests and delivering for constituents.
- VIII. Conceptualising the governance as a system (incorporating local, national, and regional interests) is critical – it should not simply be viewed as a relationship between and central government and territorial local authorities. Funding needs to be effective and allocated appropriately within this system. There is a strong case for some of that funding to be allocated regionally.
- IX. WDC is establishing mana whenua forums in 2023 which will forge an effective and meaningful partnership between Council and mana whenua. We propose that the mana whenua forums be recognised as a key component of a future local governance structure for the Waikato district.
- X. Whilst engaging on *He mata whaariki, he matawhaanui*, Council was advised that the marae committee/marae trust board and hapuu level of governance needs to be better recognised in local governance. We propose that (if supported by our iwi partners) marae representation is best done by having marae representatives who are on iwi governance structures - Te Whakakitenga (the Waikato-Tainui Tribal Parliament), Ngāti Maniapoto Governance and Hauraki Māori Trust Board - in the mana whenua forums. We will also discuss hapuu representation in this structure with our hapuu.
- XI. We also propose that the membership of the mana whenua forums include maata waka representation (i.e., Maaori in the Waikato district who don't whakapapa to Waikato-Tainui, or any other iwi group not represented in the mana whenua forum).
- XII. WDC will also be establishing a Rural Forum to enable the voices of our rural communities (which make up a substantial portion of our district) to be better heard so that Council can meet their needs more effectively.
- XIII. WDC currently has six community boards⁴ (Raglan, Ngaaruawaahia, Taupiri, Huntly, Tuakau⁵, and Rural Port Waikato. We do not propose the creation of local boards as

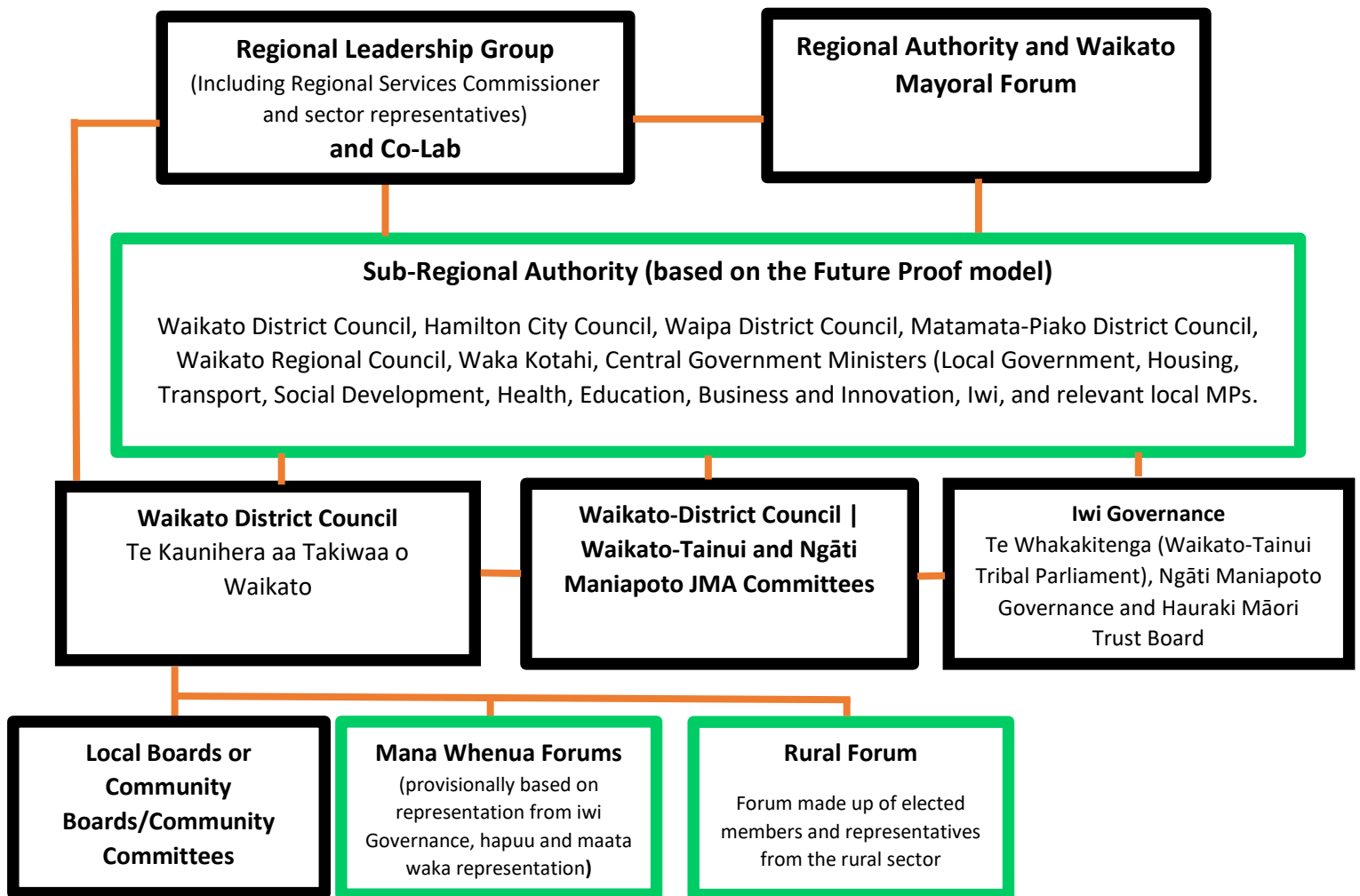
⁴ A community board has elected membership to look after local interests and to be a link between the community and the Council. Community boards were established to enable communities to have a voice in decisions affecting them and to ensure people have their say on local issues.

⁵ At the time that Council conducted its engagement on *He mata whaariki, he matawhaanui* the Tuakau Community Board was not established as a by-election was to be held on 17 February 2023 because of there being insufficient candidates at the 2022 elections.

per the Auckland Council model but the use of these community boards and community committees⁶ as anchor institutions at the local level responsible for implementing local projects and placemaking initiatives through the greater devolution of powers and functions from WDC. Community committees may possibly become community boards in the future through a representation review process. Any change will be a matter for consideration through WDC's representation review process and in consultation with the relevant communities.

- XIV. Besides community of interest considerations and average catchment population served, we propose that consideration be given to hapuu or ruunanga when community board or community committee boundaries are being demarcated (like our recommendation for ward boundaries).
- XV. Community boards and community committees would have more delegated responsibility for their local communities if there were greater devolution of powers from Council for boards and committees to build community social cohesion and pride through placemaking projects and achieving local community outcomes.
- XVI. The proposed structure for local governance in the Waikato is shown in the diagram below. This structure is for illustration purposes to reflect the key relationships of Council and how these may be strengthened to ensure more coherent local governance through a partnership model.

⁶ Community committees are set up by the Council to deal with local issues specifically in the townships of Pookeno, Meremere, Te Kauwhata, and Tamahere ward (and could potential be established in other areas). The local ward councillor for these areas is automatically appointed to the community committee as the Council representative.



Key

- Proposed new or formalised entity/group
- Existing entity/group

Figure 1: Proposed relationship structure for local governance in the Waikato district

XVII. The above structure is essentially a Waikato-based model but may be replicated elsewhere in the country if appropriate. As mentioned, central to this model is the Joint Management Agreement partnerships between Waikato District Council and Waikato-Tainui and Ngāti Maniapoto which can be strengthened to work on matters beyond the health and well-being of the Waikato and Waipa rivers to address wider wellbeing and equity matters with implications for both iwi and tangata Tiriti. Hapuu and marae committee representation on our mana whenua forums will also be considered.

21. Representation

- I. The establishment of Maaori wards has been a step in the right direction. We propose that wards (including Maaori wards) be retained but we would like the electoral provisions to be reconsidered to enable future ward boundaries to be aligned to hapuu or ruunanga *in addition* to communities of interest and population considerations. Population numbers should not be the defining criteria based on a formula as it is currently. The same should apply to the demarcation of community boards/community committee boundaries as outlined above.
- II. Working through a JMA partnership approach to identify our ward and local board/community board/committee boundaries would help ensure that consideration is also given to the different needs of our rural areas and our urban areas and that we have appropriate representation and knowledge for the management of these areas.
- III. Non-elected capability-based appointments at a governance level may not be deemed democratic by our community so we recommend caution with this approach. However, there is no reason why the skills and acumen of our elected members cannot be used when it comes to chairing or co-chairing of committees and informing transformational initiatives associated with the better embodiment of te Tiriti within Council.
- IV. Council is not supportive of reducing the voting age to 16 just yet and we recommend that this remains at 18. This is because civic education of our younger people is required to build their understanding of local government. This will take time and is a process that will need to be led by central government working with local government. Voter engagement also needs to be better emphasised through civic education and central government needs take a leading role in addressing voter apathy.
- V. We also recommend that the voting age for both local government and central government elections be the same otherwise this will create complexity (and possibly confusion) especially in a partnership-based system in which both local and central government are supposed to be working in sync.
- VI. We strongly recommend that voters for both local government and national elections go to the polls on a designated voting day only rather than having the option of using postal ballot (the latter did not work well during the 2022 local body elections).
- VII. We propose that the electoral law be amended to allow for electronic transmission of special votes to and from voters who will be overseas during the election period. This should also be considered for voters with high access needs.
- VIII. We share the concerns of central government regarding online voting but agree central government should continue to periodically review the security, technical feasibility, and public support for online voting. However advance booth voting and polling booths on election day should be the preferred approach.
- IX. Council supports a four-year term for local government, but we recommend that a four-term needs to be the same for central government as well. Like the voting age, we should not have two different requirements for central and local government if we are aiming to be a seamless governance system.

- X. We also recommend that that local government elections should follow the year after central government elections are held in a four-year term cycle. This will help local government better respond to central government policies during a four-year tenure as it will enable greater policy coherence. It will also enable better planning and budgeting alignment by local government in response to central government plans and priorities.
- XI. We also recommend that the Electoral Commission run local government elections, as it does with national elections.
- XII. Council is not in favour of the Single Transferrable Vote (STV) system and prefers the First Past-the-Post (FPP) system. The geographical spread and size of our district does not lead to an effective electoral system unless there is a multi-ward structure in place. This was fully tested with the community for the 2022 local authority elections. All the wards in our district have only one or two councillors and this does not work effectively in an STV election.
- XIII. There is a need for greater uniformity in remuneration of elected members at a council level which is in line with the remuneration of members of parliament. This will help ensure that a) local government is an attractive place to work b) efforts by elected members at the local level are better rewarded and c) it will be a fairer system especially since elected members work at the coalface of our communities. It should also be noted that elected members already have a wellbeing mindset with regards to the communities they represent.
- XIV. We need more direct relationships through a partnership approach with our local member of parliament so that we can get better support on addressing local issues.
- XV. Council will be endeavouring to make better use of community events such as poukai, Koroneihana, maraes, regatta, shows etc to communicate council matters. These events can be used as a forum for civic education. Council will also be looking at working with schools to help with improving young people's understanding of what it does so that we can start building a cadre of civic-minded citizens.

22. Funding, financing, and delivery capacity

- I. WDC recognises that our greatest asset are our people. We cannot build our communities without additional funding. Besides being a growth Council, we also cover a significant geographical area which extends to Auckland in the north, beyond Hamilton in the south, the Tasman Sea in the west and the Firth of Thames in the east. To this end we strongly recommend that in a partnership approach that Government move away from a competitive-based funding model to a trust-based partnership model which recognises the geographic extent of councils. The Future Proof partnership and the individual long-term plans of the partner councils provides a basis for government to apply such a funding model as well if it is to favour a more regional approach.
- II. Related to the above point, we propose that government consider a funding model based on a weighted formula which factors the geographic size of a district, the district's strategic significance (growth district, significant industries (e.g., dairy and horticulture), support for community resilience planning and managed retreat, and the level of social deprivation within a district.
- III. The Waikato is a breadbasket of New Zealand, and this should be acknowledged in any future funding model.

- IV. A trust-based funding model through the Future Proof partnership can be based on a 'partnership deal' (a better word than 'City Deal' used in *He mata whaariki, he matawhaanui*) with central government.
- V. Central government should be required to pay rates and fees and charges for land and property (such as Department of Conservation land, schools, hospitals) it owns within a district.
- VI. Whilst we recognise that rates will remain the primary revenue source for Council, we recommend that the GST component of rates should not be collected by central government or that it gives the council take from the tax collected within a council's boundary to spend on LTP projects, to help with emergency management including community resiliency planning and managed retreat and to support initiatives in socially deprived communities.
- VII. Government should fund significant projects in the LTP of councils (e.g., construction of railway stations, major roads and/or treatment plants). A ratepayer-based funding model for such transformation projects is not justified.
- VIII. Rural areas of our district are different to urban areas and consideration must be given to this through representation and funding decisions to meet the respective needs of these areas.
- IX. Public Private Partnerships (PPPs) can be used to finance, build, and operate projects, such as public transportation networks, parks, placemaking projects. Financing a project through a public-private partnership can allow a project to be completed sooner or make it a possibility in the first place.
- X. Cross-boundary funding of services (especially from the major cities bordering growth territorial authorities) to areas on their periphery needs to be explicitly enabled through legislation.
- XI. WDC cannot raise significant revenue from bed taxes (a funding source suggested in *He mata whaariki, he matawhaanui*) because the tourism base in the district is small, say, compared to Rotorua or Queenstown. This is why we are proposing that government institute an equity-based local government funding model.
- XII. We propose that government consider allocating a greater share of road user chargers (RUCs) to local councils to support the implementation of transport projects. The Financial Assistance Rate (FAR) model needs to be equity-weighted with greater consideration being given to the geographical size of a district and the extent of the district's roading network. However, if a fuel tax is applied in the region, locally sourced taxes should stay with the respective councils through the application of a formula-based methodology.
- XIII. Council should not be held financially liable for failed private developments (e.g., what happened with Tauranga City Council with the failed Bella Vista development). Government needs to have a system in place which can absolve councils of any such cost liabilities so that developers can get on with building communities through a trust-based model and in accordance with relevant building regulations.
- XIV. It is imperative that compliance costs associated with regulation be looked at as part of a system-wide (i.e., government wide) regulatory impact assessment. There is a plethora of current compliance requirements that are impeding delivery at the local level. We need to streamline regulation but in areas that don't compromise key safety, climate, and environmental goals. Regulatory tools such as the Resource Management Act need to enable and facilitate public-private sector partnerships to deliver services.

- XV. Addressing wellbeing challenges at the local level is paramount to supporting WDC's vision. To this end, we propose that local maraes be empowered to address challenges within their ahi kaa (precinct) by central government instituting a long-term funding model for marae to address social wellbeing issues at the local level.
- XVI. As a council, we want to work proactively with the private sector. We suggest that central government consider how existing legislative provisions may be hampering the ability of the private sector to function more efficiently in its interaction with councils.

23. Stewardship

- I. WDC supports a more Te Tiriti-centric approach to local government based on the understanding that Te Tiriti o Waitangi is a partnership between Tangata Whenua (the indigenous people of Aotearoa New Zealand) and Tangata Tiriti (all non-indigenous New Zealanders). For Council, it is important that this inclusive understanding of Te Tiriti is conveyed through the local government reform discourse especially since tauwiwi have responsibilities as citizens of this country to uphold the promise of tino rangatiratanga enshrined in Te Tiriti.
- II. Council recommends that a government agency has overall stewardship responsibility for overseeing local government reform. We are not in favour of creating another government department but recommend that the Department of Internal Affairs play this role especially since it has a mandate is to serve and connect people, communities, and government.
- III. Central government needs to play a stewardship role on tikanga whakahaere (Maaori customary practices and principles) as part of civic education. Council, our iwi partners, mana whenua and community organisations can support this too, but central government should be the lead entity to build a collective understanding of tikanga across New Zealand. Therefore, civic education needs to be one of the core functions of the stewardship function proposed in *He mata whāriki, he matawhānui* required to drive local government reform. It is imperative that central government directs this and provides the resources for this to happen both within Council and at the community level.
- IV. As part of a stewardship role, government needs to have a cross-party strategic vision for itself, local government, and civics for where we want New Zealand to be at in 10, 50 and 100 years.
- V. Council also recommends that central government undertake a complete assessment of the impacts of all the reform processes currently underway (e.g., RMA, Three Waters, Emergency Management) to fully understand how they relate to local governance and the implications for meeting wellbeing outcomes and addressing inequity at the local level. We are concerned that the current reforms being undertaken by government lack alignment. The implications of these reforms for local government are immense and we implore central government to consider a more integrated approach and clearly identify how they will aid local government. This will require greater consideration being given to align the other reforms with the outcome of local government reform.
- VI. We recommend that the DIA play a stewardship role in undertaking this assessment and recommending the removal of any duplication or potential obstacles that may

prevent local government from operating more efficiently in meeting community outcomes.

C. Conclusion

Mutunga

WDC acknowledges that the existing system of local governance needs to be reviewed, refreshed, and boosted. At the same time, we would like the Future for Local Government Panel to understand that there have been some significant changes to local governance in the Waikato over the last 13 years through the creation of the Joint Management Agreement Committees involving Council and Waikato-Tainui and Ngāti Maniapoto respectively. It is important therefore that this governance system is acknowledged, preserved and strengthened through any future local government reform.

Our Council has already approved the establishment of mana whenua forums to help strengthen our engagement with mana whenua. It is important that such a structure is recognised in any future local governance arrangement for the Waikato.

We also advocate that the relationship between national, regional, and local government is more usefully considered as a continuum and / or system rather than as series of separate entities. It is important that this is acknowledged in the reform initiative. The Future Proof partnership model provides an opportunity for a strengthened partnership between central government and the sub-region which can be fortified through a partnership deal for the funding of significant projects which may have regional benefits.

Our submission also highlights the need to address voter apathy and the need for a greater focus on civic education.

Ultimately, we can have the best local government structure, but it would amount to nothing if government does not provide much needed funding to support the infrastructure development and meeting equity outcomes at the local level. It is imperative that government urgently institute a more equitable funding model to support districts which is also based on key considerations such as the district's strategic location, strategic significance (e.g., growth and key economic sectors), geographical size, support required for community resiliency planning and management retreat, and level of social deprivation within a district. In a similar vein, Waka Kotahi's FAR needs to be recalibrated to consider a district's geographic size and extent of roading network.

As part of strengthening local government's ability to deliver services is imperative that compliance costs associated with regulation be looked at as part of a system-wide (i.e., government wide) regulatory impact assessment and identified bottlenecks be removed.

At the same time, for any partnership approach for local governance to work, the different parts of the system must work in harmony. In relation to this, it is imperative that government undertake a complete assessment of the impacts of all the reform processes currently underway to fully understand how they relate to local governance and the implications for meeting wellbeing outcomes and addressing inequity at the local level.

Government's stewardship role for local government reform needs to be supported by a cross-party strategic vision for itself, local government, and civics for where we want New Zealand to be at in 10, 50- and 100-years time.

Waikato District Council thanks the Panel for the opportunity to make this submission. We would like to speak to this submission if given the opportunity.