

The 2020 Local Government Manifesto: Getting the democratic balance right in New Zealand

September 2020



**We are.
LGNZ.**

Te Kāhui Kaunihera o Aotearoa.

Getting the democratic balance right in New Zealand

The 2020 General Election is just under six weeks away, and central government politicians of all stripes are beginning to make their policy pitches to New Zealand. It is also a time when non-government organisations, large and small, tout their policies in the hopes political parties will adopt them.

Adopted or not, and mooted by the left or the right, these policies almost always rely too heavily on top-down interventions, with central government doing the heavy lifting. They almost always fail to ask whether this is the right level of government to make so many important decisions that affect the lives of everyday New Zealanders.

We think New Zealanders need to ask this question of major parties if we are going to get the best outcomes for our country, especially at this critical time in our history. We face generational challenges in the form of population growth, climate change, housing and infrastructure deficits, and environmental pressures.

These have been compounded by the global Covid-19 pandemic. When we emerge out the other end we'll still have to grapple with the challenges we had beforehand, only with fewer resources.

That's why this year the Local Government New Zealand manifesto takes a different approach. It's all about balance.

This recognises in many cases we need strong action at scale from central government to give policy solutions the heft needed to tackle our mega challenges. Equally, these initiatives need to be shaped by local voices to ensure they are tailored for the differing needs, circumstances, capacity and capability of communities, and informed by the voices of iwi, community groups, businesses and ratepayers. Our country and its communities are complex and varied. Just because central government struggles to grasp this complexity, doesn't give them licence to ignore the differences.

We call this balance between local and central government "democratic wellbeing".

In this manifesto we're urging voters and parties to assess all political promises and policies through a lens that seeks the right balance, by asking the following questions:

- Does the policy acknowledge and respond to differences in place?
- Does the policy let you have more say in the decisions and structures that affect your life?
- Does the policy enable you or your community to tackle challenges in the first instance?
- Does the policy provide adequate funding at a local level?

LGNZ will be asking the same questions.

Where we see political promises that seem to be getting the balance right, we'll welcome them as improving democratic well-being. We'll also call out policies that we think get the balance wrong – regardless of which political party makes them.

We're doing this because our experience has shown that when working to their respective strengths, local and central government can complement each other in a way that delivers better outcomes for all New Zealanders, across every area of policy, whether cultural, environmental, social or economic. That matters under business-as-usual circumstances, and even moreso during a time of crisis.

New Zealand is imbalanced - why is this an issue?

New Zealand is unbalanced in that it is one of the most centralised countries in the OECD. This imbalance in decision-making and resourcing is shown by the fact that central government spends 88% of total government expenditure, with local government allocating just over 10%.

To put this in perspective the average central government expenditure across all 37 OECD countries is 46%.

So why is this an issue? Data gathered in 2016 from all of the OECD countries shows that decentralised countries on the whole tend to be wealthier than centralised countries. Recent research from the World Bank backs this up, finding that a 10 percent increase in the level of decentralisation is associated with an average increase in per capita GDP of 3 per cent.

When services are decentralised and matched to community need, economic growth is likely to be stronger and inter-regional competition leads to greater innovation and growth.

Centralised public services are less likely to result in a good match between communities' needs and preferences – they're often over or under provided, and rarely hit the sweet spot of what communities need.

And the benefits of decentralisation aren't purely economic. Empowering communities by decentralising resourcing and decision-making results in higher voter turnout at a local level, and results in a populace that is more engaged with the issues and concerns of both their immediate community and wider country.

It also places a democratic check and balance on Parliament's power – no wonder central government politicians don't like the idea.

LGNZ's Policy Priorities

Okay, so this manifesto isn't totally different from all the others. We've got a policy wish list, grouped under LGNZ's five policy priorities, which are outlined below.

The reason we've included them is because we know these are important issues for our country, where the democratic well-being balance needs to be urgently improved.

Climate change

Local communities are on the frontline of the fight against climate change and councils have an important role to play in terms of both lowering emissions to meet the goals of the Zero Carbon Act, as well as helping our communities adapt to the effects of climate change.

Communities need a pathway that enables them to deal with the effects of climate change. New Zealanders have marched in the streets asking for climate justice – we think it's only fair that they're given the opportunity to make it happen.

To address New Zealand's climate change challenge, LGNZ is calling for parties to develop policies that include:

- A legal framework that enables councils and communities to confidently address risks associated with climate change adaptation decision-making; and
- The establishment of a Local Government Risk Agency, to collectively address the natural hazard risks that councils face, and enable best practice for councils.



Housing

To assist with the delivery of high quality housing, at volume, local government needs a fit-for-purpose planning system and associated legislation.

LGNZ is advocating for all political parties to deliver policies that show good policy stewardship and address the central government regulatory quandaries that are often inflicted on councils, ratepayers, developers and owners alike. While LGNZ supports policies that help provide affordable housing, it's important that communities have a say in how this is achieved.

LGNZ is calling for potential central government parties to adopt policies that:

- Develop a whole-of-system problem analysis, as well as in-depth analysis into specific problem areas;
- Deliver affordable housing in partnership with all local authorities;
- Provide councils with new funding, financing and planning tools to enable them to provide the infrastructure necessary for affordable housing and growth; and
- Remove constraints on councils' planning and regulatory performance, such as 'joint and several' liability.

Transport

The local government sector is the largest owner of roads in New Zealand, maintaining 88% of the road network.

For our transport systems to cater for the future, local government needs national policy direction that incentivises a consistent network, but which enables flexibility to cater for New Zealand's diverse geography, populations and transport needs.

LGNZ is asking parties to consider the following principles when shaping their transport policy:

- Ensuring local governments and their communities are recognised as critical partners of the Ministry of Transport (MoT) and Waka Kotahi New Zealand Transport Agency (NZTA) in the policy development process;
- Ensuring certainty of funding to support local government's ability to deliver on desired outcomes in the Government Position Statement (GPS) for Land Transport;
- Legislative certainty and clarity to assist councils with implementing the GPS and enforcing its protocols; and
- Giving councils access to more public transport funding to meet the needs of 21st century metro populations.



Local democracy

Local government's abilities and powers are derived from central government policy. For councils to fulfil their roles in providing effective local and regional governance, they need good central government policy stewardship.

LGNZ is seeking to work with the incoming government to ensure that local government legislation is fit-for-purpose and empowers the best possible outcomes for our communities.

Some of the policy initiatives that LGNZ encourages all parties to adopt are:

- A partnership that reflects the complementary role each sphere of government plays in New Zealand's governance;
- A constitutionally recognised framework that is based on the principle of placing public decision-making as close to communities as practicable;
- A broader range of funding mechanisms to ensure the sustainability and affordability of council services and infrastructure; and
- A process for establishing Māori wards and constituencies that is the same as that for establishing other wards and constituencies.

Environment

Local government has an important role to play in managing our environment through the Resource Management Act, and it is vital that central government enables the best outcomes through good policy stewardship and co-design of implementation. That means providing a voice to the wide range of groups who rely on our great outdoors for both their livelihoods and enjoyment, while protecting New Zealand's greatest asset – our environment.

LGNZ is calling for all central government parties to consider the following when developing their environmental policies:

- Cleaning up water will take both sides of government working on an implementation plan for the National Policy Statement on Freshwater. We've collectively made good progress on policy development, now the focus needs to turn words into action;
- It is critical that progress is made on iwi rights and interests, particularly around water allocation. In the past it has been all too easy for central government to shy away from this difficult and complex task, but unless we undertake it, our environmental efforts will always be hand braked;
- New Zealanders want to see indigenous biodiversity protected and restored before it is too late for threatened species. We need both sides of government to sit down and develop a practical plan to deliver on this outcome that is community-led.; and
- Environmental standards are rising – and they should. But when they do so do costs, and not all communities have the same ability to pay. We need to work out an equitable funding system between central and local government, so that we don't punish less wealthy households for doing the right thing.



Manifesto principles

Balancing the four well-beings

All policy should be informed by a holistic approach that balances environmental, social, cultural and economic well-being. As we respond to the Covid crisis, it is important that new policies and initiatives are based on evidence of how they will balance and improve the four well-beings.

Empowering local people

LGNZ believes that in the first instance, people should be given the resourcing and decision-making powers to improve their outcomes, rather than having others determine outcomes for them. LGNZ encourages all forms of government that support more participation, and commit to co-design of policy and services. This is essentially the concept of subsidiarity; that unless there are good reasons for not doing so, public services should be delivered by the level of government that is closest to the citizens that it affects.

Put the resource where it is needed

If we believe in empowering people, and putting the decision-making closest to the people that it affects, then it is only appropriate that we also shift the funding to resource that decision-making. All too often there is a misalignment between those who hold the purse strings, and those who can deliver the best possible outcomes with this funding.

Play to your strengths

Due to the rapidly changing circumstances of the Covid crisis, local government, central government, NGOs and other groups have had to quickly utilise each other's strengths to deliver quick, efficient responses to any number of arising issues. This has illustrated the benefits of operating on a high trust model that utilises our relative strengths.

If you would like more information please contact:

Jason Krupp
Deputy Chief Executive Advocacy
Local Government New Zealand
Phone: 04 924 1221
Mobile: 029 924 1221
Email: jason.krupp@lgnz.co.nz



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Te Kāhui Kaunihera o Aotearoa.

PO Box 1214
Wellington 6140
New Zealand

P. 64 4 924 1200
www.lgnz.co.nz