

2 March 2015

Local Government Commission  
PO Box 5362  
Wellington 6145  
NEW ZEALAND

Dear Local Government Commission

## **Letter in support of the draft proposal to reorganise local government in Wellington**

We support in general the draft proposal to establish a single Greater Wellington Council.

A unified Greater Wellington Council structure will better place local government in the region to fulfil its purpose under the Local Government Act 2002.

In particular, one Mayor leading one council supported by local boards will enable superior democratic local decision-making and action by, and on behalf of, communities; and will more efficiently, effectively and appropriately meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

The proposed structure will achieve this by more closely aligning the responsibilities of governance with accountability. A Mayor elected at large will represent the wider views of the region and provide a single voice to central government, business and wider New Zealand. The Council executive will have the resources, expertise and capability to implement strategic direction and prioritise investment according to regional needs. The voice of local communities will be strengthened through the establishment of local boards with an enhanced focus on local issues.

Infrastructure provision is a primary activity of local government. Over half of all revenue councils collect each year is spent on water and transport services alone. The high fixed cost, capital intensive nature of infrastructure lends itself to scale delivery where capacity can be leveraged to enhance expertise, prioritise across networks and deliver major projects. To realise the potential of scale, we recommend that the Commission's proposal be enhanced to include the establishment of CCOs for water, transport and development.

Attached to this letter is a series of tables which outline the key reasons for reform, existing challenges and principles for a reorganised Wellington.

We encourage the Commission to proceed to a final proposal to establish a single Greater Wellington Council.

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New Zealand Council for Infrastructure Development

Table 1: The reasons for a single Wellington Council

REASONS FOR REFORM	COMMENT ON PROPOSAL
Producing one vision for the future, unified leadership and one voice with central government on social, economic, environmental and cultural regional issues	The structure is designed to produce one vision for the future and unify local authority, central government and non-governmental leadership within regions. One Wellington will have mandate, economies of scale and supporting revenue to engage with central government on regional issues.
Delivering on decisions once they are made, including providing more certainty about funding and service delivery	Wellington Council will possess the combined funding capacity of the existing city and district councils and will be supported by highly focussed operation delivery agencies controlled by the Wellington Council to deliver on the regional goals.
Delivering greater value for money for through improving service standards, greater consistency and reduced cost.	Consolidation of services will achieve improved economies of scale and a considerable reduction in administrative overhead.
Making decisions about interrelated issues in a more integrated way, more quickly and without re-litigation but without diluting community engagement.	This is a fundamental reason that drives the formation of One Wellington Council. The Council's broader responsibilities will require fully integrated decision-making. The local board structure based on the current electoral boundaries enhances the "local in local" government and alignment with central government parliamentary representation.
Facilitating local democracy and diversity and helping to address emerging local social problems.	The proposal enhances the relatively weak community board structure that exists and truly empowers local boards to address emerging social problems. Direct representation by communities on the Wellington Council provides a mechanism to significantly improve regional representation and delivery on local issues.

Table 2: Perceived problems of existing Wellington structure

PERCEIVED PROBLEMS	COMMENT ON PROPOSAL
The region struggles to deliver on strategy because of fragmented powers and accountabilities for funding and service delivery and commitment to fund	Power will be consolidated at regional level with direct funding capacity. Decision making and funding processes will be integrated. Regional agencies will have clear responsibilities and accountability for service delivery.
Some decisions appear to be “mis-located” (undertaken at the national or local sphere of government when the impacts are mostly regional)	Decisions will be clearly allocated to Government, the Wellington Council and local board level as appropriate. The local board structure will enable community involvement and influence at the most appropriate local level i.e. at a level where people feel they can influence decisions that impact on their lives and provide a communication vehicle through to the region.
There is heavy reliance on voluntary and statutory joint decision-making fora but these are not able to ‘bind’ or influence expenditure and other decisions of sovereign organisations. Non-funders also have significant influence on decision making particularly in the area of transport.	No such fora will be necessary
The result is a lack of certainty (especially in funding), clarity, understanding, mandate, leadership and single voice for Wellington with central government	Strong leadership and certainty of direction and commitment to it is a key benefit of the proposed structure
There is insufficient revenue at the regional level	The proposal is designed to address this by means of consolidation of all revenues across the region which will enable it to deliver on its commitments
There are inefficiencies and inconsistent standards and financial impacts due to duplication and <i>transaction costs</i> .	There will be no duplication of function. The certainty and stability achieved from having consistency of strategic direction and more integrated decisions will create value. The proposal also rationalises administrative systems resulting in direct savings.

Table 3: Principles

PRINCIPLE	COMMENT ON PROPOSAL
<p>Give effect to the purpose of local government to enable democratic local decision-making and action by, and on behalf of, communities; and to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.</p>	<p>The proposal improves this at the regional level by providing full responsibility for coordinating decisions relating to social, cultural, economic and environmental well-being at the regional level and expressing these in a long term regional plan. The local board structure ensures the mechanism for community interaction on local issues and will enable community involvement and influence at the most appropriate local level i.e. at a level where people feel they can influence decisions that impact on their lives and provide a communication vehicle through to the region.</p>
<p>Better enable the achievement of a unified vision and plan for regions to increase international competitiveness and long term sustainability</p>	<p>The structure is specifically designed to address this by providing a single unified regional structure with aligned funding and delivery capabilities.</p>
<p>Ensure that decisions are made at the sphere of governance closest to the impacts of decisions and where decision-makers are best placed to act and deal with the consequences of those decisions;</p>	<p>Decisions will be clearly allocated to Government, the Wellington Council and local board level as appropriate. The local board structure will enable community involvement and influence at the most appropriate local level i.e. at a level where people feel they can influence decisions that impact on their lives and provide a communication vehicle through to the region.</p>
<p>Provide for clear accountability to the public for outcomes, use of public funds and stewardship of public assets – no taxation without representation</p>	<p>The proposal achieves this principle</p>
<p>Be cost efficient and effective</p>	<p>As a result of the improvement in the certainty of direction, alignment of various strategies and the involvement of Central Government the quality of decision making will be improved. This improvement together with the consolidation of administrative functions will save costs and provide new opportunities for staff development and growth.</p>
<p>Deliver equitable impacts across the region</p>	<p>The creation of a strong regional entity will create a framework whereby more equitable impacts can be achieved</p>
<p>Provide for the effective representation of the region’s rural and urban communities in decision-making to reflect distinct needs of rural and urban areas;</p>	<p>The proposal provides for this through the establishment of empowered local boards and by means of <u>direct</u> representation on the Wellington Council</p>
<p>Be resilient into the future, and be able to deal with increasing uncertainty, complexity, diversity and change</p>	<p>The proposal is a logical structure that will provide long term resilience to change over time.</p>