



NORTHERN ACTION GROUP INC.



Reinvigorating Local Democracy: NAG submission to the LGNZ Localism paper

November 2019

"Campaigning to get Democracy for the people of North Rodney"

Reinvigorating local democracy: NAG submission to the LGNZ Discussion paper

Introduction

The Northern Action Group Inc. (NAG) is pleased to make a submission to LGNZ on the important topic of localism. Founded in 2009 to represent the people of North Rodney in the pursuit of better local governance, the Northern Action Group has had a long history, and much frustration, in dealing with the drive for centralisation, amalgamation, and reduction in local representation and provision of local services, that has been the hallmark of governments in New Zealand for many decades.

Principles of local government

In his 2006 paper Peter Watt¹ discusses the principles and theories of local government and concludes that:

“ the key function of local government is in the provision of local public goods matched as closely as possible to local tastes and preferences.”...

“Ideally local authorities should be established so the local residents oppose pay for and devote to decide on the local public goods they receive. Such a system provides clear local accountability and avoids the need for central control and the information problems it is likely to involve.”...

“a high dependency on central grants (.....) leads to a number of problems, including attempts at central micromanagement and excessive strain on the grant system.”

According to the principle of subsidiarity²:

“The governing body should only intervene with the local community and its constituent parts, including his organisations and citizens, cannot meet their needs by themselves.”

¹ 2006 :Peter Watt: Principles and theories of local government: Institute of Economic Affairs; Blackwell publishing; Oxford.

² See e.g. #localismNZ: The New Zealand Initiative: 2019; ISBN 978-0-9951105-2-6 (print), and references within, or <https://en.wikipedia.org/wiki/Subsidiarity>

This principle is evident through New Zealand's governance history. In a 2014 paper, Gussen argues that subsidiarity is a constitutional principle in New Zealand, and he notes the growing emphasis on local autonomy³, - now being actively promoted by LGNZ. The Initiative notes New Zealand local governments' small percentage of total government revenues and expenditures, compared to other countries⁴.

Centralisation and amalgamation of provinces and communities

Nowhere has the extent to which amalgamation has disenfranchised and alienated remote communities and reinforced "the tyranny of the majority" been more evident than in the Auckland forced amalgamation.

After 98 years of a stable governance structure, the history of the last 45 years of reorganisation of the area, through the "reforms" in the 1970's to the Auckland amalgamation in 2010, is one of persistent central Government belief in the great untruth that bigger is necessarily better – and that this should be conventionally accepted for decisions on local government reorganisation.

Ever since Julius Vogel, Colonial Treasurer, declared in 1876 that:

"The provinces have broken down because of their coming into conflict with the colonial government on many points, and especially on points of finance. Their doom was only a question of time, when it became obvious that they could not raise their own revenue; that they had to look to the general government to supply deficiencies; and that they could not borrow without the colony becoming liable."

central Governments have enjoyed the power and control of regional and district activity that came with the central administration of infrastructure and service provision on a national basis. Local government has been given limited local responsibilities and restricted in its scope of activity by its inability to finance other than through property rates, debt limits, and restricted service fees.

In the words of Walt Whitman "To the States"⁵ it seems that:

*"To the States or any one of them, or any city of the States, Resist
much, obey little,*

Once unquestioning obedience, once fully enslaved,

*Once fully enslaved, no nation, state, city of this earth, ever after-
ward resumes its liberty."*

³ "Subsidiarity as a Constitutional Principle in New Zealand": Benjamin F Gussen: The New Zealand Journal of Public and International Law: Vol 12, No1, September 2014.

⁴ Ibid p 20

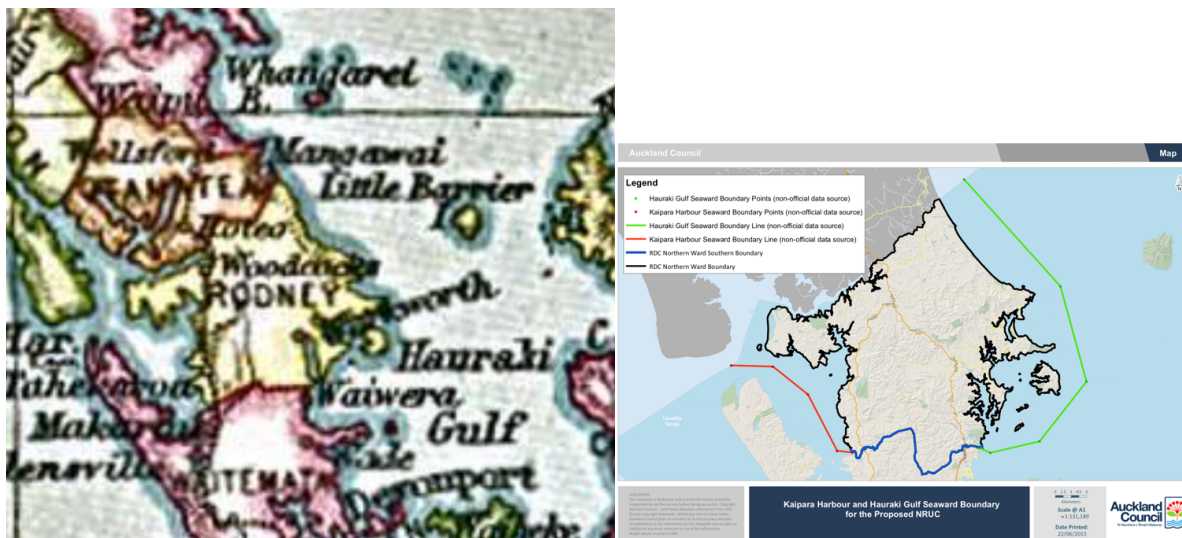
⁵ Leaves of Grass (1891-92): Inscriptions.

Along with increasing centralization has come progressively reduced representation in local government, reflected in current voter apathy and remoteness from local government decision making.

North Rodney amalgamation into Auckland: the history

Coming Full Circle

The Rodney County Council was formed in 1876 [1901 population 3,678] when provisional government was abolished. It had the same general southern boundary then (i.e Waiwera to Makarau) as for the Northern Action Group's (NAG's) proposal for a North Rodney Unitary Council (NRUC) [est. 2016 population 22,000] to the Local Government Commission (Commission).



Rodney County of 1876 alongside the NRUC area proposed by NAG 2015

After 98 years, in 1974, the Rodney County Council area was forced to amalgamate with part of the former Waitemata County Council to triple the size of the administration.

Then, in 1989, the Rodney District Council was formed by the amalgamation of Helensville Borough and Rodney County Council in the wide-ranging local government reforms that amalgamated some 850 local bodies into 86 regional and territorial authorities.

The additional areas brought in were largely urban and peri-urban and the predominantly rural people of North Rodney had little community of interest with the added communities.

On both occasions North Rodney residents were given no say in the matter or opportunity to redress and were dismayed at the apparent loss of their identity and any representation majority in the resulting governance structure.

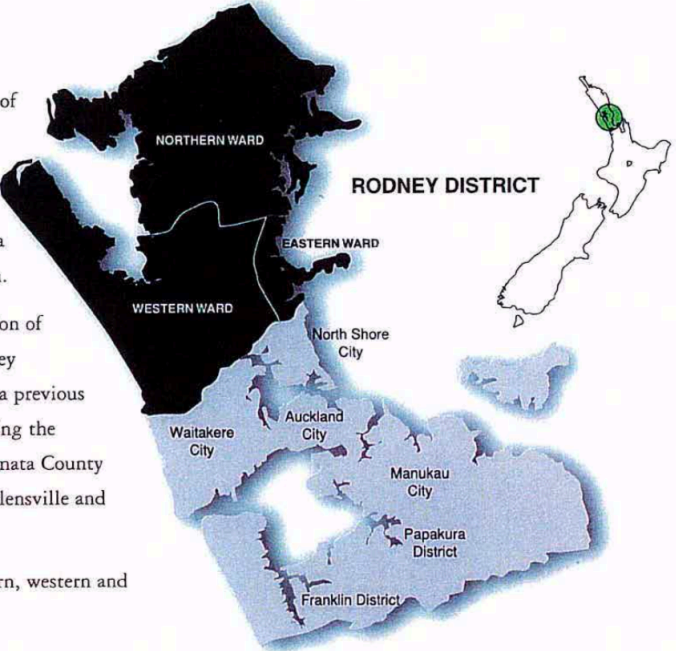
In March 2000 the Government installed a Commission (Grant Kirby) to run RDC until 2001, following conflict amongst councillors and consequent governance dysfunction. A new Mayor John Law and Councillors were elected in April 2001.

● **About Rodney District**

Rodney District stretches between coasts just north of metropolitan Auckland. It is the most northern of the seven local authority areas that make up the Auckland Region. Its neighbours are Waitakere and North Shore Cities to the south and the Kaipara District (part of the Northland Region) to the north.

The district was formed in 1989 by the amalgamation of the Helensville Borough and Rodney County. Rodney County Council had been constituted in 1974 after a previous amalgamation of a smaller Rodney County comprising the northern part of the present district, and the Waitemata County comprising the present Hibiscus Coast, Wainui, Helensville and Kumeu areas.

Rodney District comprises three wards - the northern, western and eastern wards.



Rodney District Council (from 2002/3 Annual Report)

In September 2008 the Royal Commission on Auckland Governance was established and its report in March 2009 recommended a “super city” for Auckland, including the Rodney District Council area.

When the amalgamation of the Auckland Councils was begun in 2009 a select Committee headed by MP John Carter called for submissions on the proposal from residents right across the Auckland region and followed up with a series of public hearings at various locations to gain insight to what the people wanted. The hearing for Rodney district was well attended and 169 written submissions, many from community groups, were received and indicated that 84% wanted either all or part of the Rodney District left outside the so-called super city.

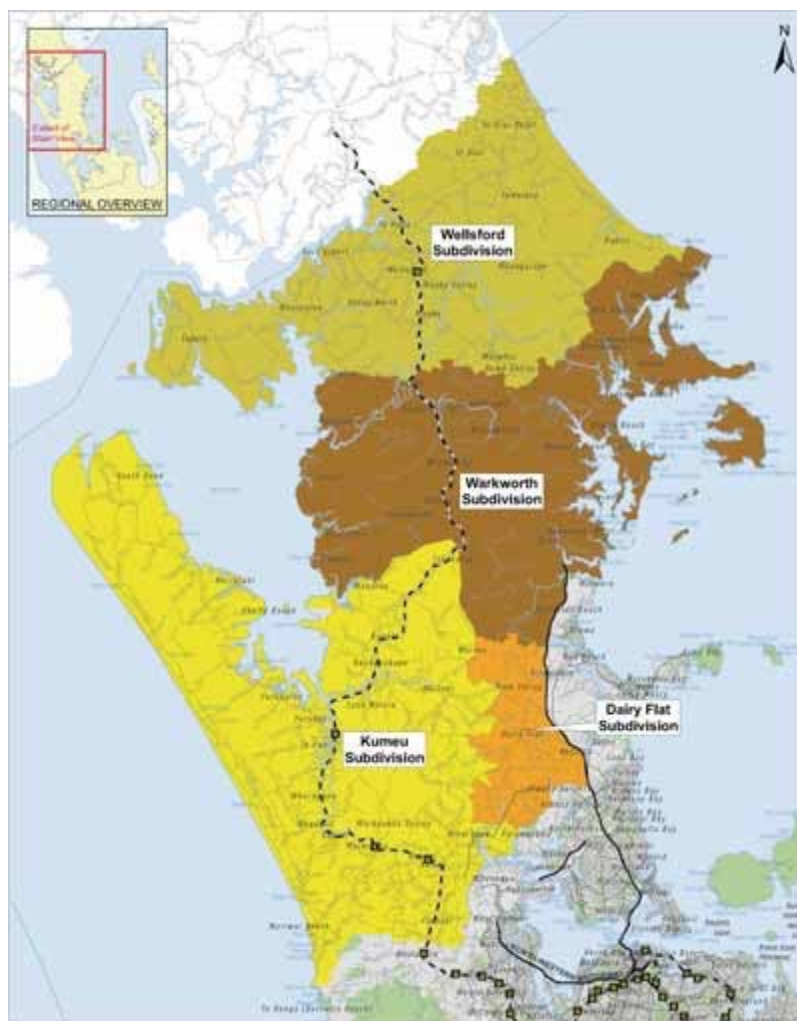
The Carter committee heard that call and when it reported back to Parliament on September 4th of that year it recommended that the Northern part of the Rodney district be excluded from Auckland and joined with neighbouring Kaipara District to the North.

However the people of North Rodney’s relief was short lived because within 11 days and with no further consultation the Local Government Minister over-ruled the Select Committee’s recommendation and included the area back in the Auckland region amalgamation.

Two Lobby groups in the area formed and gathered 6300 signatures on a petition asking for the Select Committee recommendation to be reinstated and presented it to Parliament who then referred it to the Local Government & Environment Select committee.

After many weeks deliberating that committee recommended no action be taken but gave no reason thereby ignoring once again the wish of the affected NR community.

Implementation of the amalgamation saw a reduction in the Rodney area as some of the Eastern ward area was excluded, but the revised governance structure left a majority of Local Board members (5) from the South West - Kumeu and Dairy Flat - subdivisions, with only (4) Local Board members from North Rodney - Warkworth and Wellsford – continuing to deny North Rodney rural and coastal community electors a majority representative voice in their local governance.



Current Rodney Local Board Area (one ward, 4 subdivisions)

Implementation of the Auckland amalgamation included a 3 year embargo on any further reorganisation of Auckland .

Once again the North Rodney (NR) community could do nothing and had to take it on the chin.

Hope was subsequently reignited with the passage of the 2012 amendments to the LG act which very clearly changed the driver of reorganisations and placed the impetus for that in the hands of communities.

That was the clearly stated purpose in the main body of the Act in section 24AA. Not only did that section give authority to communities to initiate and participate in reorganisation plans but also charged the Commission to help them achieve what local governance would be best for them.

As soon as the 3 year embargo expired, NAG, authorised by a strong mandate from the NR community, filed a comprehensive proposal for self- determination by NR in November 2013.

The commission responded in June 2014, refusing to accept the proposal claiming it was not in the public interest. NAG appealed that decision in the High Court.

In June 2015, Justice Collins ruled that the Commission decision was unlawful and set it aside.

A new set of Commissioners were appointed and subsequently agreed (August 2015) to assess NAG's proposal.

The Commission decision released on 30 November 2017 was to prefer the status quo. This option meant that again the community did not have a chance to vote on their preferred governance .[the Act provides for community voting only on proposals for change made by the Commission].

In December 2017 NAG lodged an appeal against the decision. The final hearing on that appeal was held on 30 Sept-1 October 2019 and a decision is still awaited at the time of writing.

Emerging structural problems in Auckland Council

The NAG Supplementary proposal⁶ included as an Appendix a list of example problems North Rodney people were having with Auckland Council.

The document noted how, under the current top-down model of AC⁷:

- i. representation ratios are the lowest in the country (half the national average)⁸.

⁶ NAG Supplementary Proposal on the Formation of a North Rodney Unitary Council: Appendix B: Example problems with the Auckland Council.

⁷ Appendix A: AC and TCDC Governance and Decision Making Responsibilities: Why the TCDC Devolved-Empowered Model works better.: para 2.4

⁸ *The recent report for the Committee for Auckland on the Governance of Auckland 5 years on* ["The Governance of Auckland: 5 Years On": Report by the Policy Observatory, AUT University, for the

- ii. the level of satisfaction and engagement is universally low (only 21% feel they can participate)⁹;
- iii. communities do not work together and with the governing body;
- iv. local development is sacrificed to central development, and rural to urban;
- v. unnecessary spending is not discouraged as significant amounts are seen as relatively small in overall expenditure terms, and functional units have discretionary budgets;
- vi. debt levels are very high and communities have no say in the level of debt; and
- vii. unified rating imposes costs on communities that see no benefit from the investment, and benefits on communities that do not pay the full cost. There is no process for mutual agreement on finances and priorities.

Much of this arises from underlying structural ways in which the Auckland Council governance model is implemented:

- 1) **Financing:** The financing model which was appropriate when local services were consumed almost exclusively by local citizens has since become unworkable in an environment of growing tourism (actively promoted by central government) and the increasing mobility of citizens either through travel and holiday within the country or through the ownership of holiday “baches” or more substantial properties. This has produced a growing disconnect between the people who pay for current and future infrastructure (ratepayers) and people who make use of that infrastructure and its associated services (visitors). Only a more effective “user pays” model can bridge this gap and finance the needed infrastructure in a way which is fair to both local ratepayers and visitors who use the services.

Application of a central **uniform rating** approach has been done without addressing perceptions of unfairness in relation to rates revenue and its application:

- Ratepayers in rural areas like North Rodney pay high rates (typically 10 times urban rates and get no services (water, waste collection) and have poor access on unsealed roads that get no attention;
- Rates are perceived as going to fund urban infrastructure which provide no benefit in North Rodney;
- There is no transparency of pro forma financial reporting by Local Board area to show the source and use of funding; and
- Service level and facility differences by Local Board area are not identified and historical local contributions to local infrastructure development are not shown so electors cannot assess the fairness of current and future rating and spending cross-subsidies across Auckland’s diverse rural/urban communities.

Committee for Auckland; May 2016.] offers no new insights (failing to distinguish between engagement and empowerment), but recognises AC’s failure to engage communities, and records the low levels of representation in AC (1:8980 compared with the national average of 1:4847, and much better ratios of international representation).

⁹ *Ibid. Report: footnote 12*

- 2) **Governance Framework:** At the same time the governance framework established in the 2002 legislation is increasingly unsuited for the governance and management of larger territorial authorities. This has shown up in Auckland Council where the Council is more than four times bigger by population than its nearest large Council (Christchurch), 23 times the average Council size, and 41 times the average of all the other (4) unitary Authorities in New Zealand.

Auckland Council is an amalgamation of seven city and district councils but is governed under the same legislative framework which was envisioned as appropriate for authorities representing a population of on average no more than around 50-70,000.

Horizontal subsidiarity, not vertical: The typical organisation form of horizontal subsidiarity established through the creation of functional silos (conceptually based around specialisations of water, transport, waste and other services) within councils for the provision of services is unsuited for large authorities. In places like Auckland Council the communication distance and filtering between central decision-making and local application produces a disconnection between requirements and provision, with poor coordination and delays at local implementation level, poor communication, increased frustration, and dissatisfaction regarding performance.

Citizen dissatisfaction: This is shown in regular surveys of citizens satisfaction¹⁰ (or lack of) with Council performance, and lack of trust in Council, most notably from the largest area, but most remote and rural and coastal community, of North Rodney. The high level of dissatisfaction and separate nature of the North Rodney Community was confirmed by the Commission in its own surveys¹¹ conducted during the NAG proposal assessment.

Effective performance is frustrated and unbalanced in large councils if there are not tight links between local needs and local service provision. In Auckland Council's case the governing body has 21 Local Board areas, has to budget centrally across all of them, and has only a few functional divisions and service providers (including 5 major CCOs) servicing all local board areas), and local boards have no staff to direct to respond to local issues and no authority over CCO's or other service providers.

Auckland Council could have worked

Alternatives for the governance model of Auckland Council could (and should) have been considered at the time of its implementation. The International corporate or holding

¹⁰ E.g. Citizen Insights Monitor <https://www.aucklandcouncil.govt.nz/about-auckland-council/performance-transparency/docscitizeninsightsmonitor/citizen-insights-monitor-2019-quarter-2.pdf> or <https://aucklandcouncil.govt.nz/surveys/reports/109lgXrPFUK8xgiWBmdrlg>

¹¹ E.g. DIA: Community Support Initiative Report: <http://www.lgc.govt.nz/assets/Auckland-Reorganisation/APPENDIX-F-Community-support-research-findings.pdf>

company model, for example, deals with this through vertical subsidiarity - establishing subsidiary companies owned and strategically directed from the centre but with the full range of capabilities to deliver to local customers, and with access to resources from the centre as required to enhance outcomes.

Such structures could technically be established within the current local government legal framework (e.g each Local Board Area in Auckland could be established as a CCO, with local boards given power and responsibility [and employ staff and contractors] for the provision of all local infrastructure and services, including local rating and development and service charging). This would involve a departure from the established concept of Mayoral and Councillor responsibilities for the territorial authority and require a willingness on the part of elected representatives to devolve authority and decision making to local board and community levels. Discussions to date on devolution in Auckland Council have failed to progress it in any meaningful way.

Making these changes likely requires a mindset change by decision makers at national and regional levels, and will be difficult to implement since its obvious application is in Auckland and Auckland is unique (a “one-of-a-kind” in New Zealand territorial authorities); plus it is publicly and politically significant (1/3 of the countries voters), and therefore nationally important to elected representatives in terms of retaining the ability to control and direct it.

However, the overseas experience and pushback against centralisation in other countries, such as the UK, Australia, and the US, is slowly receiving recognition here, with the Queensland de-amalgamation experience showing that greater devolution is both possible and successful. Hopefully this will result in a reorganisation of local governance that provides the needed flexibility, local representation and decision making and regional and national coordination – either through a more practicable de-amalgamation where appropriate to recognise rural/urban differences, or reorganisation of authority governance to reflect better vertical subsidiarity.

The 2012 purpose statement

The introduction of the purpose statement in the 2012 legislation was a dawning recognition that the experience of the 2009 Auckland amalgamation was less than perfect, and that communities should have a role – not just as submitters – but as participants, in the process of deciding on reorganisation and change affecting them.

2019 Act Amendments

Unfortunate in the 2019 amendments, the Government has removed any reference to community participation , and at the same time increased the threshold for community led reorganisation proposals – now requiring the support of 10% of electors in the affected area. NAGs concern – expressed to the Minister at the time the relevant SOP 323 was tabled – was that in the case of any de-amalgamation proposal, the definition of an affected area could mean that the whole of the area from which de-amalgamation is proposed would be “affected”.

For Auckland Council that would mean residents of any area wanting to de-amalgamate would need the confirmed support of 10% of Aucklanders – likely an impossible threshold to achieve for any proposed reorganisation, when many Aucklanders don't even vote.

The Minister's response was simply that the threshold is an interim measure, designed to limit large reorganisation projects while the Commission completes its current workload ahead of broader reform. The amendments made give local authorities greater discretion to investigate reorganisation proposals themselves, but given Auckland Council's negative attitude to North Rodney de-amalgamation that is unlikely to be considered.

The nature of the broader reform programme is yet to be decided, and we must hope this work of the LGNZ on localism will have some impact on that.

Representation: Related Legislation

Electoral Act

Adjustments to representation boundaries are required by the Electoral Act to have regard to a concept of uniform levels of representation. Despite this Dr Jean Drage¹² has shown that representation levels for local government vary widely across local authorities. She argues for a minimum representation ratio in New Zealand's local councils similar to that applied to the electorate seats for our general elections.

The Electoral Act 1993 includes a guarantee of a minimum number of 16 general electorate seats in the South Island, so ensuring representation in more sparsely populated areas. The population of the South Island, as calculated at the latest census, is divided by 16 with the resulting figure being fixed as a quota to divide the North Island into electoral districts.

What we have in local government is a huge disparity in the number of voters represented by each councillor (the representation ratio) that results in a councillor in Christchurch city representing 18,500, in Wellington 9,723 and on the Auckland unitary council 49,000. These figures vary hugely across the country. And this disparity impacts on the level of involvement that our communities have in local government as seen by voting stats¹³.

Amalgamation schemes have generally been argued on the basis of financial or efficiency grounds, rather than the impact on legitimate and accountable local democracy - which is after all what local government is. With fewer and larger councils (and fewer councillors) we see far less involvement of communities in standing for election (figures show that 1,500 fewer people stand for local government seats today than 25 years ago), in voting (shown through the continuing decline in voter turnout) and in overall interest. While community boards/ local councils have an important role in working with, advocating for and engaging

¹² Local Government in New Zealand - Challenges & Choices: Edited by Drage, Jean and Cheyne, Christine.

¹³ Department of Internal Affairs statistics show that there is increased voter participation where councillors represent fewer voters. https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Services-Local-Elections-Local-Authority-Election-Statistics-2016?OpenDocument

communities, larger authorities with small councils who make the decisions only distance councils from their communities.

Localism: Responses to Questions posed by LGNZ

- 1) Do you agree with the three recommendations in this section, devolution, negotiated devolution and removing constraints?

Yes

- 2) If not what would you change?
- 3) What, if any, functions currently provided by central government should be devolved to councils and other local organisations like Iwi/Maori and not for profit organisations?

Local Governments need more powers and responsibility for autonomy and self-governance. With that comes a need for increased accountability - which requires increasing, not reducing numbers of elected representatives per elector and strengthening rights of electors to elect and dismiss representatives¹⁴. Councils need to focus on the provision of basic and traditional facilities and services. They do not need more functions to carry out on behalf of Government, and should not be responsible for activities and services that fall into the category of "Social Welfare" and are a responsibility of national government, but can be active in working more closely to bring government and communities more closely together at the local level and provide additional support to Government provided services. Obvious areas where local and volunteer support is welcome are aged care, mental health, youth and business mentoring, craft/cultural/leisure activities, and the like.

We agree with the idea of having a body like the SSC periodically review services provided nationally to see which may be better provided by local government.

Devolution of any authority in response to recognizing rights and responsibilities of any particular groups in a community (e.g. Iwi or Hapu) should not come without an obligation on them to respect the whole community and consult with and be required to obtain the support of their whole communities for any decisions they are empowered to make. Localism for local governance is about community level empowerment and inclusiveness, not about empowering identity politics or enabling any one group to impose its views on others in the same local community or acquire and maintain exclusive right to any public assets or facilities.

¹⁴ There should be a recall election process to dismiss representatives who have acted badly in their roles (the conduct of Mayor Les Brown may have triggered such a process if it had been available).

- 4) What, if any, central government responsibilities would be more effective if your council, or other local organisation, applied to take them over under the negotiated devolution approach?

The suitability of any transfer of responsibilities from Government to local government should be considered once a devolution of authority and responsibility is in place, not before.

- 5) Can you identify legislative and regulatory constraints on councils and other local organisations that limit their ability to be responsive to local needs?

Auckland Council has a restriction on establishing community Boards and constraints on adjusting the number of local boards and members, preventing increasing representation. However, any such increase should not be made without an associated delegation of responsibility, authority and accountability.

- 6) What additional form of funding or tax should councils have access to in order to meet community expectations and address future challenges?

Councils should be able to impose user charges on the use of any services or facilities (subject to community approval – see Q 7). Examples are local road tolls or congestion charges, and access charges for regional parks or walkways or tourist facilities (to manage use and fund facilities and environmental protection).

Rates should be charged on land value, not capital value, in order to incentivise more efficient land use. Development charges to fully cover the costs of infrastructure in new housing areas should be levied directly or over the period of investment life upon the developers or beneficiaries, not born by the community at large.

- 7) What process should councils go through in order to implement a new levy or tax?

All proposals should require majority voting support of electors from the affected area. All proposals should be supported with an analysis of costs and benefits showing what the tax or levy is for and how monies raised will be spent. Any taxes or levy should come with a sunset clause of not more than 5 years for an on-going activity or service being funded and for the life of any investment funded by the tax or levy. This should apply to targeted rates now.

- 8) Do you agree that the government's annual well-being budget process should be informed by priorities set by each community?

The “well-being” mantra is a mistaken effort to appeal to emotive rather than rational judgements as the basis for decision making and to avoid dealing with real and complex issues by replacing specifics with rhetoric and generalities. Of course the Government's annual budget process should be “informed” by local community priorities, but cynical

experience suggests that it is driven more by the interests and policies of the elected representatives and what they want communities to do, than by regard for the needs or wants of communities.

Concerns about “well-being” typically involve value judgements about wealth distribution and Local Authorities should not be involved in matters that should be addressed by central Government. The activities of Local Authorities are mainly funded by rates, and these should be directed principally to funding property based services (water, waste, access and transport) and the provision of collectively agreed community facilities services for all (libraries, parks, pools, toilets etc). If central Government wishes to impose a Land tax to fund redistribution policies that is a separate policy matter not for local government to decide.

9) What roles could councils play to ensure that government spending on well-being addresses local needs and priorities?

Governments can best address ‘wellbeing’ of communities by delegating more power/authority to local councils and allowing electors to make them more directly accountable for how they use those powers for the provision of basis services and facilities. Councils need to stop looking to Government for hand-outs and grants to support their ambitions and gain the powers and authorities to tax, levy and charge local electors and visitors for the services the communities they represent need. As noted for question (8) Councils should not use those powers to usurp the role of central government in the provision of social services or redistribution policies.

10) Do you agree with the suggestion of local well-being plans and reports?

No. we are already subject to too much planning and reporting as an alternative to delegation and accountability to get things done.

11) What additional approaches could be used to strengthen participation in local government decision-making?

- Allow communities to de-amalgamate and self-govern if they choose to and are prepared to meet the cost;
- Increase representation at local levels;
- Focus central and regional government on setting policies and standards for regional and local application, rather than on the implementation - which may be done locally;
- Allow the flexibility to contract, share services and ensure competition amongst service providers to keep them efficient and cost effective; and
- apply the Thames Coromandel District Council, Community Empowerment (CE) approach to proposals to spend money. LGNZ should be reminded of David Hammonds

presentation to the 2014 national conference¹⁵ outlining the experience and benefits of adopting the CE model.

12) What needs to change to strengthen relationships between councils, Iwi/Maori, business organisations and the community/ voluntary sector?

Territorial authorities should adopt the CE model all levels of community within their District.

More community boards and representation at local levels will ensure more engagement at the community level of all business, community, and cultural groups. Smaller groups will feel they have a voice and be encouraged to participate.

In the unique and oversized region that is Auckland Council, devolution to Local Boards as proposed, combined with their use of Community Boards and adoption of the CE model would result in a net lower level of unit costs, greater community engagement and volunteering, reduced wasteful spending, greater community support, and improved ratepayer satisfaction.

13) Do you agree that legislation will solve the unfunded mandates and cost shifting problem?

Yes It can, if well designed and providing, for local authorities, greater representation, more accountability - with recall provisions, powers to charge fees for service and usage, devolution requirements including appropriate vertical subsidiarity structures for larger authorities, and opportunities for communities to have genuine engagement in analyzing and implementing more flexible or innovative governance through amalgamation and de-amalgamation.

14) Are there other measures that you would recommend to reduce costs being imposed on councils?

Legislation should be amended to require central government (including government departments and agencies) to meet any costs imposed on Councils by policy or project decision that would otherwise fall on ratepayers.

However, the first step begins with Councils controlling costs themselves.

Councils impose unnecessary or future costs on their ratepayers by:

- approving unnecessary and inefficient expenditures that not all ratepayers support; and

¹⁵ <https://www.lgnz.co.nz/assets/Publications/79691cb082/Coromandel-Surfing-the-Community-Empowerment-Wave.pdf>

- approving projects (often funded by debt) when future cash flows to pay for them (or to repay loans and maintain or replace the future asset) are not possible without rate increases;

Implementing the CE model for bottom up project evaluation and support will keep costs down. This means having all expenditure proposals supported first by local community boards in affected areas after a cost benefit analysis, and restricting cross-community funded projects to require community support from outside areas cross-subsidizing the project before taking funds from those areas. This will ensure communities see the “quid pro quos” from giving their funding support to projects in other communities.

Councils should not be permitted to raise debt (other than for short term cash management purposes) without identifying the purpose and uses of the funds in accordance with the previous paragraph. Unitary and Annual plans should be drawn up on that basis.

Having a citizens elected independent Governance oversight committee to review the performance of council and make recommendations to electors before each election would be salutary.

15) What else could be done to protect the constitutional status of local government?

Without a Constitution New Zealand has no way of preventing any elected Government from passing legislation to overturn the laws of previous Governments. The best, and only protection, in a democracy, is the support of the people.

Northern Action Group Inc.
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For questions or follow-up please contact:

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