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Submission to New Zealand Productivity Commission on Local government funding and financing

Introduction

- 0.1. The National Council of Women of New Zealand, Te Kaunihera Wahine o Aotearoa (NCWNZ) is an umbrella group representing over 200 organisations affiliated at either national level or to one of our 15 branches. In addition, about 450 people are individual members. Collectively our reach is over 450,000 with many of our membership organisations representing all genders.
- 0.2. NCWNZ's vision is a gender equal New Zealand and research shows we will be better off socially and economically if we are gender equal. Through research, discussion and action, NCWNZ in partnership with others, seeks to realise its vision of gender equality because it is a basic human right.
- 0.3. This submission has been prepared by the NCWNZ Economics Standing and the Parliamentary Watch Committees.

1. Summary

- 1.1. NCWNZ supports many of the findings and recommendations in the Draft Report on Local government funding and financing.
- 1.2. However, NCWNZ recommends that further consideration be given to factors that contribute to improved decision making, particularly to strong and capable leadership. In addition, more analysis in relation to the demographics of households facing material hardship and the likely impact of the recommendations in the Draft Report, would add weight to the findings.

2. Improving decision making

- 2.1. Elected members should be representative of their communities to inform and support decision making, reflecting the diversity of those communities. In the last local body elections the number of women standing for local government was 28%¹, while the proportion of women elected as

¹ LGNZ (2016) Candidates <https://www.lgnz.co.nz/nzs-local-government/vote2016/candidates/>

members was 38%². This not an equitable situation. In addition, such disparity in representation undermines the effectiveness of decision-making as it cannot draw sufficiently on the range of lived experience and views that are present in the wider community. A greater focus on diversity on councils would potentially contribute to more informed, better decision-making. While many factors might have influenced women in their decisions to stand – or not stand – for local government roles, or to continue in such roles, that may be beyond the control of local government to influence, there are some factors that are within its control. For example, the training of potential and elected candidates, is an area where there is scope for improvement. Other factors which can support women include timing of meetings and support for childcare.

- 2.2. As identified in the draft report, underpinning the performance of Councils is the training and development of elected members. NCWNZ supports the Commission’s recommendations relating to training and development, noting that this should be a requirement of holding such public offices. Budgets should be allocated to support training and development, along with appropriate performance measures. Training should be ongoing, mandatory and monitored, as it is with other professional occupations, such as accountants, doctors, engineers and lawyers. This training and development should also include a specific focus on diversity. Targeted training and development should be available to encourage and support ‘future council members’, in a similar way that programmes like *Future Directors in the state sector*³ do.

3. Principles for funding and financing

- 3.1. NCWNZ is concerned about the vulnerable position of people on low incomes or fixed incomes, noting that many of these people are women with children to support. Any recommendations for additional or changing approaches to funding that have a negative flow on effect to those who can least afford them, needs to be considered from a broader perspective in terms of that effect, both now and in the future. This includes recommendations relating to funding and financing that have an inter-generational impact.
- 3.2. NCWNZ acknowledges the complexities and challenges of developing an “equitable and fair” principle to evaluate funding and financing tools. This may be more a challenge of finding a balance, particularly in relation to who benefits and what is affordable.

4. Equity and affordability

- 4.1. Women are major users of public services, including local government services. Therefore, we would suggest caution in applying the “benefit principle” in determining who should pay and how much. More specifically, analysis in the report of the households facing material hardship would add to the

² LGNZ (2019) New Zealand’s elected members: A profile <https://www.lgnz.co.nz/assets/e41e5fb07f/Elected-Members-Profile-Report-FINAL.pdf>

³ Future Directors - <https://women.govt.nz/leadership/all-about-boards/nominations-and-appointments-process/future-directors>

weight of evidence within the report, for example rather than just referring to younger people, gender and diversity would provide a wider lens to consider the impacts of decisions relating to equity and affordability.

5. Adapting to climate change

- 5.1. NCWNZ recognises the necessity of building resilience against the effects of climate change and disaster risk.⁴ Urgent action and strong national and local leadership is required. The impact on local communities also requires national and local funding, as recommended in the findings of the draft report. In general, NCWNZ supports the recommendations of the Commission.

6. Conclusion

- 6.1. The findings and recommendations in the draft report address many of the issues confronting local government capability, funding and financing, as per the scope of the terms of reference. Our concerns focus on the likely impact of recommended funding options on low income women and other vulnerable populations, and we would recommend more analysis on this be undertaken.



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⁴ NCWNZ. 2017. Appendix "D": Resolutions of National Meetings 2011-2018. 7.13.6. <https://www.ncwnz.org.nz/wp-content/uploads/2018/11/Appendix-D-Resolutions-2011-2018.pdf>