

THE PULSE OF LOCAL GOVERNMENT

AUGUST 2024

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About the New Zealand Initiative

The New Zealand Initiative is an independent public policy think tank supported by chief executives of major New Zealand businesses. We believe in evidence-based policy and are committed to developing policies that work for all New Zealanders.

Our mission is to help build a better, stronger New Zealand. We are taking the initiative to promote a prosperous, free and fair society with a competitive, open and dynamic economy. We develop and contribute bold ideas that will have a profound, positive, long-term impact.

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Introduction

Localism is a concept with deep roots in New Zealand's history, yet it has been largely overlooked in recent decades as our country became increasingly centralised.

For us at The New Zealand Initiative, localism is an idea that has been central to our research since we started in 2012. We believe it is crucial for the future relationship between local and central government that localism be clearly defined.

For the Initiative, localism is the devolution of power from central government to local government, based on the understanding that local bodies are better placed in a number of areas to know and serve their communities than central bureaucracies.

This approach recognises that local bodies often possess better knowledge of their communities' needs and can serve them more effectively than central government in many areas. However, it is important to note that localism does not advocate for decentralisation in all matters. Some functions, such as monetary policy or national defence, are best managed centrally.

The current Coalition Government is introducing initiatives like city and regional deals, and it is considering GST sharing on new housing developments, which align with some aspects of localism. However, these represent only initial steps towards a truly localist approach.

Our vision of localism goes further. We believe it can address key challenges facing New Zealand, from housing affordability to economic development, by allowing for tailored, locally-responsive solutions.

At the same time, Localism is in danger of losing its meaning to the general public. Like any word that enters the political-corporate lexicon, the pressures placed upon it to be too many things to too many people threaten to flatten a complex concept into something two-dimensional. Paired with a lack of contemporary localist policy, it becomes hard for the public and legislators alike to put a face to a name.

This report is based on a survey run by the Initiative that aimed to explore the mood of local government toward localism, both in theory and in concrete policy proposals. It focussed upon council views on various forms of devolution, on local council competence, on citizen engagement, on the relationship between central and local government, and other topics.

Our aim was to understand how prepared and willing local councils are to embrace increased responsibilities and autonomy. To our knowledge, this research into council attitudes toward localism is the first of its kind in New Zealand.

Ultimately, our goal is not localism for its own sake, but rather for the improved wellbeing for all New Zealanders. We believe a stronger localist approach is a powerful means to achieve this end, creating a more prosperous, democratic, and innovative New Zealand by empowering communities to shape their own futures.

Method

The survey consisted of 37 questions divided amongst 9 sections. Eight sections were compulsory. The 9th section contained a single optional longform opportunity to provide any additional information.

The survey was sent to 974 individuals, comprising a complete list of New Zealand's councillors, mayors, chairs, and local government Chief Executives. Access to the survey was first provided on 14 May. Initially, access to the survey was to end on May 31, however this was extended to 2 June. 101 responses were received. 31 responses were provided for the optional section.

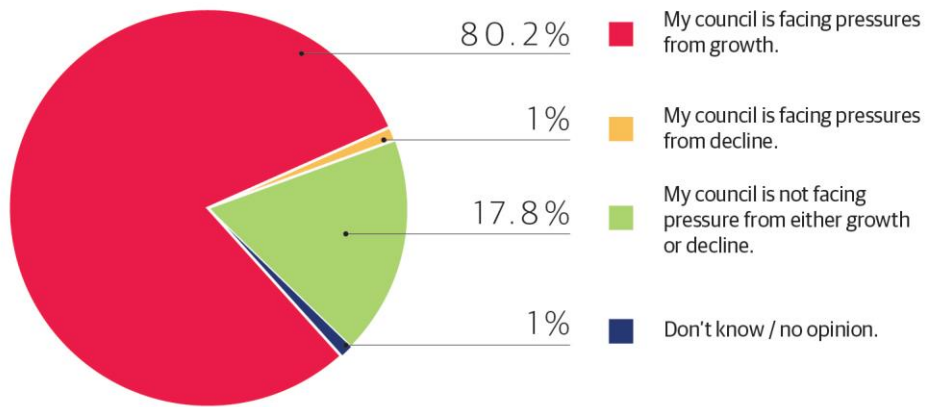
Limitations

The survey was based on self-selected respondents from the target population. While the 10% response rate is reasonable for the overall population, it resulted in only 101 responses. This limited sample size restricts the potential for detailed comparative analysis.

Growth and development

Figure 1:

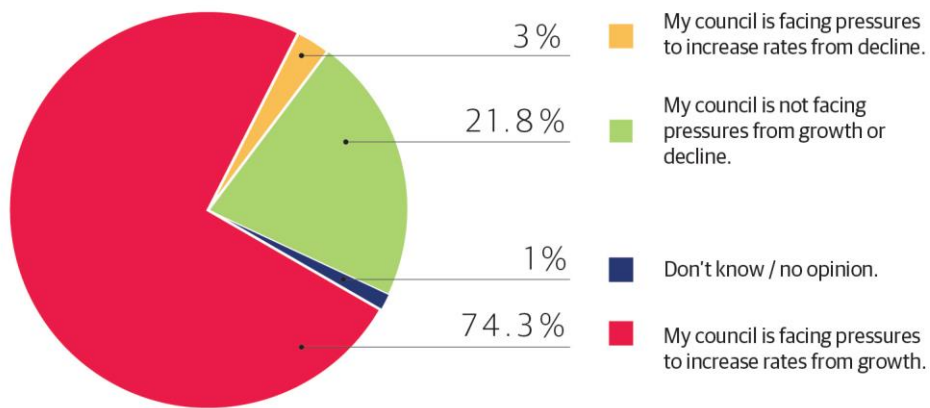
Is your council currently facing financial pressures from population growth or from population decline?



Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 2:

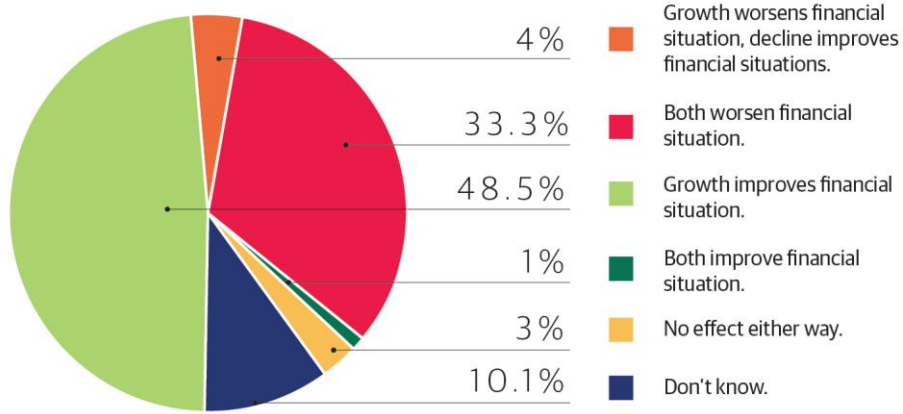
Is your council coming under pressure to increase rates to cope with population growth or decline?



Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 3:

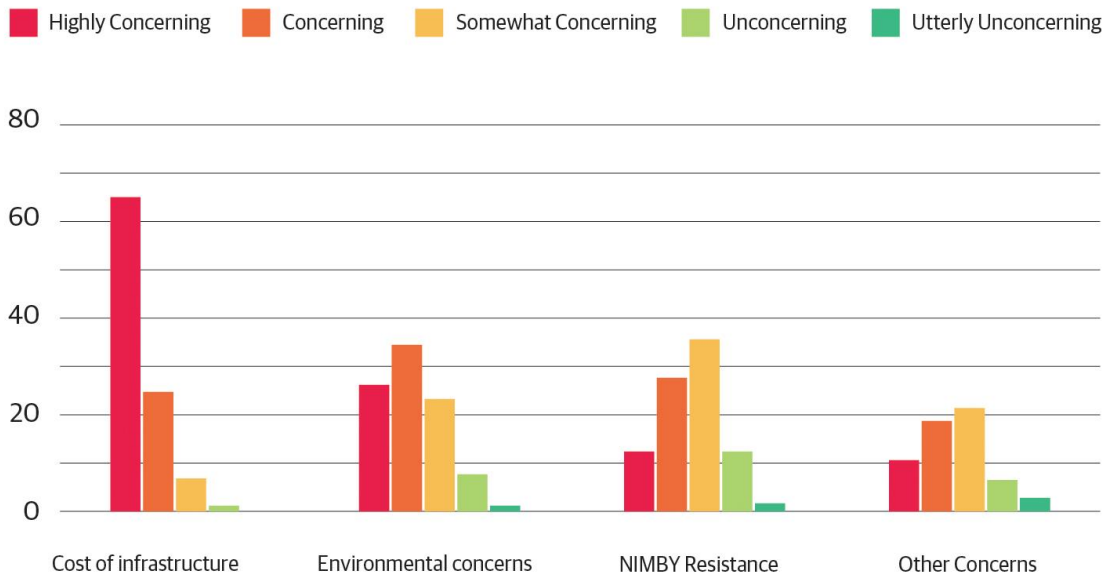
What do you believe is the effect of population growth or decline on a council's bottom line?



Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 4:

If you have to deal (or are dealing) with population growth, what would be the major concerns?



Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 5:

If a new development were proposed that would require upgraded or new council-provided infrastructure, what is your council's preferred way of handing the cost?

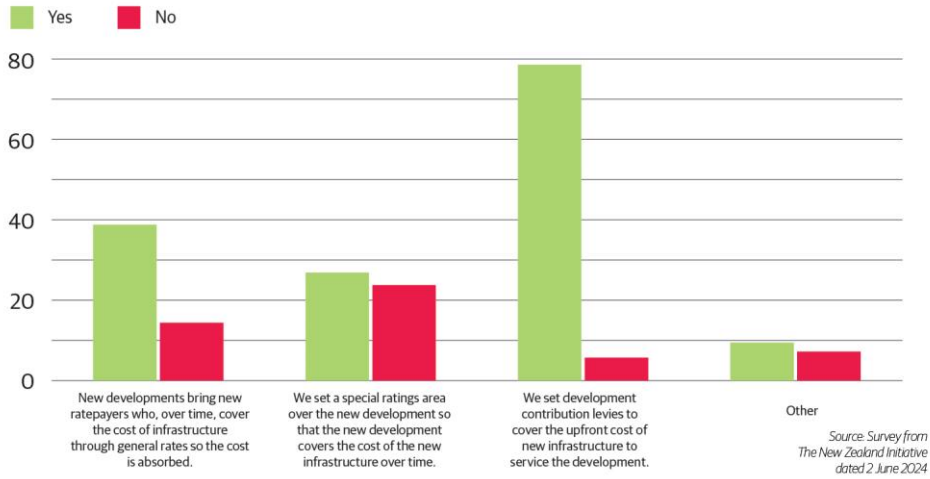
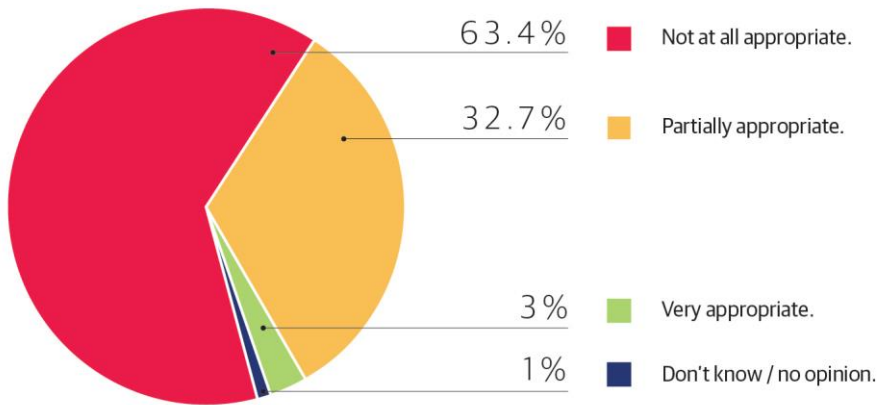


Figure 6:

In your view, how adequate are the size of existing local government funding arrangements for dealing with population growth or decline?

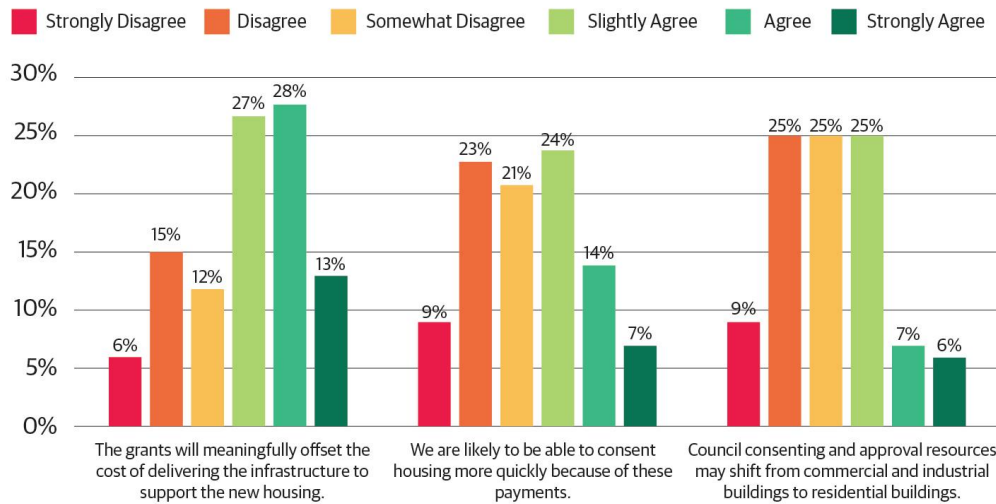


Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 7:

Central government has proposed paying councils an approximate share of GST for delivering more new housing than its prior average build rate.

How strongly do you agree with each statement below about the consequences of this proposal?



Source: Survey from The New Zealand Initiative dated 2 June 2024

The interaction between population growth and infrastructure development has become a serious issue in New Zealand's political landscape, placing pressure on local governments nationwide. Our survey unveiled a range of challenges, strategies, and perceptions that provide insights into how this interaction is viewed by local government.

Our survey's data provides strong evidence that population growth is perceived as the main force shaping local government infrastructure concerns, with 80% of councils reporting growth-related pressures (Fig.1.). These pressures are being realised in financial terms, with 74% of respondents reporting considering raising rates in response (Fig.2.).

Unfortunately, the increased rates revenue from more residents and rates rises is not viewed as covering the costs of growth. Less than half (48%) of respondents view growth as improving their council's financial situation (Fig.3.). Notably, a third of councils project financial deterioration regardless of whether their population shrinks or grows, suggesting deeper structural issues within local government finances (Fig.3.).

When presented with three common concerns associated with population growth and asked to rank each on a five-point scale from 'highly concerning' to 'utterly unconcerning', infrastructure costs emerge as the foremost concern (Fig. 4.). The near-unanimous concern (91%) about infrastructure costs (with two-thirds of respondents expressing high levels of concern) underscores the severity of the issue.

Of interest in the current debate around reforming the Resource Management Act (RMA), 66% of respondents found environmental concerns an issue for growth (Fig.4.). NIMBY resistance was viewed with greater ambivalence, scoring highest in the 'somewhat a concern' category (Fig.4.).¹

¹ Not In My Back Yard. Refers to people and organisations opposed to urban densification.

In response to financial pressures, councils have adopted an array of strategies to fund new developments. We presented respondents with three common methods for handling the cost of new developments and asked them to select their council's preferred method. The overwhelming preference for development levies (utilised by nearly 80% of respondents) indicates a shift towards a 'developer pays' model, potentially mitigating immediate financial strain but raising questions about long-term financial arrangements (Fig.5.). The less prevalent strategies of relying on future ratepayer offsets (39%) and implementing special ratings areas (27%) show respondents were less willing to rely on long-term returns or experiment with targeted funding mechanisms. Councils near their debt limits have difficulty in using special ratings areas to fund infrastructure. Improved infrastructure funding and financing tools could make special ratings areas more feasible.

Perhaps the most striking finding of this section pertains to the perceived inadequacy of the financial relationship between central and local government. The near-unanimous dissatisfaction (96%) with the current arrangement, coupled with a mere 3% approval rate, signals a concerning disconnect between the two tiers of government (Fig.6.). This widespread discontent might suggest that the existing framework is perceived by those at the local level to be ill-equipped to address the complex challenges facing local authorities.

The Coalition Government is considering some form of a 'GST sharing' scheme for delivering more new housing than its previous rate. We inquired with respondents as to their opinions on three central features of such a scheme. Though the scheme received support from two-thirds of respondents as a potential means to offset infrastructure costs, there was a break in perceptions regarding its broader impacts (Fig.7.).

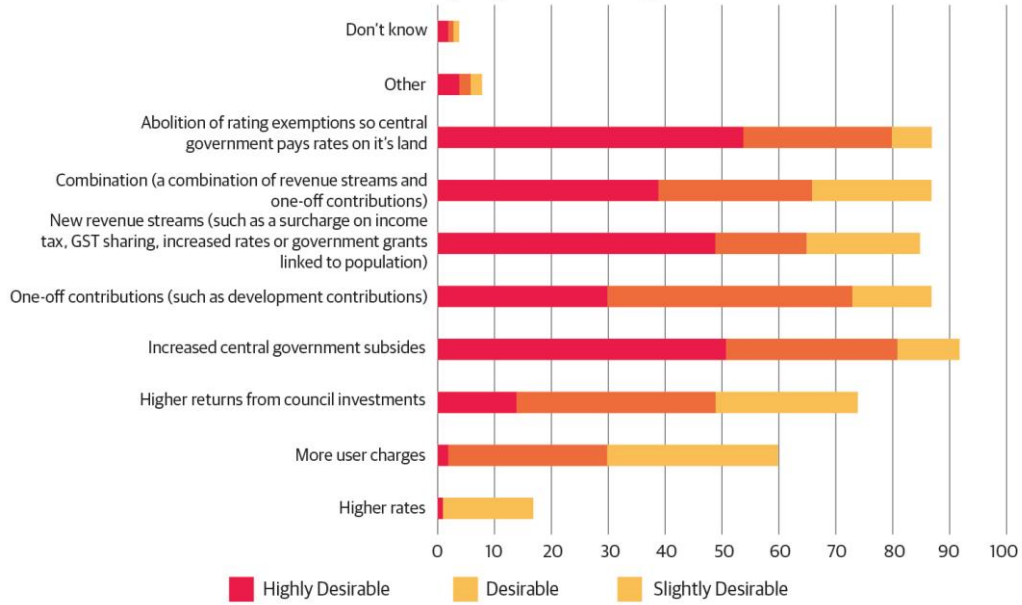
The scepticism expressed by over half of the respondents about its potential to shorten consenting times likely highlights the multifaceted nature of development bottlenecks, rather than signalling a single-point-of-failure at the funding level. Interestingly, just over half of respondents did not believe the scheme would generate a shift in the resources currently directed by councils towards commercial buildings toward residential builds.

This section's results display an interplay between the demographic, financial, and governance factors shaping the issues faced by New Zealand's local governments as relates to infrastructure and growth. As central government considers its role in these issues, they must consider not only immediate financial solutions but also long-term structural reforms that can create a more resilient and adaptive system.

Financing

Figure 8:

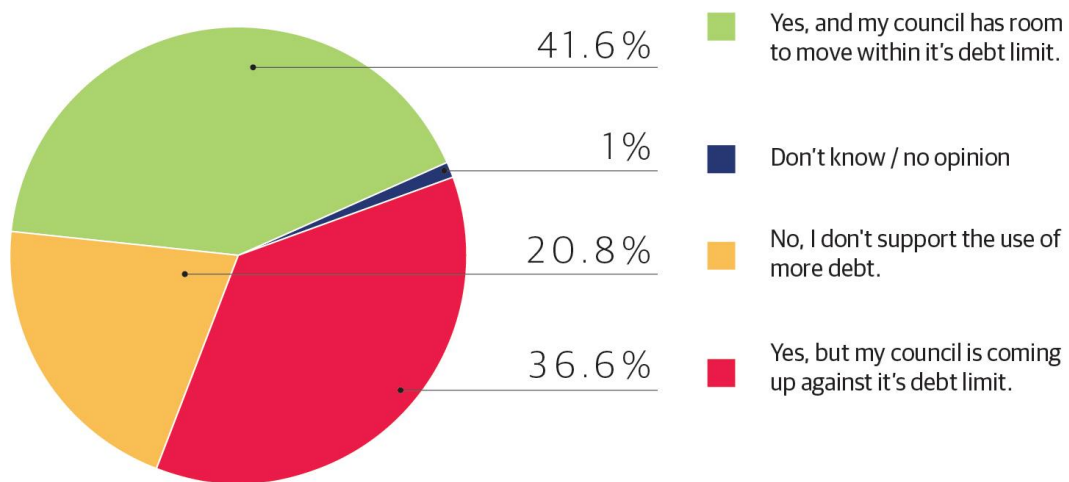
How desirable are the following revenue types to pay for the costs associated with population growth or decline?



Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 9:

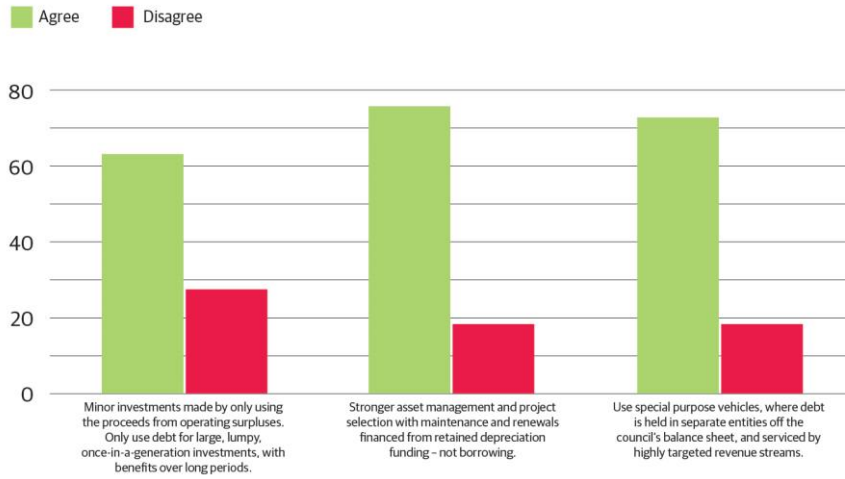
Do you support more use of debt to finance infrastructure investment?



Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 10:

Do you agree with the use of the following financing tools (which would not increase council debt)?

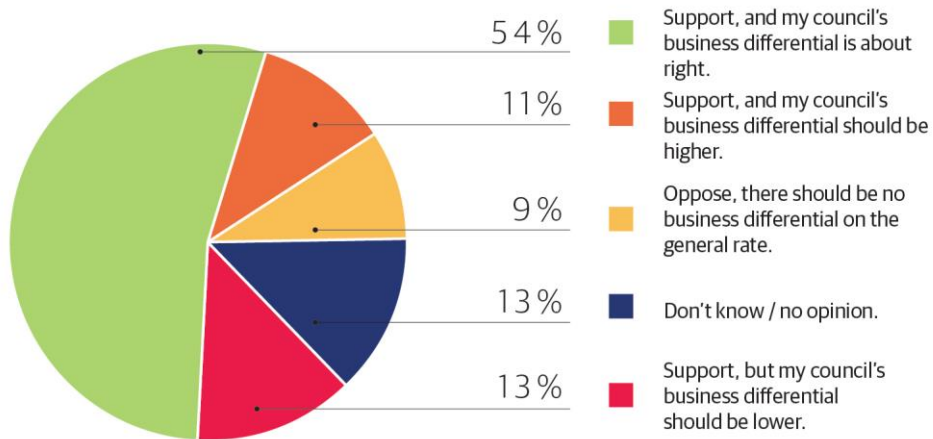


Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 11:

Many councils apply business differentials on their general rates, which result in business properties being charged at a differential rate which is higher than the standard rate charged on residents.

Do you support or oppose business differentials?

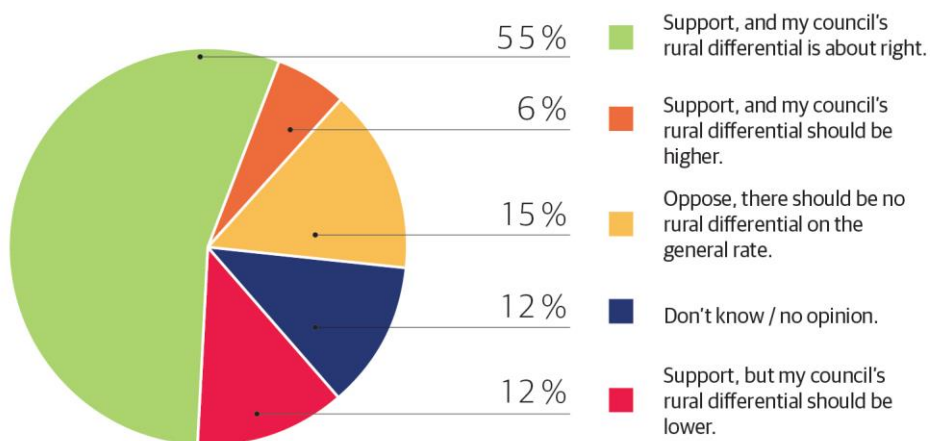


Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 12:

Many councils apply rural differentials on their general rates, which result in rural properties being charged at a differential rate which is lower than the standard rate charged on residents, due to such properties not having the same access to council.

Do you support or oppose rural differentials?

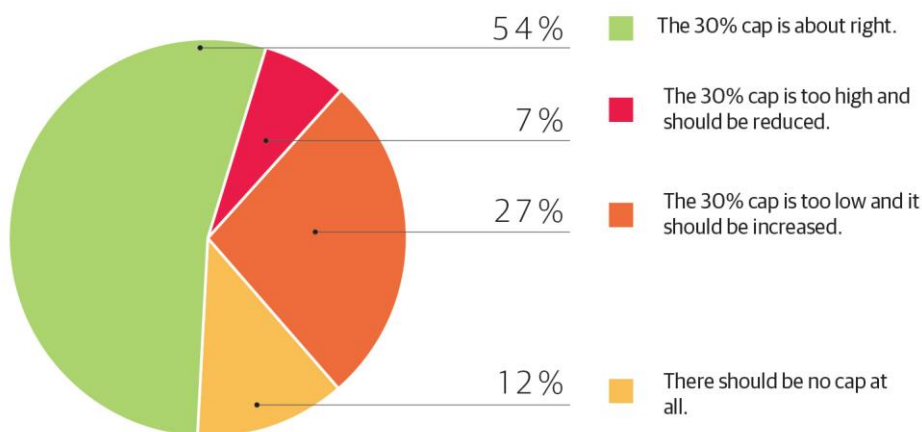


Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 13:

The Local Government Rating Act places a 30% cap on rates revenue that can be covered from uniform annual general charges and district-wide uniform targeted rates.

What do you think of this cap?



Source: Survey from The New Zealand Initiative dated 2 June 2024

Our analysis of local government financing approaches reveals a complex network of preferences and challenges faced by New Zealand's councils.

The section's first question presented respondents with eight options to cover costs associated with population change (Fig. 8.). Respondents ranked each on a six-point scale from most to least agreeable.

The abolition of rates exemptions on central government land emerged as the favourite option, followed closely by increased subsidies from central government. This preference for direct

government intervention is underscored by widespread respondent support for new income streams, such as GST sharing, and one-off contributions like development contributions.

Notably, councils displayed a marked preference for these more central-to-local direct-transfer solutions over options that would require increased local effort or potential political backlash, such as higher returns from council investments, more user charges, or higher rates (Fig. 8.).

Indeed, the option of raising rates stood out as the only proposal receiving net negative responses. This aversion to rates increases likely reflects the political sensitivity surrounding rates increases and the desire to avoid placing additional financial burdens directly on constituents. It might also signal a belief among respondents that the other options are also broadly more sustainable.

The section then delved into councils' attitudes towards debt financing, a critical tool in infrastructure investment. An overwhelming 78% of respondents were supportive of the use of debt financing (Fig. 9.). However, this enthusiasm was tempered by practical constraints, with nearly half of those supportive respondents reporting that they are approaching their debt limits. Moreover, 21% of all respondents expressed reluctance to take on any additional debt beyond their current levels, indicating a significant minority concerned about fiscal sustainability.

When presented with non-debt raising alternative financing tools in the following question, respondents showed majority support for all options (Fig. 10.). However, the least popular approach 'using proceeds from operating surpluses for minor investments and reserving debt for large, generational projects' faced opposition from a fifth of respondents.

The section also explored attitudes towards business and rural differentials in general rates. In both cases, a slim majority (54%) of respondents deemed current differentials appropriate. However, there was notably more support for abolishing the rural differential at 15% (Fig. 12.), compared to the business differential at 9% (Fig. 11.), perhaps reflecting changing perceptions of rural contributions to local economies or services.

The final question of this section examined attitudes towards the 30% cap on rates revenue from uniform annual general charges and district-wide uniform targeted rates, as mandated by the Local Government (Rating) Act. While about half of the respondents considered the current cap appropriate, a significant minority (just under a third) advocated raising it (Fig. 13.). Only 7% believed it was too high, while a notable 12% supported removing the cap entirely. This distribution of opinions suggests an ongoing debate within local government concerning the balance between uniform and variable rate components in local government funding.

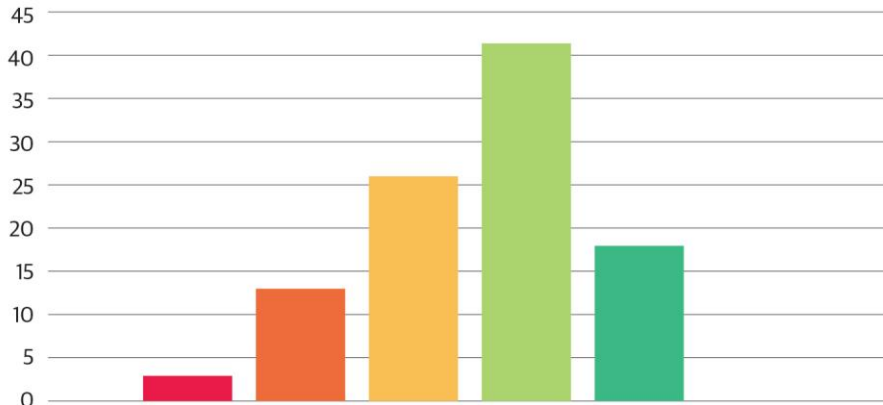
Relationship with central government

Figure 14:

Complete the statement:

"I feel my council has ___ in making decisions for its local area"

- No/very little autonomy
- Highly restricted autonomy
- Limited autonomy
- Moderate autonomy
- Substantial autonomy
- Near-complete autonomy



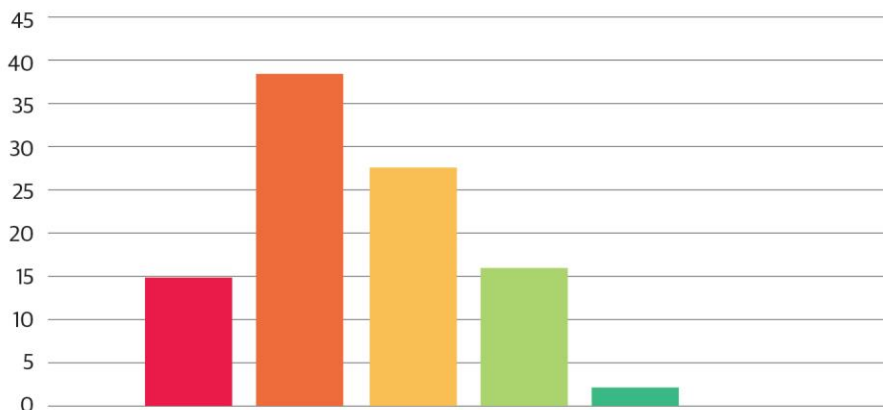
Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 15:

Complete the statement:

"I believe the current distribution of power between central and local government is ___ in enabling my council to address the needs of its community"

- Utterly Ineffective
- Ineffective
- Somewhat Ineffective
- Somewhat Effective
- Effective
- Incredibly Effective



Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 16:

"I believe central government exerts too much control over local councils."

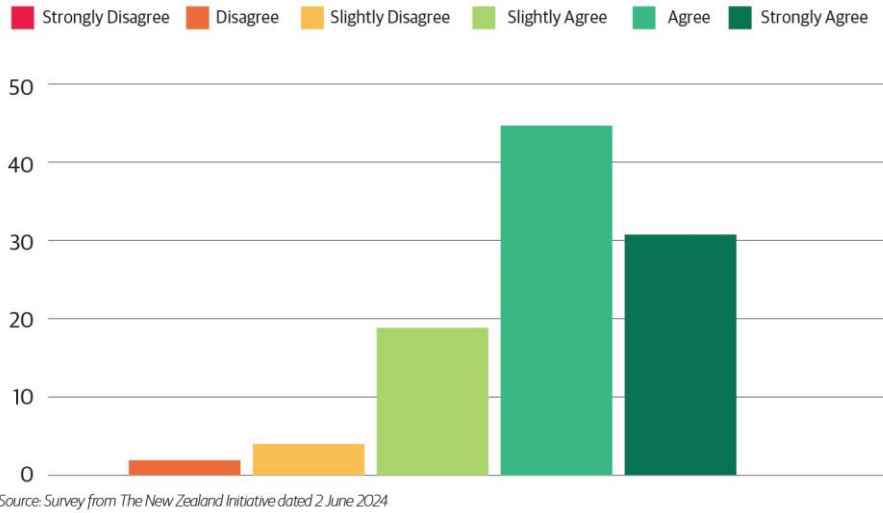
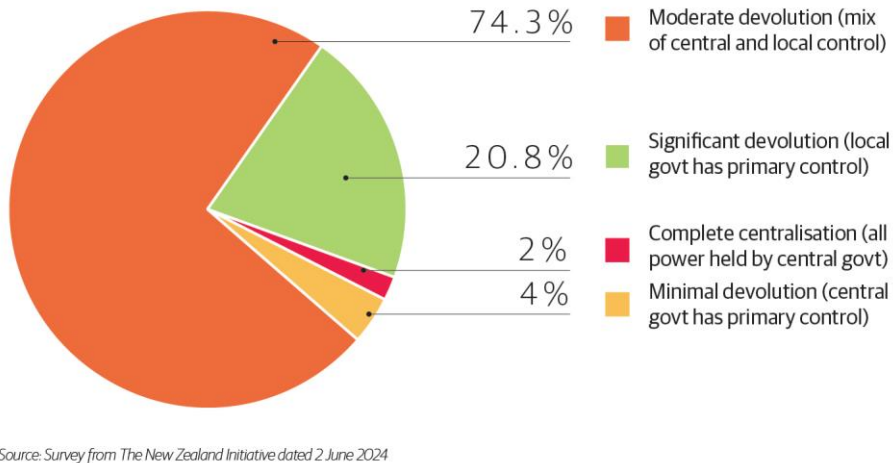


Figure 17:

What is your ultimate vision for the balance of governance between central and local government in NZ?



The survey next examined the crucial, yet often strained, relationship between central and local governments in New Zealand. It reveals a significant tension between perceived autonomy and the desired distribution of power among respondents.

The data presents a somewhat paradoxical landscape of local government perceptions. When questioned about their council’s decision-making autonomy for their local area, respondents were almost evenly split (Fig. 14.). Just under half reported some degree of limitation on their autonomy in local decision-making. Of this group, approximately half perceived their autonomy as highly restricted. Conversely, slightly over half of the respondents believed they had at least moderate autonomy. This

even distribution suggests differing experiences of interaction between central and local government across the country.

However, a striking shift in perspective emerges when the respondents were questioned about power distribution between central and local government. An overwhelming 82% of respondents deemed the current power distribution to be at least somewhat ineffective, with more than half of these categorising it as ineffective or worse (Fig. 15.). Merely 18% viewed it as somewhat effective, and only 2% were willing to describe the relationship as effective (not a single respondent chose to describe the distribution as highly effective).

This dramatic swing in opinion when the focus shifts from autonomy to power distribution hints at a deeper underlying dissatisfaction with the structural relationship between the two levels of government. Local government appears more likely to believe it is autonomous, but less likely to believe it has the tools to utilise alongside this relative freedom.

This dissatisfaction is further corroborated by the near-unanimous agreement (94%) within respondents with the statement 'central government exerts excessive control over local councils (Fig. 16). The intensity of this sentiment is evident, with 44% agreeing and 31% strongly agreeing with the statement. Such a powerful consensus suggests a pervasive and alarming feeling of disempowerment among local authorities.

Despite this criticism of the current system, the survey data shows a measured approach to potential reforms. When asked about the ideal future balance between central and local government, a significant majority (74%) advocated for moderate devolution resulting in a mixed governance model (Fig. 17.). This preference for a balanced approach indicates a recognition of the continued importance of central government in certain areas, slowing the need for increased local authority to be met.

It is noteworthy, however, that a fifth of respondents support significant devolution, advocating for nearly all policy-creating power to rest with local government (Fig. 17.). This substantial minority suggests a more radical appetite for change among some local authorities, perhaps those feeling particularly constrained by the current system. In contrast, only four respondents favoured maintaining or increasing central government control.

While there is a clear consensus on the need for change, with strong criticism of the current power distribution and central government control, the majority favour a measured approach to reform. This suggests a mature understanding among local authorities of the delicate balance required in effective governance.

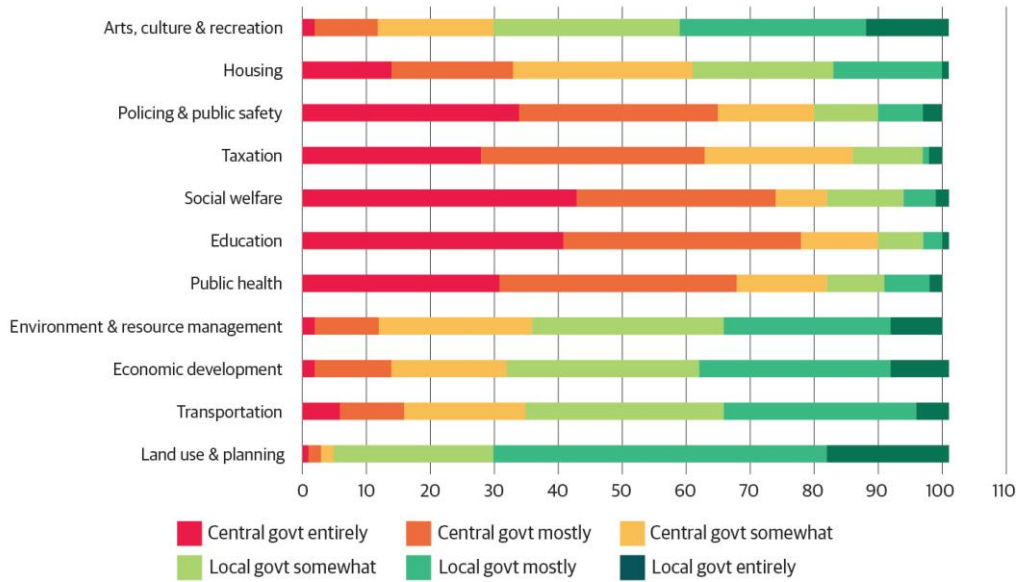
The findings point to a need for a comprehensive review of the central-local government relationship. Policymakers should consider a nuanced approach to devolution that addresses the perceived power imbalance while maintaining necessary central oversight in key areas.

Moreover, the discrepancy between perceptions of autonomy and effectiveness of power distribution warrants further investigation. It may indicate a disconnect between formal decision-making powers and the practical ability to implement local policies effectively. Addressing this gap could be crucial in enhancing the actual and perceived effectiveness of local governance.

Localism and Policy

Figure 18:

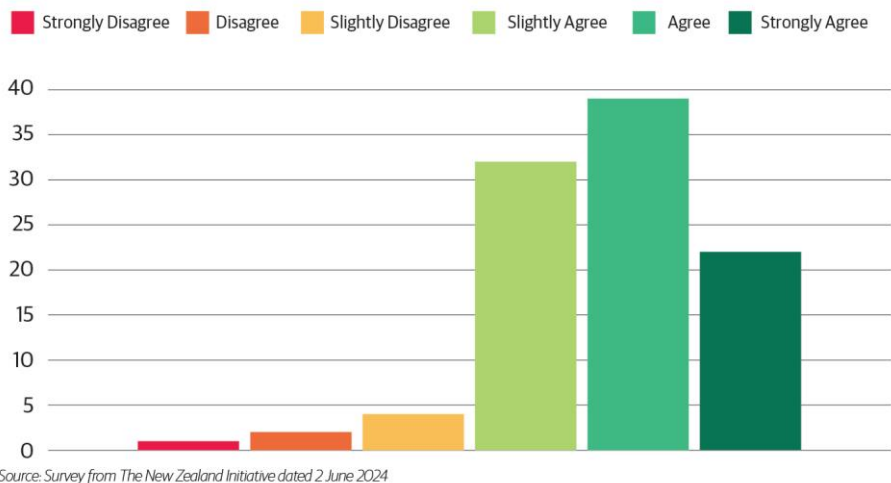
Who do you think should have responsibility over the following policy areas?



Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 19:

“Councils should have more freedom to put in place their own regulations tailored for local circumstances, free of central government direction.”



Source: Survey from The New Zealand Initiative dated 2 June 2024

The survey then focussed on the distribution of governmental responsibilities across various policy domains. This analysis provides insight into the ongoing debate surrounding localism and the appropriate balance of power between central and local governments.

Respondents were provided with 11 policy areas and asked whether they thought local or central government should have the most responsibility over each. Each area was ranked by respondents on a six-point scale, from 'central government entirely' to 'local government entirely' (Fig. 18.).

Land use and planning emerged as the policy area with the strongest support for local control, with an overwhelming 96% of respondents advocating for exclusive local government responsibility. This near-unanimous consensus underscores the deeply held belief that local authorities are best positioned to make decisions about the physical development of their communities.

Transportation, economic development, and environmental protection and resource management present a more nuanced picture. While a majority of respondents (66%, 69%, and 64% respectively) favour local government control in these areas, approximately half of these supporters acknowledge the need for a degree of central government involvement. This suggests a recognition of the interconnected nature of these policy domains and the potential benefits of collaborative governance approaches.

In contrast, public health, education, and social welfare are viewed predominantly as central government responsibilities, with 60% to 78% of respondents supporting this stance. This preference might reflect a perceived need for national standards and equitable service provision across regions in these critical areas of social policy.

Taxation and policing and public safety occupy an interesting middle ground. While roughly 64% of respondents believe these should remain under central government purview, there is minimal support for shifting them entirely to local control. This might indicate a desire for consistency in fiscal policy and law enforcement across the nation, while potentially leaving room for some local input or adaptation.

Housing policy presents a particularly divided landscape. Although a majority favours retaining it as a central government responsibility, a substantial 40% of respondents wanted it maintained in local government control. This split opinion may reflect the overlapping nature of housing issues, which often have both national implications and highly localized impacts, such as national building standards, public housing schemes, and local consenting processes.

Arts, culture, and recreation stand out as areas where local government control is strongly preferred, with 71% of respondents supporting this position. This aligns with the understanding that these domains are often closely tied to local identity and community preferences.

Having established this range of preferences over these central policy areas, the survey then asked respondents whether councils should have the power to tailor regulations to local circumstances. Perhaps most tellingly, there was overwhelming support (93%) for granting local governments the power to tailor regulations to local circumstances, with 61% strongly agreeing with this proposition (Fig. 19.). This strong endorsement of regulatory flexibility suggests a desire for a more nuanced approach to governance that can accommodate regional variations and specific local needs.

This data paints a picture of a desired governance structure that is far from binary. Instead, it reveals a sophisticated understanding among local authorities of the need for an interplay between central and local governments across various policy domains. The responses indicate a preference for a system that leverages the strengths of both levels of government – maintaining national standards and equity in areas like health and education, while allowing for local autonomy and flexibility in domains such as land use planning and cultural development.

The Appeal of Localism

Figure 20:

How appealing are these potential attributes of localism?

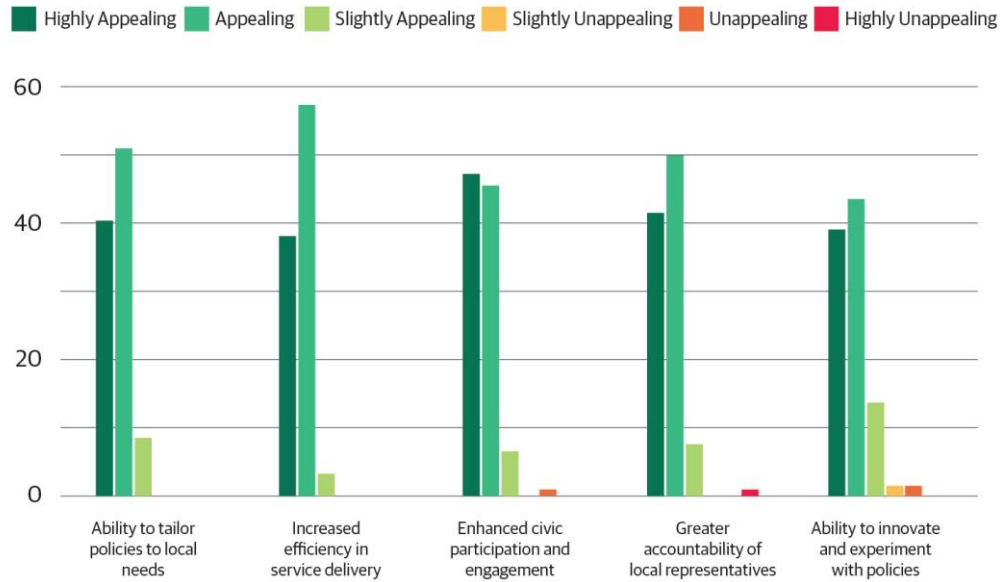


Figure 21:

What do you anticipate would be the greatest challenges in transitioning to a more localist system in NZ?

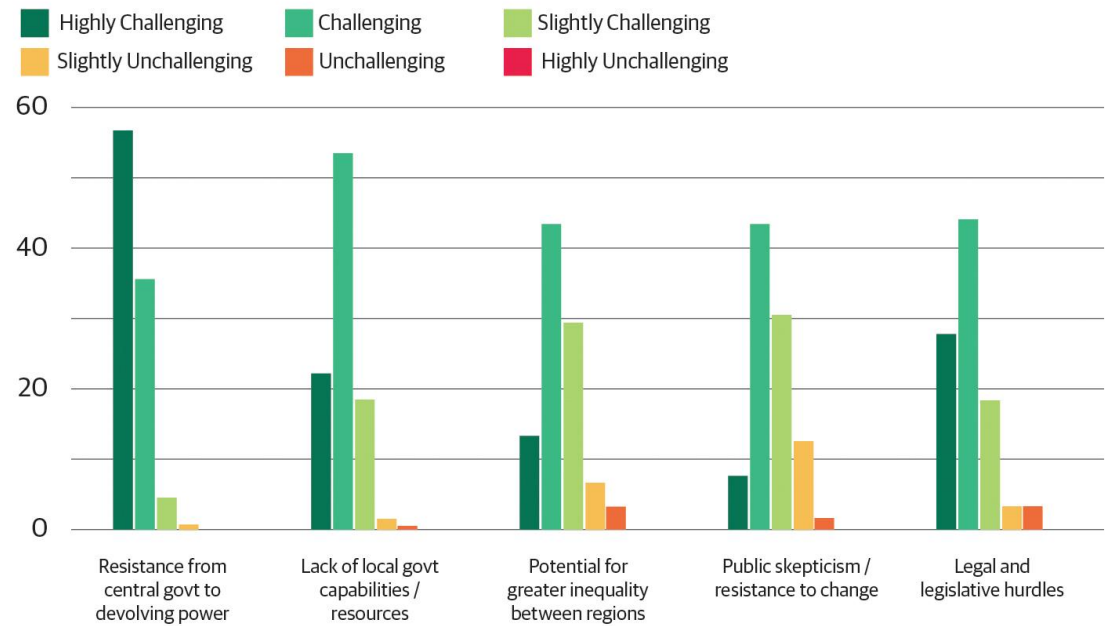
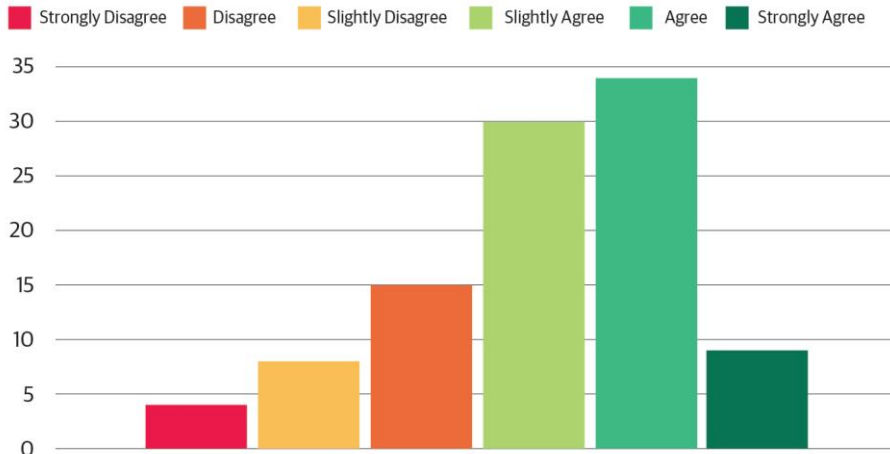


Figure 22:

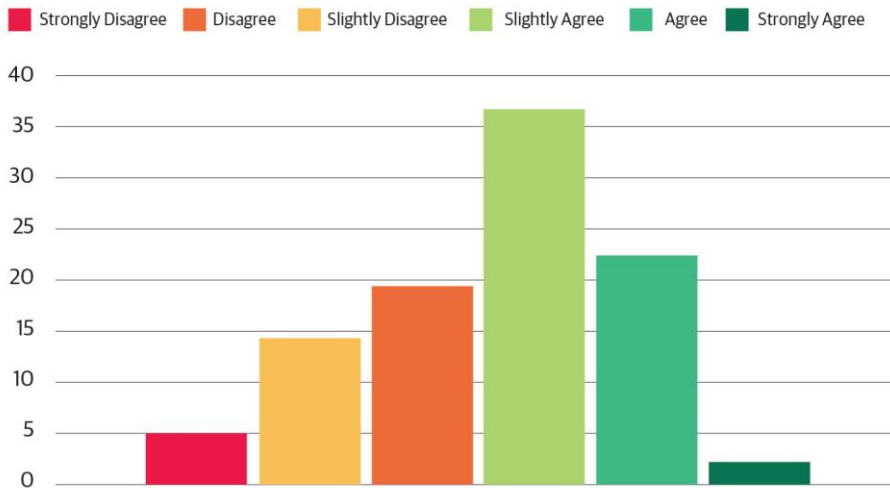
“My council currently has the necessary expertise and capabilities to take on additional governing responsibilities.”



Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 23:

“I am concerned about localism leading to greater disparity between wealthier and poorer regions.”

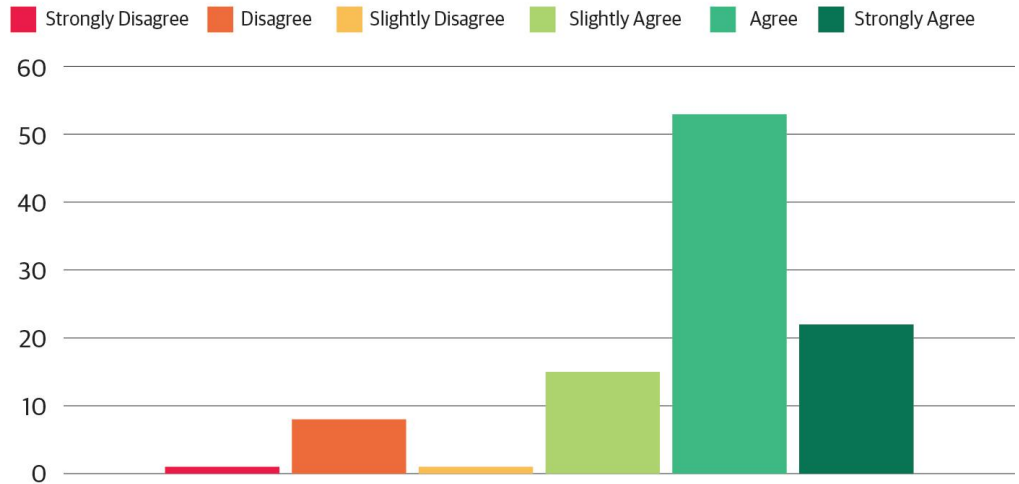


Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 24:

City deals are agreements between councils and central government, focused on solving challenges (e.g., infrastructure issues) for a certain geographic area. They aim to coordinate outcome delivery, often featuring cost-sharing commitments and measurable deliverables.

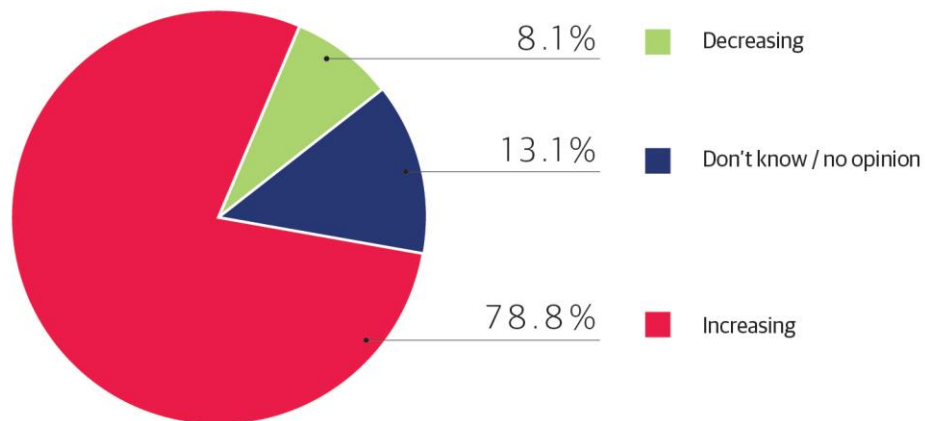
“I think a city deal as described would be a good idea for my council.”



Source: Survey from The New Zealand Initiative dated 2 June 2024

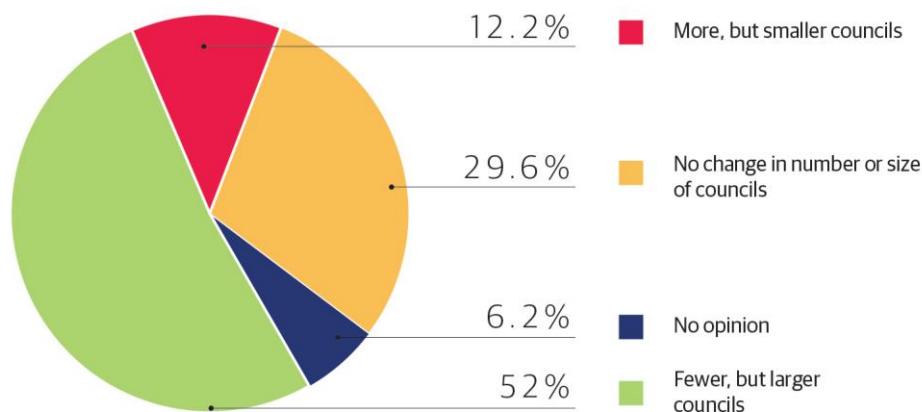
Figure 25:

Do you see localism increasing or decreasing the need for inter-council cooperation?



Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 26:

"I believe that there should be..."

Source: Survey from The New Zealand Initiative dated 2 June 2024

The survey then focussed in on the appeal of localism to respondents. The first question in this section outlined five potential attributes of localism and asked respondents to rank each on a six-point scale, from 'highly appealing' to 'highly unappealing'. Four of these - tailoring local policies to local needs, increasing efficiency in service delivery, enhancing civic participation, and improving accountability of local representatives - garnered unanimous support, with over 90% of respondents finding them either highly appealing or appealing (Fig. 20.).

The ability to innovate and experiment with policies, while still popular, showed slightly less (but still significant) enthusiasm with 81% of responses being positive. This strong endorsement suggests a widespread belief in the potential benefits of increased local autonomy.

While the national Overton window has expanded to include localism in recent years, the potential issues with the ideas, particularly from those who will be at the front lines of implementation in local communities, still need to be assessed. Enthusiasm in the previous question was tempered by a clear-eyed recognition of the challenges inherent in implementing localism in the following question which identified obstacles to localism.

The most significant challenge identified was resistance from central government to devolving power, with an overwhelming 98% of respondents viewing this as challenging, and 57% deeming it highly challenging (Fig. 21.). The other obstacles also scored net challenging results, with the weakest being public scepticism – a net negative score of 83%.

Respondents' opinions on the capacity of councils to handle increased responsibilities present a nuanced picture (Fig. 22.). While a net positive majority (73%) believe their councils have the necessary expertise and capabilities, nearly half of these responses chose the tenuous 'slightly affirmative'.

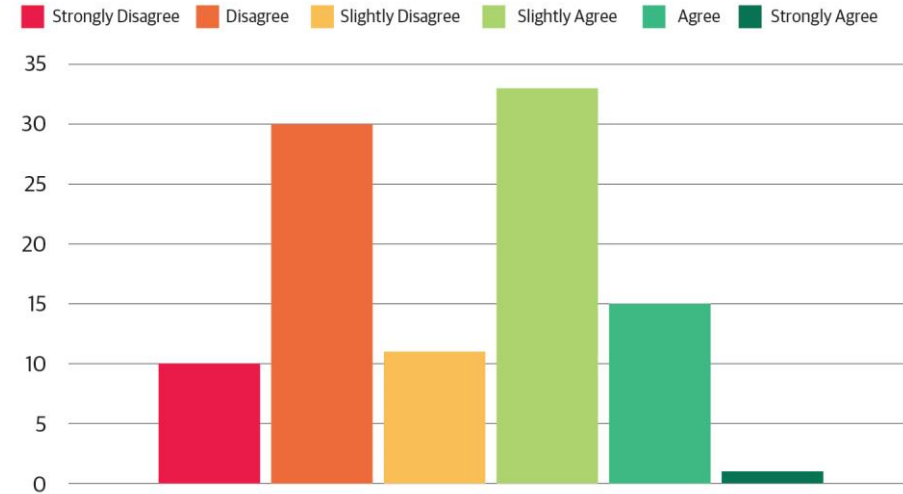
This suggests a degree of caution or uncertainty about the readiness of local governments to take on expanded roles. Furthermore, the concern about localism potentially exacerbating regional disparities, shared by 60% of respondents, highlights the need for careful consideration of equity issues in any devolution of power (Fig. 23.).

Interestingly, specific localism policies, such as city and regional deals, receive strong support (90% net positive), indicating an appetite for targeted approaches to increased local autonomy (Fig. 24.). The recognition by 79% of respondents that localism would necessitate greater inter-council cooperation (Fig. 25.) suggests an understanding of the need for collaborative governance in a more devolved system. Interestingly, a majority of respondents think that there should be fewer, but larger councils, with only 30% in support of more but smaller councils (Fig. 26.).

Civic Engagement

Figure 27:

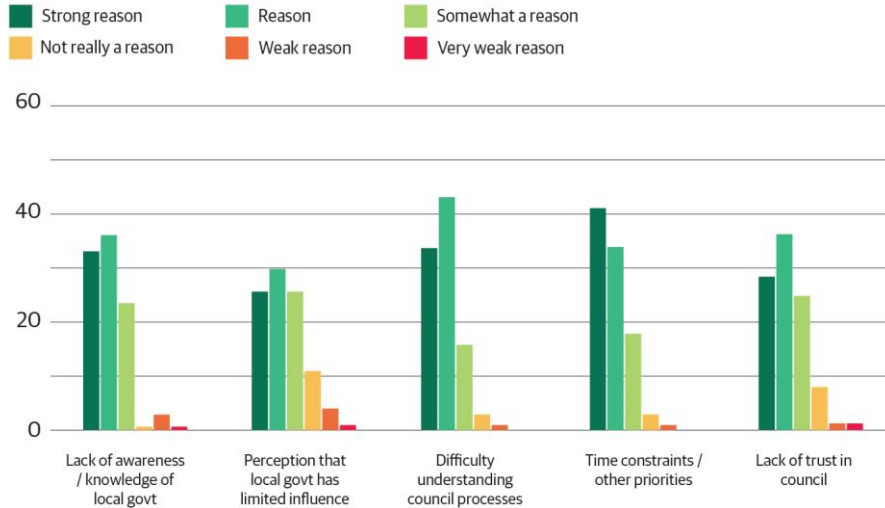
“My council’s citizens are highly engaged with local matters and issues.”



Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 28:

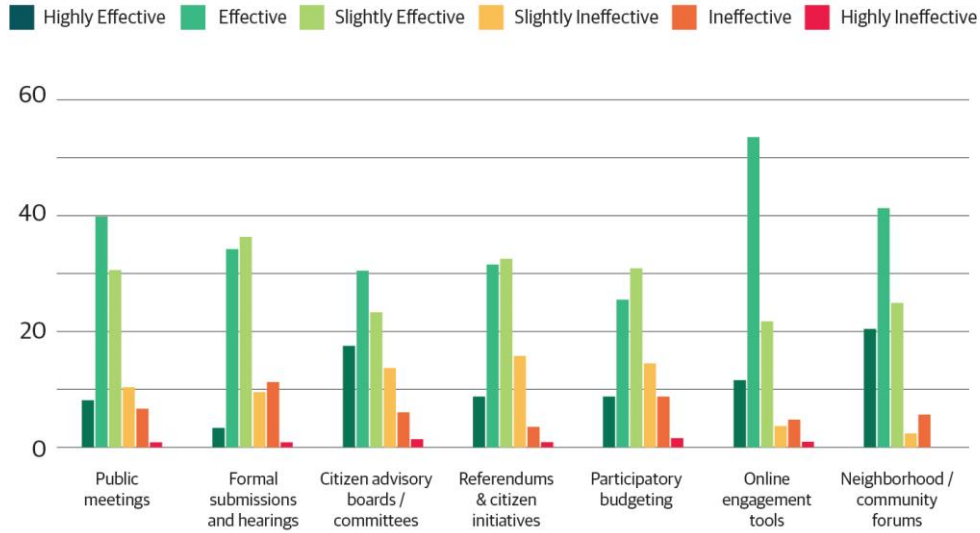
What are the main reasons you believe citizens don't engage with the local government?



Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 29:

What methods do you think are most effective for councils to engage citizens?

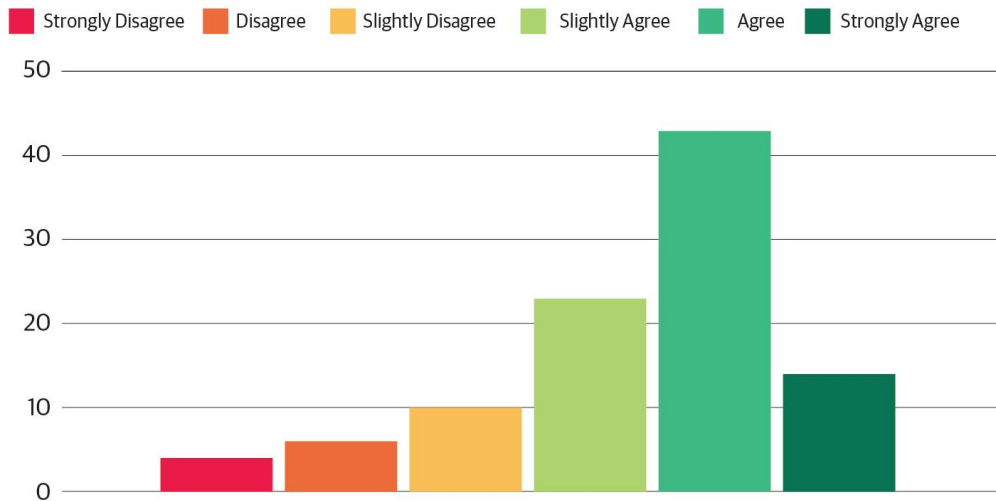


Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 30:

Ratepayer reluctance to fund important work and resistance to rates increases are sometimes raised as constraints on local government's ability to deliver necessary services.

“Ratepayer reluctance is an important constraint on council ability to deliver necessary services.”

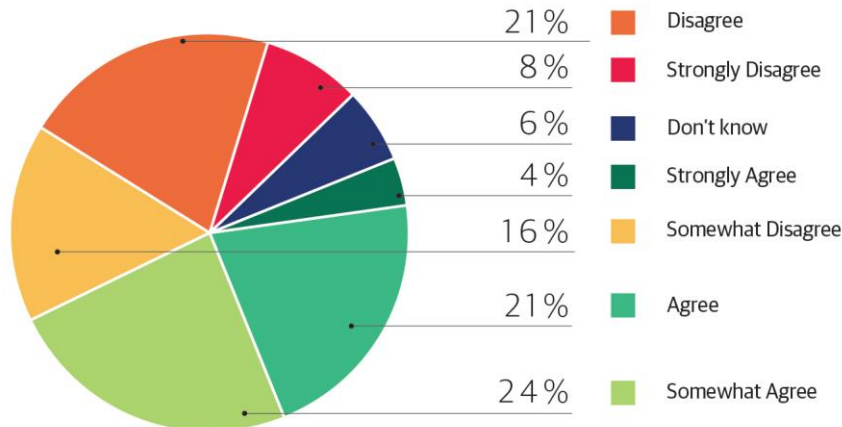


Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 31:

Opposition to rates increases may stem from ratepayer uncertainty about how the raised funds would be used.

“Ratepayer referendums on both major spending initiatives & the rates increases needed to finance those works will decrease ratepayer opposition.”



Source: Survey from The New Zealand Initiative dated 2 June 2024

There was a nearly perfect split between councils on whether their citizens were highly engaged with local council matters and issues (Fig. 27.). Interestingly while 10% of total respondents ‘strongly disagreed’ that their citizens were highly involved, only 1% said they ‘strongly agreed’ with the opposite.

Delving into this issue, respondents were then provided with five reasons why citizens might not be engaging with local government and asked to rank each on a six-point scale from ‘strong reason’ to ‘very weak reason’ (Fig. 28.). Each option received overwhelming support as a reason for why the public was not more engaged. Interestingly, the strongest challenge identified was citizen’s having difficulty understanding council processes.

The survey then explored a specific factor for poor public engagement – ratepayer resistance. It asked how much of a constraint ratepayer resistance was on councils’ ability to deliver necessary infrastructure (Fig. 30.). An overwhelming majority (80%) thought that it was a constraint, with over half of those responses believing it firmly.

Examining ways of ameliorating these concerns, the survey then asked about citizen’s referenda (Fig. 31.). Despite wide support for citizens referenda, respondents were split when asked if ratepayer referendums on both major spending initiatives and the rates increases needed to finance those works would decrease ratepayer opposition to rate increases. 47% were in favour, 44% were opposed and 6% did not know.

Partnership and Diversity

Figure 32:

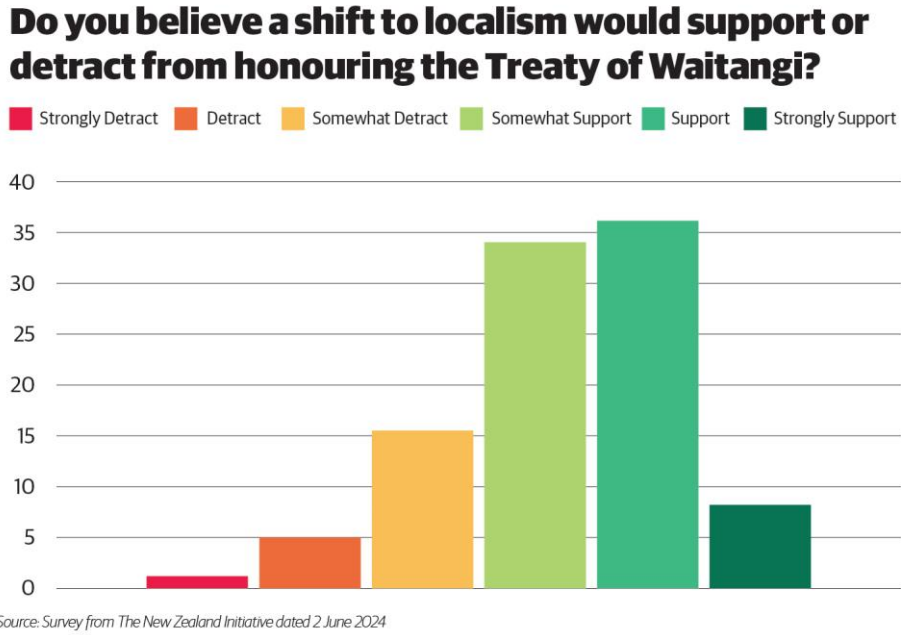


Figure 33:

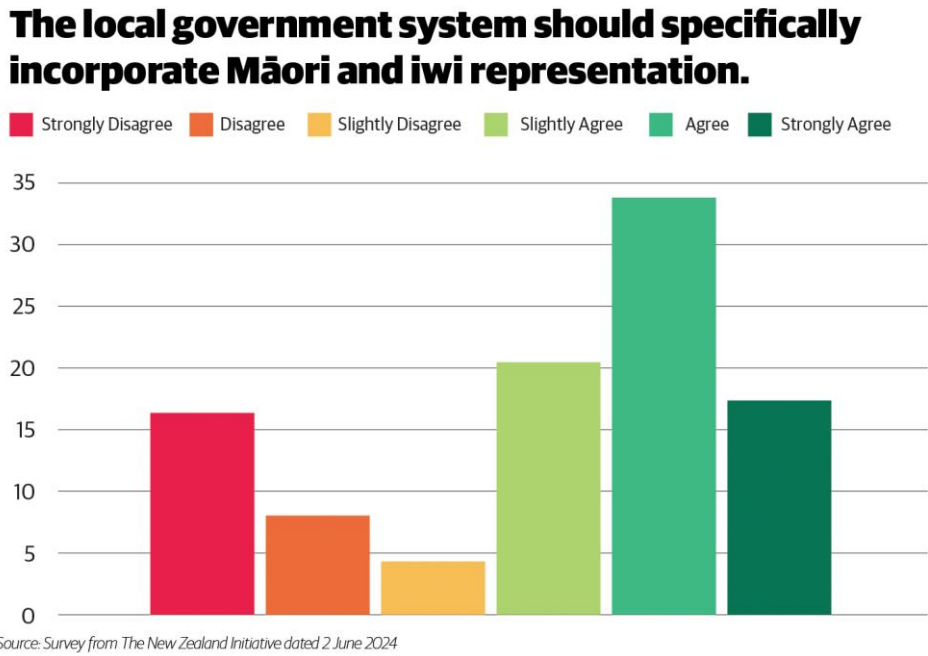
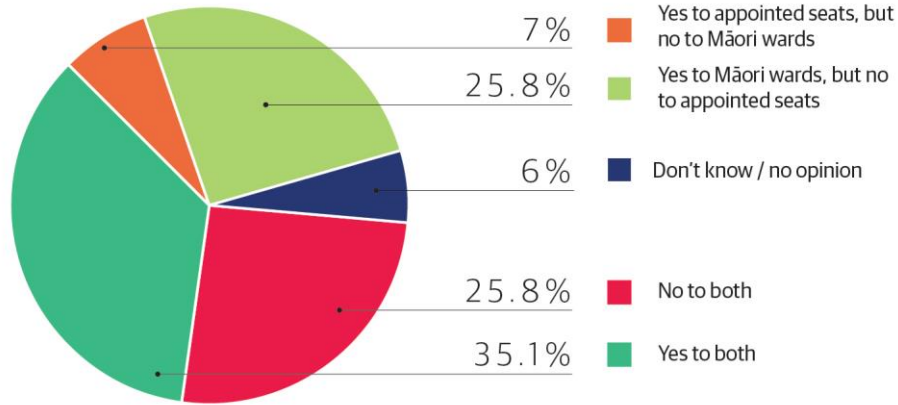


Figure 34:

Do you support Māori wards and/or appointed seats for Māori on councils?

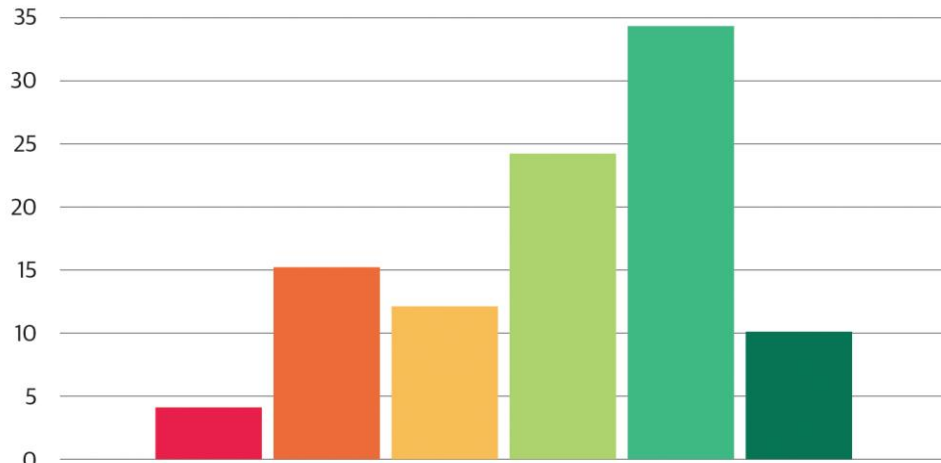


Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 35:

"I believe my council generally reflects the demographic diversity of the community it serves."

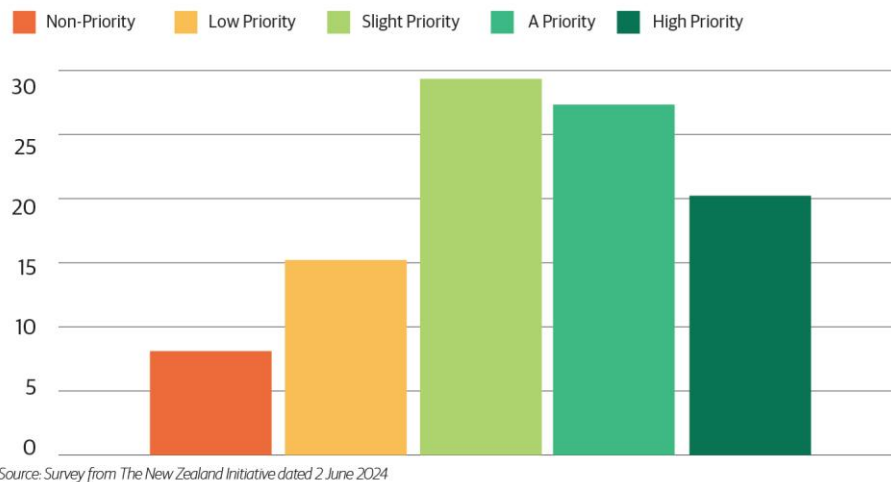
Strongly Disagree Disagree Slightly Disagree Slightly Agree Agree Strongly Agree



Source: Survey from The New Zealand Initiative dated 2 June 2024

Figure 36:

How much of a priority is it for you to see greater gender, ethnic, socioeconomic and age diversity on your councils?



This final section of our survey presents a picture of broad support for inclusive governance, tempered by pockets of strong opposition and varying perspectives on implementation.

The relationship between localism and Treaty obligations emerges as a critical consideration, with the section's first question showing a significant majority (78%) of respondents perceiving a shift towards localism as at least somewhat supportive of honouring the Treaty of Waitangi (Fig. 32.).

Notably, over half of these respondents were definitive in their assertion of this positive relationship. This strong correlation suggests that many local government representatives view increased local autonomy as an opportunity to enhance, rather than detract from, Treaty partnerships. Furthermore, analysis reveals no relation between Māori population numbers and this sentiment, indicating that this was a pan-national view among respondents.

The broad net support (70%) for Māori and Iwi representation in local government further underscores this sentiment (Fig. 33.). However, the polarisation evident in the responses, particularly the concentration of negative opinions in the 'strongly disagree' category (16%), hints at some deeply entrenched opposition. This dichotomy presents a challenge for policymakers: how to advance inclusive governance while dealing with a deeply opposed and vocal minority.

The question of specific mechanisms for Māori representation - Māori wards and appointed seats - reveals a more fragmented landscape of opinions (Fig 34.). While 35% of respondents support both wards and appointed seats, a notable 26% favour wards without appointed seats. This preference for elected over appointed representation could reflect a desire to balance increased Māori participation with democratic principles. The 7% supporting appointed seats without wards might indicate recognition of the need for guaranteed Māori voice in some councils, particularly where demographic factors might make it challenging for Māori candidates to win elections. The questions here could have benefitted from a stronger definition of what an appointed seat actually was.

The strong prioritization of diversity, with 77% of respondents considering it at least a slight priority and 47% strongly committed to it, suggests a recognition of the importance of representative governance (Fig. 36.).

However, the 23% of respondents who consider diversity a low priority or not a priority at all represent a significant minority. This group's perspective cannot be ignored in policy formulation, as their concerns may reflect broader community sentiments that need to be addressed for successful implementation of diversity initiatives. Further clarity might have been obtained by surveying views on specific instances of devolution of authority from councils and central government to local Iwi.

In synthesising these findings, we see a local government sector that is largely supportive of more inclusive and diverse governance structures, viewing them as complementary to both localism and Treaty obligations. However, the varying levels of support for different mechanisms of representation and the pockets of strong opposition highlight the need for a nuanced, possibly regionalized approach to implementation.

Open-ended Response:

The final section of the survey invited respondents to provide any additional information they thought was relevant to the survey. We have synthesised this information into eight categories.

- **Funding and Financial Constraints:** A major theme was the financial challenges faced by local councils, with many respondents highlighting insufficient funding and resources to maintain infrastructure, provide services, and meet government requirements. Concerns were raised about unfunded mandates from central government, an over-reliance on rates as the primary revenue source, and the need for alternative funding streams or greater subsidies from central government.
- **Role and Scope of Local Government:** There were differing views on the appropriate role and scope of local government. Some respondents advocated for greater localism, allowing councils to determine priorities based on local needs. Others argued for consolidation or amalgamation of councils to achieve economies of scale and efficiency. There were also calls for a re-evaluation of the responsibilities and services provided by local government.
- **Governance and Decision-Making:** Several respondents highlighted issues with governance and decision-making processes within local councils. Concerns were raised about the level of expertise and competence among elected representatives, the influence of politics over governance, and the need for better systems to evaluate and select capable candidates.
- **Relationships with Central Government and Iwi:** The relationship between local councils, central government, and iwi/Māori was a recurring theme. Some respondents advocated for greater collaboration and devolution of responsibilities from central to local government, while others criticized unfunded mandates and interference from central government. There were also differing views on the role of Māori wards and the interpretation of the Treaty of Waitangi.
- **Community Engagement and Representation:** Several respondents discussed the importance of effective community engagement and representation, with some suggesting that voter turnout is an inadequate measure. Others highlighted the challenges of representing diverse communities within a single council area.
- **Infrastructure and Service Delivery:** Maintaining and upgrading infrastructure, particularly for water, waste, and transportation, was a significant concern for many respondents. Some criticized the prioritization of "nice-to-have" projects over essential infrastructure, while others cited the challenges of delivering services across large, diverse regions.
- **Growth and Decline:** The impact of population growth or decline on local councils' financial situations was mentioned by a few respondents, with some suggesting that growth can improve financial positions, while decline can worsen them.
- **Role of Bureaucracy and Consultants:** A few respondents critiqued the influence of bureaucrats, consultants, and ideological agendas within local government, suggesting that they can hinder practical solutions and prioritize their own interests over those of the community.

Conclusion

Our survey has revealed a variety of local government attitudes towards localism in New Zealand. Broadly, there is widespread support for increased local autonomy and devolution of power from central to local government, with councils feeling they are better placed to address local needs. However, this enthusiasm is tempered by practical concerns about funding, capacity, and potential regional disparities.

The results suggest an appetite for a more nuanced governance model that leverages the strengths of both central and local government. While councils desire more autonomy, they also recognize the need for continued central government involvement in certain areas and for increased inter-council cooperation.

In closing, the results represent a previously untapped wealth of information about the attitudes, opinions, and justifications of those in control of New Zealand's local government institutions. Any government or organisation serious about implementing a localist agenda would benefit from spending some time with these results.

The New Zealand Initiative is an independent public policy think tank supported by chief executives of major New Zealand businesses. www.nzinitiative.org.nz | +64 4 499 0790 | info@nzinitiative.org.nz

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