



Submission on Te Arotake i te Anamata mō Nga Kaunihera | Review into the Future for Local Government

1. Introduction

The Waikato Wellbeing Project (WWP) is a regional initiative to achieve a more environmentally sustainable, prosperous and inclusive Waikato by 2030. The WP was jointly created and supported by the WEL Energy Trust and the Waikato Regional Council, with strong support from community wellbeing leaders in the region. The WWP does not displace the important role of local or central government, iwi, community or business. The project seeks to further facilitate wellbeing by taking a flax-roots and systematic approach to uncover the root cause of our wellbeing challenges, facilitating breakthrough, which is of the community, by the community and for the community.

The WWP has a vision for the Waikato that “our mokopuna are thriving” and our organisational mission is “to hear our people and transcend their future through positive impact”. The project has 5 priority areas and four strategic lenses which we apply to all our initiatives, as shown in the diagram below.



Like the Future for Local Government Review Panel, the WWP is keen to better understand the root causes of our wellbeing challenges and to highlight existing or potential new innovations which will help to facilitate breakthrough and make progress. While the WWP strongly supports traditional/institutional top-down strategy and policy responses to wellbeing challenges (as seen by

our priority Tuarima: Waikato), the WWP attempts to view wellbeing through the lens of flax-root communities and organisations, empowering communities to identify and implement their own actions to improve wellbeing.

The WWP is a community-wide movement based on the United Nations Sustainable Development Goals (SDGs). We have used this model to create alignment with a global focus on wellbeing, and to allow us to connect with other likeminded organisations in both the public, private and for purpose sectors. However we are open to all models and approaches to wellbeing and sustainable development, and are broadly agnostic about applying any particular approach, so long as it creates real value for real people. While we are not a local government organisation or subsidiary, our broad purpose and mandate around sustainable development is, in many ways not dissimilar to local government, albeit with less formal tools, levers and responsibilities which local government has under statute.

While this gives us considerable freedom to approach things from a different perspective, we also experience many of the same challenges which your report notes around funding, mandate and how to work in the spaces between central and local agencies to bring together the best of local wisdom and big systems. We often talk about our role as facilitating insight and breakthrough. You can read more about our journey over the past two years here: [Waikato Wellbeing Project | Waikato Wellbeing Project](#)

We congratulate the Panel on its report and the breadth and depth of issues and ideas it has canvassed. The way the Panel has looked at not just the obvious issues of funding and structure is refreshing and welcome. Our submission provides feedback on some broad themes which emerged from reading the interim report, summarises the recent work we have completed in the Waikato region and offers some specific feedback to some (but not all) of the questions posed in the report.

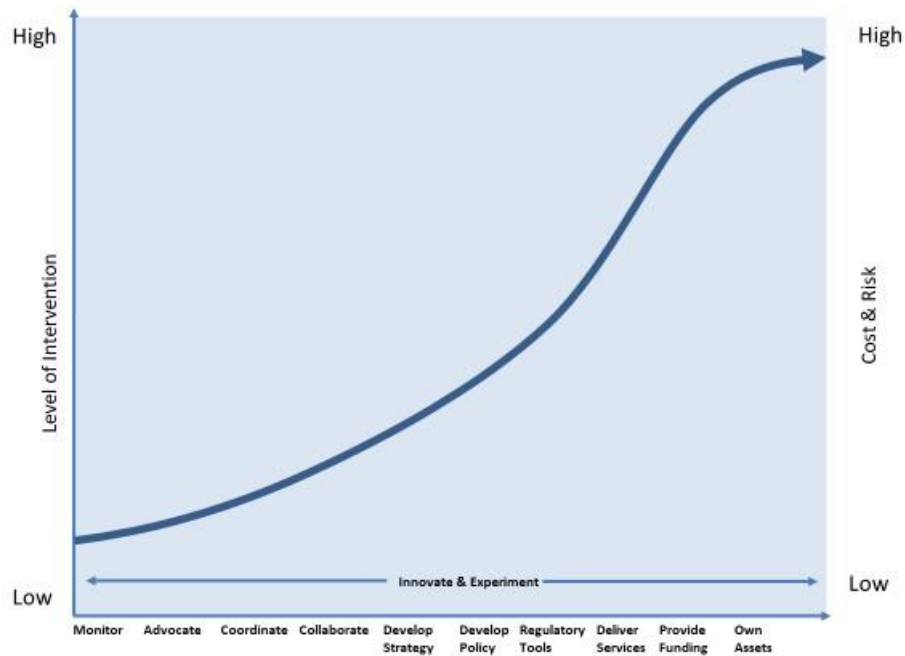
Our feedback is provided in the spirit of supporting the work of the Panel and the considerable effort it has gone to in pulling together this significant piece of work. Because of the interrelated nature of the issues explore, we have provided broad feedback rather than trying to answer specific questions.

2. Subsidiarity and Local First

We also support the discussion in Section 4 where the review proposes a new approach which puts locals first. The report correctly notes the wellbeing challenges facing Aotearoa | New Zealand and identifies the critical role that local (and central) government have in the pursuit of wellbeing. We fully agree with that, but would also note that wellbeing is an intensely local (and even an personal) issue and many of the ways forward (and perhaps in some cases the solutions) are also to be found at the local(ality), community, whanau and hapu level. Therefore, any future system of governance is likely to do best when it reflects the confluence of all these different levels/modes of leadership, within the principle of true subsidiarity explored in the report.

A key point in any system will be being both very clear on the protection of localised approaches, and clarity on the criteria and circumstances for exception and Page 15 touches on the circumstances where a departure from local-first can be justified. The review report is right to note the tendency/drift towards centralisation of functions. While in some cases this is certainly justifiable, any time an option exists to “scale up”, it needs to be very carefully tested against the principle of subsidiarity- not only in terms of administrative efficiency, but also from the point of view of whether it will advance flax roots participation and democratic enfranchisement.

The example in **Figure 10** points to a helpful typology to assist with well informed decisions on the appropriate scale at which certain functions might best exist. It also makes clear that no issue is comprised of a single intervention, and that a coordinated chain of interventions is needed to achieve the intended impact. A simplified “value chain” of typical interventions is illustrated below. This might be a useful complement to the levers and enablers model set out in **Figures 10** and **16**.



We have included “innovate and experiment” as a cross cutting intervention that can be applied across all points of the spectrum. While the risk inherent in innovation will vary, we have positioned it at the low end of the spectrum to indicate that (compared to BAU) the relative risks associated with exploring new ways of doing things is often low and worthwhile.

What is needed is a political and community appetite for calculated and responsible risk taking, a willingness to lean into innovation and support new approaches, and a public attitude which judges experimentation not on its input costs and short-term outputs, but on its medium-long term impacts and the wider public value it creates. To make this happen and to protect such functions from the hard to avoid pressures of short-termism, these functions need to be incubated in an innovation lab-style function with appropriate governance and support. The Auckland Co-Design Lab¹ and WINTEC/Te Pukenga’s Design Factory² are examples of this. We also support the discussion in Section 5.5 about council’s learning by doing and innovating.

We agree with the assessment in Section 4.4 that the allocation of functions need not be a binary decision between local and central government- such a closed shop approach risks ignoring other important wellbeing leaders (including treaty partners) and is the opposite of a flax-root/subsidiarity-based approach. With that in mind, we note that Section 4.4B could be read as a slightly rose-tinted view of the place of local government. There are other organisations who are often (but not always) more proximate to communities and people and who, in some cases might be better placed to serve.

¹ [The Lab \(aucklandco-lab.nz\)](http://aucklandco-lab.nz)

² [Design Factory NZ Home \(wintec.ac.nz\)](http://wintec.ac.nz)

The purpose of local government should be to support and facilitate these organisations and collectives, and to engage as necessary, and perhaps to the extent invited. Looking at things in this way could add further depth to the departure criteria in Section 4.5.1-4.5.2, by assuming that the starting point is as local/flax roots as possible, with criteria for local government intervention and then central government intervention as per 4.5.2. This would reinforce and respond to Penny Hagen's quote on page 117 of the report- placing people at the top.

3. Activation of Wellbeing

We support recommendation 14 and item (a), encouraging local government to innovate and experiment. In our establishment phase, we deliberately modelled ourselves on the literature around Social Impact Labs³, and in the New Zealand context have taken our guidance from the work of The Southern and Western Initiatives in Auckland. These models have been extensively commented on in your draft report and we share your optimism that there are excellent innovation models and prototypes both in New Zealand and internationally.

The report reflects on the often-strained relationship between central and local government, both in terms of unfunded mandates and inter-personal relationships. The report deals with these very well and identifies ways in which these conditions could be improved which we fully support. In exploring ways to strengthen the relationship between local and central government, there is a relative absence in the report of an exploration of the important role of incentives and (to a lesser degree) sanctions as key drivers of inter-human and inter-institutional behaviours.

While a generalisation, many people will tend to behave voluntarily towards things which include some element of an incentive- whether it be financial or non-financial (for example prestige, acknowledgement, risk mitigation), or in the absence of adequate incentives, will comply with sanctions, although the degree of compliance will vary.

One could say there is presently little incentive for central government to collaborate fully with local government. Conversely, through unfunded mandates, central government has imposed sanctions on local government- and while in many cases the mandates are well meaning, they will be avoided to some degree as there is no compensating incentive. Similarly, there may yet be sufficient incentives to enable the deliberative and participatory approaches mentioned in Section 2.7.

For example, it is well known that local government has limited incentive to invest in growth infrastructure, as the fiscal and political reward for economic growth is accumulated by central government via GST and income tax. Similarly, central government has little incentive to transfer or remit funding to local government if the political capital from funding infrastructure is also devolved and/or government loses its ability to make decisions free from local considerations.

The report mentions city-deals in places like Manchester⁴ as a way for central and local government to better collaborate. A key component of these deals was that in return for advancing national development agendas, a fiscal incentive was provided, for example in the form of tax earn-back schemes. The more a city was incentivised to invest in infrastructure etc, the greater tax returns to central government and the more central government can return a share of tax to their local government partner to re-invest in further development.

³ See IDEO and Hassan, Z (2014) The Social Labs Revolution

⁴ [Greater-Manchester-City-Deal-final_0.pdf \(publishing.service.gov.uk\)](#)

While there are many complexities in such models, they are examples of the use of incentives to not only encourage a positive approach towards accommodating growth. Such approaches also provide elected members and officials at both levels a reason to collaborate in favour of the use of fiscal and legislative sanctions. Recommendation 22 alludes to these sorts of ideas, and we support this. We also support recommendation 21 that central government should include honest and fully costed assessments of the local government impacts of their decisions.

There are of course examples where collaboration and cooperation has worked very well, and the report points to some of these throughout its sections. We imagine that where collaboration has worked well, that is a consequence of the character of the individuals and culture of organisations as well as the presence of incentives which reward cooperative relationships. We wonder whether at present the development pathways for local and central government professionals is largely separate, which itself creates an atmosphere of perceived superiority. Options to explore could include mandatory secondments between local and central government as part of the career development pathways for senior public servants. At present it is not unusual to see senior government officials parachuted in for regional leadership roles when they have never worked outside of the relatively unique culture of Wellington. Similarly, highly capable local government officials can be promoted to local executive roles without any detailed understanding of the machinery of central government.

4. Interdependent Governance

We support the very valid observations and suggestions in Sections 6.4-6.5, including moving towards a more interdependent governance system. To succeed, there is a need to explore and identify the political and institutional **incentives** which would facilitate this and reward behaviour which moves in the right direction, as well as the appropriately parsed sanctions where such collaboration is not happening. Given that much of the operating and capital for at-scale place making and infrastructure in New Zealand is provided by the government, this will most probably also require a degree of sharing of political capital (and risk) in order to succeed.

The examples given on pages on 150-153 are excellent examples of interdependent governance approaches in terms of how they function and the results they achieve. Additionally, they are examples where partners are directly incentivised to come together and find win: win solutions to their shared challenges. The incentives can range from unlocking and pooling operating funding, reducing and sharing risk and accelerating development beyond what would normally be possible.

5. Citizen-Led Democracy and Decision-Making

We support the idea of a wellbeing framework for local and central government. This could build off existing framework such as the Living Standards Framework⁵, He Ara Waiora⁶, Te Whare Tapa Whā⁷, incorporating more global frameworks such as the Sustainable Development Goals⁸, Planetary Boundaries⁹ and Kate Raworth's Doughnut model¹⁰, to name just some.

⁵ [Our Living Standards Framework \(treasury.govt.nz\)](https://www.treasury.govt.nz/living-standards-framework)

⁶ [He Ara Waiora \(treasury.govt.nz\)](https://www.treasury.govt.nz/he-ara-waiora)

⁷ [Māori health models – Te Whare Tapa Whā | Ministry of Health NZ](https://www.health.govt.nz/maori-health-models-te-whare-tapa-wha)

⁸ [THE 17 GOALS | Sustainable Development \(un.org\)](https://www.un.org/sustainabledevelopment/)

⁹ [Planetary boundaries - Stockholm Resilience Centre](https://www.stockholmresilience.org/planetary-boundaries)

¹⁰ [Doughnut | Kate Raworth](https://www.kateraworth.com/doughnut)

In any event, what cannot happen is that one centrally conceived and mandated model of wellbeing is displaced by another which is just as alien to local communities. Wellbeing is not something to be handed down from on high.

In 2021 Girol Karacaoglu defined Wellbeing as *“a condition in which individuals and communities are living the lives they value – now and in the future.”*¹¹ In a recent seminar hosted by The Treasury¹², Caroline Saunders and Paul Dalziel from Lincoln University noted that people pursue individual and collective wellbeing in diverse ways that are not always visible to policy makers. Importantly they concluded, that the role of policy is **not to define wellbeing**, but to find ways that support citizens’ efforts to create wellbeing. Saunders and Dalziel relied on Amartya Sen’s book, *Development as Freedom*,¹³ which concluded that the freedom of individuals is the basic building blocks (of development and wellbeing). In this model, attention is best paid to the expansion of the ‘capabilities’ of persons to lead the kinds of lives they value and have reason to value.

With the above points in mind, we tentatively support the definition of local wellbeing on page 35, and agree generally with the five key shifts for the future of local government in Section 1.4. The section on citizen-led democracy is strongly supported. In line with the framing in this section, we would agree that democracy (itself a concept which is much contested in terms of its meaning) is not always synonymous with institutions and machinery of government. Indeed, from an etymological point of view the word democracy means the people (δημος/dêmos) shall have the power (κράτος/krátos) to rule themselves.

The report refers to the ways which councils engage, who they engage with and how they arrive at decisions. We would agree with the statement on page 46 that sometimes (but not always) it would seem *“communities are “sold” a preferred answer, and (there are) not enough bottom-up engagements where are questions are posed much earlier in the decision-making process”* as well as the observation on page 54 that engagement on certain mandated policies can seem *“predetermined and transactional”* It is probably no surprise that when engagement becomes performative, citizens switch off.

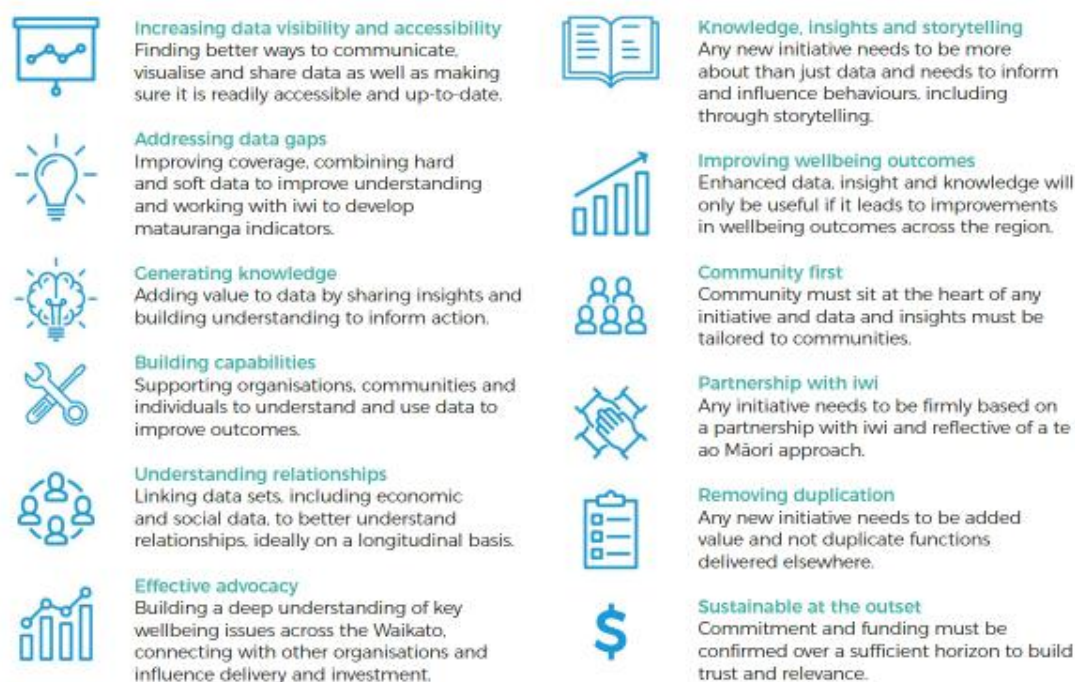
While there are outstanding examples of community engagement and partnership from councils (including some significant examples in the Waikato), engaging for instrumental reasons as required by statute (for example community outcomes, statutorily defined and fiscally limited services) is different to asking openly and without agenda about wellbeing and being content with the answer, even if you are not able to deliver against them all. To that end we wonder whether the way in which communities (at local and regional scales) go about understanding their own wellbeing might be something better explored and understood by independent organisations without a particular fiscal or political stake in the answer(s).

In early 2022 the WWP convened a cross-sector working group to review the current situation and develop options to better meet our strategic goal of sharing stories through data and insights. Research commissioned by MartinJenkins and Melde found that there is a case for change to enhance current arrangements to better understand wellbeing across the region. The key drivers and important considerations for change included the following:

¹¹ Karacaoglu, Girol (2021). Love you: public policy for intergenerational wellbeing. Tuwhiri cited in [Girol-Karacaoglu-Governing-for-Intergenerational-Wellbeing-Dec21.pdf \(futureforlocalgovernment.govt.nz\)](#)

¹² [\(21\) Treasury Guest Lecture: Wellbeing Report Seminar Series - Caroline Saunders and Paul Dalziel - YouTube](#)

¹³ [Development as Freedom - Wikipedia](#)



Building on the Strategic Case Assessment the Waikato Wellbeing Project has, in partnership with many key wellbeing knowledge organisations, further refined the opportunity as the confluence of empowerment, insights, and information. Te Ara Poutama is a response to the needs and aspirations of our community to create an environment where data and information is collected and collated effectively, communicated well, and used frequently by many. The intended ultimate effect of the initiative is that:

“Waikato people, at all levels, are empowered to make important choices wisely for their present and future wellbeing.”

Its key functions will include:

- Thought leadership and knowledge generation to inform action and influence behaviours.
- Network facilitation connecting researchers and improving access to tools and resources.
- Providing open access to wellbeing information and insights for more organisations and communities
- Platform for addressing gaps and collecting new bottom-up data.
- Facilitating the preparation of regional, community, and topic specific insights and reports.
- Capability building to utilise knowledge in decision making.

While this is the Waikato’s emergent response to these challenges, we anticipate Te Ara Poutama will explore ways to address some of the engagement concerns set out in Section 2.4.1, which are consistent the concerns we had also identified in our strategic case and help us to explore a way forward.

It is useful for every council, and everybody concerned with understanding wellbeing for the report to focus on these current issues and explore possible opportunities and models to address these. Te Ara Poutama is not a silver bullet to this, but we do think it has the potential to assist with deliberative democracy as discussed in the report, especially if it takes us closer to the goal of Waikato people being empowered to make important choices wisely for their present and future

wellbeing- or as the report says in Section 1.2 “allowing different communities to make their own choices”.

We see alignment between aspects of the model for interdependent governance and some of the ideas the WWP, TSI, the Whanganui Impact Collective and others have developed to support the model of democracy and decision making set out on pages 154-159.

We fully support the broad model set out in **Figure 20** and agree strongly with the proposal of local innovation laboratories to provide the dedicated space (literally, politically, fiscally and with regard to risk) to look at, evaluate and incubate alternatives to existing public service innovations.

We fully support the analysis in Section 6.7 of the report and the attributes needing to be present in the model. As well as getting the incentives right as mentioned above, we agree that to work there needs to be fully adequate funding for the initiative, right across the network. Our own experience is that there is probably already enough aggregate funding for this sort of model, but the current approach in many places operates in a classic “isolated impact” way as observed by Kanier and Kramar in their seminal work on Collective Impact¹⁴. They spoke of the following key success factors needing to be present:

- **A common agenda** - Collective impact requires all participants to have a shared vision for change, one that includes a common understanding of the problem and a joint approach to solving it through agreed upon actions.
- **A Shared measurement system** - Developing a shared measurement system is essential to collective impact. Agreement on a common agenda is illusory without agreement on the ways success will be measured and reported. Interestingly, Joseph Stiglitz has observed that a dashboard monitors what is happening and signals if something needs attention. Contrary perhaps to common belief, mixed messages is the dashboard’s purpose.
- **Mutually Reinforcing Activities** - Collective impact initiatives depend on a diverse group of stakeholders working together, not by requiring that all participants do the same thing, but by encouraging each participant to undertake the specific set of activities at which it excels in a way that supports and is coordinated with the actions of others.
- **Continuous Communication** - Participants need several years of regular meetings to build up enough experience with each other to recognize and appreciate the common motivation behind their different efforts.
- **Backbone Support Organizations** - Creating and managing collective impact requires a separate organization and staff with a very specific set of skills to serve as the backbone for the entire initiative. Coordination takes time, and none of the participating organizations has any to spare. The expectation that collaboration can occur without a supporting infrastructure is one of the most frequent reasons why it fails.

When attempts are made to “do” collective impact by using the current buzz words, the same barriers, political bargaining and fainthearted support, BAU persists, and people lose faith in the democratic process. It will take a lot of dedicated effort, leadership and real incentives to reorient towards a more interdependent, yet still locally responsive model.

¹⁴ [Collective Impact \(ssir.org\)](http://ssir.org)

6. Innovation in Participation and Engagement

We strongly agree with the observation in Section 26.2. that while there are pockets of innovation (probably at every scale and everywhere), these pockets *“emphasise the absence of coordinated support, investment and sharing of best practice.”*

As mentioned earlier, while by no means itself yet a model of excellence, the Waikato Wellbeing Project has learned from and modelled itself on examples across New Zealand of social innovation and experimentation, such as the Southern and Western Initiative¹⁵, and the Whanganui Impact Collective¹⁶. While each of these initiatives, and others differ in their maturity, focus and funding models, the core elements of a social innovation or social impact lab are broadly consistent.

We support the significant reliance in Section 5 of the report on the accumulated wisdom of the Southern and Western initiative and agree that there is much which any reform of local government can learn from this extraordinary initiative. Having said that, the question needs to be asked as to how these learnings can be shared, without creating bureaucracy, duplication and wasted effort.

7. A New Approach to Co-Investment

In 2021 and 2022, the Waikato Wellbeing project explored, with Waikato Local Government Chief Executives and Taituarā the idea of a national network of social innovation labs. The network could be:

- A core part of the new function (and structure) of local government
- A collaboration between local and national government and independent community wellbeing leaders
- Each with distinctive & aligned areas of expertise in complex social, environmental, economic and cultural challenges.
- Built on existing models- TSI, Auckland Co-Design Lab, WWP etc

To be successful the network could be aligned with, but not dependent or fully owned by local government. A possible model could be the New Zealand Food Innovation Network, a national network of open-access food and beverage production facilities enabling businesses to scale up and commercialise new products. While advancing wellbeing and insight is not something that automatically lends itself to scaling and almost certainly not to commercialisation, such a model could facilitate innovation and more, flax-root understandings of what really drives wellbeing, advancing collective understanding.

This network concept could help the practical centres of innovation mentioned in Section 2.6.2 to have the greatest positive impact across Aotearoa New Zealand. This type of approach could align well with the discussion in Section 5.4.3 of the report on the need for a system networker and convenor. Again, we would only suggest that some thought is given to the level of control which local government might have in such a model, to ensure that it remains agile, responsive and independent of political influence.

To make this happen, we strongly support your observation in Section 5.6 *“we think there is a clear need and opportunity for local and central government to explore funding and resources that enable and encourage councils to innovate, experiment and share learnings”*. Section 6.4 further reinforces

¹⁵ [The Southern Initiative \(tsi.nz\)](https://www.tsi.nz/)

¹⁶ [Impact Collective | Unite together. Listen together. Act together.](https://www.impactcollective.co.nz/)

this with the proposal to *“co-invest for community outcomes (meaning) an approach where central and local government (and we would suggest others as well including iwi) align efforts to plan, fund, and executive initiatives and projects to maximise wellbeing outcomes at place...informed by place-based expertise and knowledge.”*

In their work on Collective Impact, Kanier and Kramer noted that creating a successful collective impact initiative requires a significant financial investment: the time participating organisations must dedicate to the work, the development and monitoring of shared measurement systems, and the staff of the backbone organization needed to lead and support the initiative’s ongoing work.

Examples of collective impact they looked at often struggled to raise money, confronting funders’ reluctance to pay for infrastructure and preference for short-term solutions. Collective impact requires instead that funders support a long-term process of social change without identifying any solution in advance. They must be willing to let grantees steer the work and have the patience to stay with an initiative for years, recognizing that social change can come from the gradual improvement of an entire system over time, not just from a single breakthrough by an individual organization.

They concluded that success requires a fundamental change in how funders see their role, from funding organisations to leading a long-term process of social change. It is no longer enough to fund an innovative solution created by a single non-profit or to build that organization’s capacity. Instead, funders must help create and sustain the collective processes, measurement reporting systems, and community leadership that enable cross-sector coalitions to arise and thrive.¹⁷

Similarly, we support your analysis in Section 6.4.3 where a re-set of the relationship between local and central government is explored to allow for better alignment, partnering and co-investment for the benefit of communities. As mentioned, its important that all levels of government build better levels of understanding of what outcomes will drive wellbeing gains.

While we agree it’s important for central and local actors to agree, with communities, the specific outcomes that will lift wellbeing in place, and to challenge each other, we remain mindful of the observations already made in the report regarding the way, for example, community outcomes are currently developed, and the somewhat instrumental way the engagement can sometimes (but not always) occur in service of already committed and preferred results reflecting the bureaucratic , political biases and inherited responsibilities of organisations.

Where that is possible in a way which is “blind” to the above factors, that should most definitely be encouraged. However there may be merit in exploring a more independent approach to understanding the drivers of local wellbeing before conversations are had about actions needed and who funds what. The ultimate responsibility for negotiating and deciding on the levels of service delivered needs to remain with elected officials, but until the conversation about what matters for wellbeing is better separated from those who are charged with delivering service, the conflict of interest will remain and, for want of a better phrase, much consultation will continue to be a “hammer looking for nails to hit.”

We support the discussion in Section 8.6.2 regarding redesigning the long-term planning process. We agree that communities need to be far more involved in the identification of community outcomes and priorities and would add that this process needs to be insensitive to who is asking and what services (both liked and disliked) they currently provide. A more independent wellbeing

¹⁷ [Collective Impact \(ssir.org\)](https://www.ssiir.org/)

sensing service could continuously build and maintain an understanding of what creates wellbeing for communities . The insights developed through this process would need to be audited for quality and made freely available to all wellbeing organisations and citizens. In this way, asking “how’s life” via Community Outcomes is not a 3-yearly exercise, but an ongoing initiative which builds deeper and wider understanding as it goes¹⁸.

In this model, local and central government, community organisations, iwi and citizens draw on this wisdom as/when it is needed and can request the function ask any additional question when deeper insight is needed.

8. Summary

We congratulate the Panel for developing a thoughtful and insightful report on options for the future of local government in New Zealand. The Panel has shown courage, uncovering some challenging questions and truths which deserve further consideration and genuine debate before any substantive changes are contemplated. We look forward to the next stage of the process with much optimism.

Harvey Brookes

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Waikato Wellbeing Project

¹⁸ For example refer to the work done by the Whanganui Impact Collective : https://impactcollective.org.nz/wp-content/uploads/2022/07/Whanganui-Equity-and-Wellbeing-Profile-2022_web-version.pdf